STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **20**
to
Contract Number **071B8200018**

CONTRACTOR	
	Deloitte Consulting LLP
	200 Renaissance Center Suite 3900
	Detroit, MI 48243-1313
	David Parent
	313-396-3004
	dparent@deloitte.com
	*******4513

STATE			
	Program Manager	David Gilliland	
		517-636-5006	
		gillilandd@michigan.gov	
	Contract Administrator	Jarrod Barron	DTMB
		(517) 284-7045	
		BarronJ1@michigan.gov	

CONTRACT SUMMARY

DESCRIPTION: MBT/MIITAS

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2007	December 31, 2010	2 - 1 Year	December 31, 2018

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$77,448,071.99	$ 5,060,267.00	$82,508,338.99

DESCRIPTION: Effective June 21, 2016, the parties add $5,060,267.00 for services to develop and implement corporate income tax processing functionality for the City of Detroit, as described in the attached statement of work and associated documentation. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency, DTMB Procurement, and State Administrative Board approval.

After Amendment, remaining SIGMA funds approved by Ad Board but not yet added to contract: $568,938.00

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK

Project Title: **CITA Corporate Income Tax Development**	**Period of Coverage:** **June 23, 2016–April 10, 2017**
Requesting Department: **Treasury**	**Date:** **May 23, 2016**
DTMB Project Manager: **David Gilliland**	**Phone:** **517-636-5006**

1.0 BACKGROUND:

This Change Notice, effective June 23, 2016, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting, dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. For the purposes of this Change Notice, the term "Parties" means the State and Deloitte Consulting. Where conflicts arise, this Change Notice shall govern.

The SAP software platform provides the framework for the Michigan Integrated Tax Processing and Administration System (MIITAS) to which all mainframe Tax and Revenue systems will transition in future projects. This Change Notice defines the Services that Deloitte Consulting will provide related to developing and implementing CITA Corporate Income Tax (CIT) processing for the City of Detroit ("CITA CIT Development" or "Project"). As described in Article 1, Section 1.001 of the Agreement, the State elects to exercise its option to obtain a statement of work (SOW) for optional MIITAS Services.

2.0 PROJECT OBJECTIVE:

The State has begun its process of moving all of its end-of-life core tax and revenue functions from its existing legacy systems to the new SAP software platform. The first MIITAS phase implemented the SAP software platform for the new Michigan Business Tax (MBT). Subsequently, Corporate Income Tax (CIT) and Flow-through Withholding (FTW) were implemented, as were Business Tax Registration and Sales, Use and Withholding Tax (SUW). The State is currently implementing the first release of a multiple-release implementation of the City Income Tax Act (CITA) project, enabling Michigan to process individual income tax returns for the City of Detroit. It is also implementing the Essential Services Assessment (ESA) project, enabling Michigan to levy a specific tax on the acquisition cost of eligible manufacturing personal property that is exempt from ad valorem personal property tax collected at the local level beginning in 2016, under 2014 PA 92. The CITA CIT Development will configure, develop, test, and implement the previously developed blueprint for CITA Corporate Income Tax and Withholding processing for the City of Detroit. The State believes CITA CIT can be used as a baseline for providing similar services to additional Michigan cities.

3.0 SCOPE OF WORK:

3.0 Project Methodology and Approach

3.1 Integration

The Project will bring four distinct organizations together to coordinate project and quality management. As part of the project planning process, a comprehensive plan will be developed to help align the objectives and outputs from each organization. Below is a partial list of responsibilities for Treasury/DTMB, Deloitte Consulting, Dewpoint/Project Control Office (PCO), and SAP:

3.1.1 Treasury/DTMB

These State departments will be the users and the owner of the MIITAS system including the CITA CIT processes. Together, they will be responsible for validating requirements and approaches, approving deliverables, and assisting with the project as described in the Agreement, including design of development objects.

3.1.2 Dewpoint/PCO

The PCO will retain responsibility for overall program management and alignment of the Project with other agency initiatives. While Deloitte Consulting will have responsibility for initial planning and updates to the Project work plan for tasks under the Deloitte Consulting scope, the PCO will own the master plan and report progress against objectives.

3.1.3 Deloitte Consulting
Deloitte Consulting will be responsible for the development of the Project within the scope defined in this Change Notice, and the creation of the specified deliverables. Responsibility includes management of the planned Project tasks.

3.1.4 SAP
SAP will assist in assessing the quality of functional and technical designs and providing guidance during the Project pursuant to the terms of Purchase Order # 084N6601725 of SAP's existing State Contract # 071B1300170, through which SAP provides technical implementation assistance on a time and materials basis. Specific areas of involvement will include:

- Review of business process documentation
- Review of functional specifications and Blueprint narrative
- Review of high-level design

3.2 Methodology
Deloitte Consulting will continue to leverage tools and approaches from its Enterprise Value Delivery for SAP methodology (EVD). Deloitte will use standards defined in EVD in planning, estimating and scheduling tasks to perform the scope defined in this Change Notice. The detailed project schedule, phases, gateways, and project milestones will be defined in collaboration with the State and the PCO. The PCO will monitor and control the project.

The EVD methodology phases in scope for this Project are described below. The Parties' roles and responsibilities with respect to the deliverables covered by this Change Notice are described in Section 6.0 of this Change Notice.

3.2.1 Phase 3a - Realization - Build
The Realization - Build phase focuses on technical specifications, SAP configuration and documentation, and software development. Report and form layouts are created. Go-live plans are developed. Unit and string testing are conducted. The State will develop end user training materials and configure security roles, including role-to-position mapping.

3.2.2 Phase 3b - Realization - Test
The Realization - Test phase focuses on various types of testing to confirm that the business and technical requirements have been addressed. This consists of developing test cases and conducting testing and defect resolution. Test types in this phase may include integration, user acceptance, regression, performance, stress, and batch schedule testing, and go-live dress rehearsal. During this phase, end user training schedules are finalized and go/no-go criteria is defined.

Deloitte Consulting will have responsibility for managing and executing unit testing and string testing. Deloitte Consulting will also have primary responsibility for planning, managing, and conducting integration test execution. The State will play the primary role in preparing and documenting test scenarios, test cases and the test tax returns and associated data for such testing. (Note: The Department of Treasury intends to perform knowledge transfer and transition these responsibilities to DTMB for future projects.) Deloitte Consulting will provide support and assist the State on this project in reviewing test scenarios and advising on potential opportunities for improvement toward the objective of providing comprehensive test scenarios, scripts, and data. These test tax returns may also be used by the State as the basis for their user acceptance testing. The State will also have responsibility for managing and executing end user acceptance testing and regression testing, and performance testing, including test case development and any required training for its testers. During end user acceptance testing, regression testing, and performance testing, Deloitte Consulting will have responsibility for addressing defects related to any code or configuration Deloitte Consulting has introduced during the design, configuration, and development work for the new tax(es). This will include approved change controls executed by Deloitte Consulting during this phase. The State will have responsibility for addressing defects related to previously implemented taxes or technical infrastructure.

The table below includes the scope of testing to be performed during the Project, some of which may occur

concurrently. Responsibilities are as described above.

Test type	Party Responsible	# of cycles	# of weeks per cycle	Data/Comments
Unit	Deloitte Consulting	N/A	N/A	Mock
String	Deloitte Consulting	1	2	Mock
Integration	Deloitte Consulting	4	2	Bank test data
User Acceptance Testing	State	2	1 for 1 week; 1 for 2 weeks	Bank test data
Regression Testing	State	N/A	N/A	Mock/Bank Test Data
System Performance Testing	State	N/A	N/A	Mock/Bank Test Data

3.2.3 Phase 4 - Final Preparation

During the Final Preparation phase, the production SAP system and end users are prepared for go-live. This consists of end-user training, go-live execution, and mobilization of the production support organization and procedures. The go-live is executed, which includes loading data into the production systems, confirming that the data is loaded, managing transports, validating traceability documentation completeness, and creating end user system access.

3.2.4 Phase 5 - Go Live & Support

The Go-live and Support phase is the transition from the readiness activities of a pre-production environment to conducting business operations in the production system. Production support is provided, system transactions are monitored, support is transitioned to the production support organization, and the Project is closed.

3.3 Documentation Management

Serena will continue to be the primary document repository for the project. Approved deliverables, including functional specifications, will be stored in Serena and accessed through authorized State personnel. Deloitte Consulting will also supplement Serena with Deloitte Consulting's eRoom, or equivalent solution, to store in-process documents and deliverables. The eRoom, which can also be accessed by non-Deloitte Consulting project team members, provides version control and workflow management. Data in the eRoom will be limited to design documents only – no taxpayer data will be stored. At the conclusion of the project, all documents in the eRoom will be provided in soft copy to the State for record-keeping purposes, and information in the eRoom will be permanently removed. Deloitte Consulting will be entitled to maintain copies for archive purposes. Deloitte will coordinate with designated security administrators within DTMB to manage user access to the eRoom.

To store business process information, Deloitte Consulting will build on the existing Michigan Tax Industry Print. Industry Print is a Deloitte business process-modeling tool and has been used as the basis for maintaining traceability from requirements to process model to functional and technical designs and testing.

3.4 Quality Management

The project team will create all in-scope Project documentation, including specifications and design documents, according to updated and agreed-upon document templates. Applying standard templates will help to create consistency across deliverables.

While templates standardize deliverable creation, checklists act as a standardized tool used during the deliverable quality review process. These checklists help to maintain a consistent level of review across reviewers. Checklists will be coordinated with SAP, who will be acting in a Quality Review capacity throughout the project.

A repository of checklists will be maintained in the project eRoom.

3.5 Work plan Management

Deloitte Consulting will plan the activities necessary for the design and development of the proposed solution using MS Project as the primary tool. MS Project allows for the management of task dependencies, and resources assigned to those tasks. It also facilitates the definition of the critical path, which assists the project management team in prioritizing the activities that, if delayed, may affect the timeline or resources for the project, and adjustments to the schedule can then be evaluated and alternatives considered for addressing those constraints.

Once the initial schedule has been baselined, the PCO will integrate the tasks into their overall program management structure. Individuals will record their time against tasks in the plan, and the PCO will maintain weekly Earned Value reporting to show project progress. This reporting will allow for comparison of actual task completion dates against the plan so that any predicted slippage can be managed.

The PCO will coordinate weekly project review meetings to review the project status jointly with the project management team, identifying project tasks coming due in the short term, project tasks completed since the last review, and tasks underway. As progress is compared to the baseline plan, Deloitte Consulting will seek to identify potential problem areas or opportunities to accelerate the schedule, and will work with the State's project manager to resolve issues that may arise. Additionally, as each methodology phase of the project is completed, the schedule will be reviewed and updated to reflect any necessary time or resource updates required based on the details uncovered during the previous phase.

3.6 Integration Test Planning, Management, and Execution

Based on the business blueprint for the new tax(es) to be implemented and the relevant functional specifications, the State will identify and define the test scenarios, test cases, and prepare returns and payments and associated data consistent with supporting the execution of test scenarios and cases for the new tax(es) to be implemented. For example, a test case may require a Detroit Corporate Tax return for an out-of-state company with 50% of its $500 million income in Detroit filing a paper-based return, along with additional criteria. The State will be responsible for preparing a test scenario and test case that defines the steps required to perform the desired test and the expected outcomes for that test, as well as preparing a text return that meets the specific criteria. Deloitte will have the opportunity to review Test Scenarios and Test Case Outlines, and provide such feedback to the State to resolve, to assure clarity and completeness for integration testing purposes.

The State will also be responsible for preparing returns and payments for year-end tax update testing and regression testing as part of its year-end tax updates project. It will also be responsible for integration testing of any defect issue resolutions associated with code or configuration the State has introduced during the update of those taxes. Deloitte Consulting will review the State's current regression testing scenarios and test cases and recommend enhancements to improve the coverage of regression testing.

Test scenario and test case definition will occur in the early stages of the CITA CIT Development project and in advance of integration testing. The submission of test returns and payments by the State to its bank for development of required scanning functionality is required prior to development of test scenarios and cases. Deloitte will leverage this same data for test execution; however, the early timing by which the State must provide test returns and payments to its bank may require the State to submit additional test returns and payments should Deloitte and the State find there is not adequate data to support the test scenarios and cases subsequently defined by the State. In the event additional data is required, Deloitte Consulting will work with the State testing team to define required data and the State will create the returns and/or payments to submit to the bank for scanning and data capture. If this required data is determined after bank submission deadlines, the State will be responsible for manually entering data into its e-file channel to support the specific test scenarios.

Deloitte Consulting will be responsible for scheduling the integration test scenarios and test cases for the new tax(es) to be implemented, executing the test cases, reviewing the results, identifying Remedy issues for resolution, and executing failed scripts if needed. Execution includes the entry of returns into MTO and payments into PayConnexions where necessary. Deloitte Consulting will utilize defined user roles to include security in its integration testing. The State will be responsible for scheduling and executing the year-end tax update integration testing and all regression testing as part of its year-end tax updates project. Deloitte Consulting and the State will each resolve those issues attributable to their respective responsibilities. As part of test execution, Deloitte Consulting will record test results in the State's test management software (HPQC) and provide routine reporting on results. As applicable, during and upon completion of the project, Deloitte Consulting will perform knowledge transfer to assist DTMB in building its capabilities to perform integration testing on future projects.

Deloitte Consulting testers will execute the integration test cases and assign severity levels to Remedy issues

as follows:

- High—indicates the integration test script cannot be executed as designed, impacting necessary daily system operations or operations required prior to when the issue can be resolved, and no acceptable alternate process is available
- Medium—indicates the integration test script cannot be executed as designed, affecting necessary daily system operations or operations required prior to when the issue can be resolved, but a State-approved alternate process, which may include a repair during the Warranty Period, is available. Defect issues that have not received State approval for an alternate process shall remain at a high severity level until the issue is resolved or such approval is received. Such approval shall not be unreasonably withheld.
- Low—indicates a cosmetic issue or an issue that does not affect necessary daily system operations or operations required prior to when the issue can be resolved.

The criteria for approval of the integration test shall be:

- All integration test cases have been executed
- All high-severity issues identified during the integration testing have been resolved or an acceptable alternate process is available, allowing the integration testing issue to be reclassified.

4.0 DETAILED SCOPE OF SERVICES:

Deloitte Consulting will assist in the development; unit testing; string testing; integration testing; and resolution to integration, user acceptance, and performance testing defects for the Project (the "Services"). For CITA CIT, Deloitte Consulting will also provide a 12-week warranty as described in section 11.0 of this Change Notice. Production support for previously implemented functionality, training and training development, security and controls design and development, change management, and stakeholder communications are specifically excluded from this Change Notice and will be the responsibility of the State, unless otherwise agreed upon in a separate Change Notice. Updates to Siebel, STAR and any other legacy State applications are also out of scope for Deloitte.

For the Development and Configuration Scope listed in section 4.1 of this Change Notice, Deloitte Consulting will be responsible for the following changes and updates to MIITAS and related documentation, including:

- Technical specification creation or updates
- Configuration documentation updates
- System configuration
- Programming
- Unit testing
- String testing
- Integration Testing
- Testing defect resolution
- Warranty for 12 weeks from the go-live date.

4.1 Development and Configuration Scope

Based on completed blueprint phase activities presently underway (under a separate Change Notice), the following configuration and development objects are planned to meet the functional requirements included in Appendix 1 of this Change Notice.

4.1.1 Reports

RICEFW ID	Description
	STAR Reconciliation Report
	Browsing Report
	BW Return Detail Analysis Report
	BW Credit Forward
	BW Holds on Account Report

	BW Initial Status Report
	BW Production Dashboard Report
	BW Production Detail Analysis Report
	BW Returns Backlog Report
	BW Exception Report as a start for the 943 Report
	BW Staff Production Detail Report
	Collection Summary Report
	BI Taxpayer Return Data Report
	DW Statistics
	Percentage of Returns Processed Timely
	Acknowledgement Control Totals Report
	Assessment Pending Feedback Report
	Returns Error Report
	E-file Posting Report
	Refund Revenue
	Revenue Reporting
	Pending Assessments Report
	Assessments Filter Report
	Refunds Paid Report
	Refunds in Approval Queue
	Refunds Pending Processing
	Year End Receivables Revenue Report
	Report on Delinquency Letters and Computed Assessments

4.1.2 Interfaces

RICEFW ID	**Description**
	Return Mailings to Print Vendor
	Stop Action Upload
	TI11 264 INT6 Voucher Data to Print Vendor
	FileNet Interface
	Data Warehouse Interface
	Siebel Interface
	Outbound Interface to STAR
	Feedback from STAR
	Registration Interface
	Audit Return Load
	Payment Load
	Refund Feedback
	MAIN Interface
	Refunds to MAIN
	E-File Return Load
	E-File Acknowledgements
	NSF Interface
	Bulk Payments

	TI11 270 INT23 Prior Year City Tax Liability
	TI11 268 Convert Estimate Payments
	Paper Return Load
	TI11 265 INT8A Load Outstanding Debts File

4.1.3 Configuration

RICEFW ID	Description
	Clearing Configuration
	General Configuration

4.1.4 Conversion

RICEFW ID	Description
	Conversion

4.1.5 Workflow

RICEFW ID	Description
	Backend Workflow
	Return Workflow
	Adjustments and Write-off Workflow
	Inbound Correspondence Workflow
	Postings Workflow

4.1.6 Enhancements

RICEFW ID	Description
	Collections Process Enhancement
	Search by TRH Number
	Filing Frequency Change
	Reopen
	Bulk Returns
	Delinquency
	BP Overview Enhancement/Returns Summary Screen
	E-File Images
	Merge
	Unmerge
	Refunds Address Change from Portal
	Stop Action Table
	E-File Attachments
	IDA Form
	Control Outgoing Letters by Letter Type
	UWL
	Garnishments and Offset for Debts
	Discontinuance to Cancel Delinquency Notices

4.1.7 Forms

RICEFW ID	Description

	City Corp Income Tax Notice of Balance Due (5309)
	City Corp Income Tax Notice of Proposed Tax Due (5303)
	City Corp Income Tax Notice of Intent to Assess (5310)
	City Corp Income Tax Corrected Notice of Intent to Assess (5311)
	City Corp Income Tax Final Notice of Taxes Due (5312)
	City Corp Income Tax Corrected Final Notice of Taxes Due (5314)
	City Corp Income Tax Final Demand for Taxes Due (5315)
	City Corp Income Tax 10-Day Demand for Payment (5316)
	Additional Information Letter
	Delinquency Letter
	Payment Statement Letter
	Preregister letter
	Extension Letter
	Reactivated Account Letter
	Notice of Refund Offset
	Internal Collection Letters
	Corrected Notice of Assessment
	TBOR
	City Withholding Tax Notice of Balance Due
	City Withholding Tax Notice of Additional Tax Due
	City Withholding Delinquency Letter
	City Withholding Tax Notice of Intent to Assess
	City Withholding Tax Corrected Notice of Intent to Assess
	City Withholding Tax Final Notice of Taxes Due
	City Withholding Tax Corrected Final Notice of Taxes Due
	City Withholding Tax Final Demand for Taxes Due
	City Withholding Tax 10-Day Demand for Payment
	BRF General Rules Across Forms
	2016 City of Detroit Corporate Income Tax Return
	2016 City of Detroit Corporate Renaissance Zone Schedule
	2016 City of Detroit Corporate Income Tax Penalty and Interest Computation for Underpaid Estimated
	2017 City of Detroit Income Tax Withholding Annual Reconciliation
	2017 City of Detroit Income Tax Withholding Monthly/Quarterly Return
	BRF Functions
	P&I Calculations
	Billing Actions
	Computed Assessments

4.2 Security Scope

The State will be responsible for all development, maintenance, and administration of security for the MIITAS system at both hardware and software level. Deloitte Consulting will provide information on new transactions to the State security team so that each transaction can be added to appropriate roles or new roles as necessary. Transactions and roles as well as unique security requirements will be documented in the relevant Functional Specifications.

4.3 Technical Scope

The State will be responsible for all technical infrastructure acquisition, set-up, design, implementation,

performance, maintenance, and support for the Project. All hardware, software licensing, and network connectivity and bandwidth will be responsibility of the State.

4.4 End User Training Scope

All training material design and development and training delivery will be the responsibility of the State.

5.0 TASKS:

The planned timeline for the Project will begin on or about June 23, 2016 with a planned completion for April 10, 2017. The project will be shut down for one week during July, one week in November, and two weeks in December/January for holidays. Below are the estimated dates for major activities to be completed by the Parties:

CITA CIT Development	Start Date	End Date
Technical Design	June 23, 2016	July 1, 2016
Code and Unit Test	June 23, 2016	September 2, 2016
String Test	September 6, 2016	September 16, 2016
Integration Test	September 19, 2016	November 30, 2016
User Acceptance Test	December 1, 2016	January 11, 2017
Implementation	January 12, 2017	January 16, 2017
Go Live	January 16, 2017	January 16, 2017
Warranty	January 16, 2017	April 10, 2017

6.0 DELIVERABLES:

Deliverables for this project are included in the following table and will not be considered complete until the Agency Project Manager has formally accepted them. In the following chart, "Deloitte Consulting" includes State resources specifically allocated to this project, as defined in the Project Staffing and Responsibilities section of this Change Notice.

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Project Work plan	The Project Work Plan is a deliverables-based execution plan showing the responsibilities, dependencies, schedule, and planned effort for Project tasks.	Secondary	Secondary	Primary
Technical Specifications	Technical Specifications are created for each technical object in the system and define the specific implementation approach for that object. There may be one or more technical specification for each functional specification, and multiple functional specifications may be consolidated into a single technical object and specification.	Secondary	Primary	
Configuration Documentation	Configuration documentation shows the configuration values and locations within SAP where these values are set. Configuration documents will also indicate the reasoning for each configuration setting.	Secondary	Primary	
Development Objects	The development required to realize the functional design of the Project implementation.	Secondary	Primary	
Unit Test Documentation	Unit tests are completed for each technical object. The inputs and results of each unit test are reflected in the unit test documentation for that object.	Secondary	Primary	

Test Scenarios and Test Case Outlines	The Test Scenarios are the high-level activities that comprise the overall process flows to be included in the integration test. The Test Case Outlines provide a high-level description of the key data (returns and payments) required for the test cases. Deloitte will have the opportunity to review Test Scenarios and Test Case Outlines to assure clarity and completeness for integration testing purposes.	Primary	Secondary
Test Case Returns and Payments	Test Case Returns and Payments consist of the actual tax returns and payment vouchers to be entered/scanned to satisfy the integration test case outlines.	Primary	Secondary
Detailed Test Cases	Detailed Test Cases are based on the Test Case Returns and Payments and consist of the detailed test steps to be performed, including expected results of each test step and the test in total. Deloitte will have the opportunity to review Detailed Test Cases to assure clarity and completeness for integration testing purposes.	Primary	Secondary
Integration Test Results	Results include the actual results of each step, its pass/fail status, and any resulting issues.		Primary
Integration Test Approved Workarounds	Integration Test Approved Workarounds are a list of alternate processes approved by the State for medium-severity issues identified in integration testing.	Secondary	Primary
User Acceptance Test Approved Workarounds	Acceptance Test Approved Workarounds are a list of alternate processes approved by the State for medium-severity issues identified in user acceptance testing.	Primary	Secondary
User Acceptance Test Scripts and Results	User Acceptance test scripts define the test cases that will be run to validate the integrated functionality of the Project, and assess go-live readiness. Results reporting shows the pass/fail status of each script.	Primary	
Go-Live Plan	The go-live plan indicates the required steps to bring the Project into production, including dependencies, time schedule and responsible party.	Primary	Secondary
Training Materials and End-User Training Delivery	Training materials include any new materials and updates to existing materials to prepare Treasury staff to operate the system, including end user procedures, training course slides, course exercises, and training environments.	Primary	

7.0 ACCEPTANCE CRITERIA:

Deliverable acceptance timeframes will be in accordance with Section 2.015 of the Agreement, with the following exceptions:

Deliverable	Initial Review	Deloitte Response	Final Review
Configuration Item	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

8.0 PROJECT STAFFING AND RESPONSIBILITIES:

The following table describes the planned staffing model. It includes only the core staff required for the Project. Additional staff from the State and the Project Control Office will be required to review Deliverables, provide subject matter expertise, and manage the Project within the wider DTMB and Treasury enterprise project portfolio. Except where noted, Deloitte staff are full-time on this project as per submitted staffing plan.

Role	Team	Number	Resource Source

Engagement Director*	Project management	1	Deloitte Consulting
Project Manager**	Project management	1	Deloitte Consulting
Solution Architect**	Project management	1	Deloitte Consulting
Senior PSCD Specialist	Functional	1	Deloitte Consulting
Delivery Manager***	Technical	1	Deloitte Consulting
Development Leads	Technical	3	Deloitte Consulting
Development/BRF Team	Technical	11	9 Deloitte Consulting, 2 State
BI Team	Technical	1	Deloitte Consulting
Test Manager	Testing	1	Deloitte Consulting
Test Lead	Testing	1	Deloitte Consulting
Tester	Testing	13	Deloitte Consulting

*Assigned 3 days per week, including responsibilities on broader MIITAS program

**Assigned full-time, including responsibilities on broader MIITAs program

***Assigned 2 days per week to this project

The State will provide two qualified full-time resources as listed in the following table:

Activity	**Planned Dates**	**Number of State Resources**
Technical Specification Development, Coding, Unit Testing, String Testing, Integration Testing Support, User Acceptance Testing Support and Warranty Support	June 23—April 10, 2017	2

Both Parties will mutually agree upon these State resources in writing and they will be co-located with the Deloitte Consulting resources. It is expected that they will continue with the project through the completion of the Warranty. During their time on the Project, these resources will report to the Deloitte Consulting Project Manager on a day-to-day basis, taking their project-related direction and assignments from Deloitte Consulting; these resources will also participate in knowledge transfer activities to enhance the capabilities of DTMB to perform like activities on future projects. Deloitte Consulting will escalate any issues with State performance to David Gilliland, Project Director supporting Treasury, or his designee as notified in writing to Deloitte Consulting. Where Deloitte Consulting has responsibility for Deliverables as described in the Deliverables section above, these resources will be considered as Deloitte Consulting resources for the purposes of this project. The State may assign these resources to various additional tasks, as it deems necessary if Deloitte Consulting under this Change Notice does not otherwise assign them to tasks after communicating such additional assignments to Deloitte Consulting. These resources will not be removed by the State except upon replacement with qualified resources mutually agreed upon in writing by both Parties. The State resources will be scheduled for a minimum of 9 hours per day.

Deloitte Consulting and the State during the term of this Change Notice agree to maintain a Steering Committee to provide executive oversight and guidance to the members of the Implementation Team. The Steering Committee will be composed of senior management from the State, Deloitte Consulting, and SAP, along with PCO representatives. The Steering Committee will meet in person at least every quarter or as

frequently as mutually agreed, and will discuss topics such as the following:

- Overall management and oversight of the Services described in this Change Notice and any subsequent Change Notices.
- Change Notices requiring additional funding.
- Issues escalated to the Steering Committee, providing agreed-upon direction to the Implementation Team.

The State will also appoint one individual designated, as the State Key Contact, and Deloitte Consulting will appoint one individual designated as the Deloitte Consulting Engagement Director and another designated as the Deloitte Consulting Project Manager. The State will also staff and maintain a PCO. These individuals will be responsible for the performance of the following tasks:

The Deloitte Consulting Engagement Director will:

- Have prime responsibility and final authority for the execution and delivery of Deloitte Consulting responsibilities under this Change Notice.
- Provide guidance to the State Key Contact and Deloitte Consulting Project Manager relative to design, support, budget, and contract management.
- Escalate issues, change requests, and risks when necessary.
- Work with the State Key Contact and Deloitte Consulting Project Manager to review support procedures and documentation standards, and approve Change Notices on behalf of Deloitte Consulting.
- Participate in Steering Committee meetings as needed.

The Deloitte Consulting Project Manager will:

- Manage the day-to-day delivery of Services, including managing work done by functional and technical resources.
- Conduct weekly status meetings with the State Key Contact to review project status and issues.
- Resolve issues and escalate issues as appropriate.
- Participate in Steering Committee Meetings as needed.

The State Key Contact will:

- Act as a single point of contact in the execution and delivery of the Services and responsibilities under this Change Notice.
- Enforce agreed-upon processes and related controls among the State Implementation Team members.
- Ensure clear and open lines of communication exist between the State and Deloitte Consulting Implementation Team members.
- Assist the Deloitte Consulting Project Manager in the day-to-day management of the project and resolution of issues
- Approve Service Changes as needed.
- Participate in Steering Committee meetings as needed.
- Provide prompt notification to Deloitte Consulting of any issues, concerns or disputes with respect to the Services provided.

The PCO will, at minimum:

- Maintain and monitor the project work plan as provided by Deloitte Consulting.
- Provide project management reporting as needed.
- Coordinate Steering Committee communications, meetings, and reporting.

In addition, Deloitte Consulting will provide a full-time Testing Manager with the following responsibilities:

- Manage and control all Deloitte Consulting integration test activities
- Manage the development of Deloitte Consulting's integration test deliverables
- Review and provide input to the State's integration test deliverables
- Coordinate integration testing activities with the State's Testing Manager.

The State will also provide a full-time Testing Manager with the following responsibilities:

- Manage the development of the State's test deliverables
- Review and coordinate input to Deloitte Consulting's integration test deliverables

- Manage and control the State's year-end update testing and regression testing
- Manage and control the State's user acceptance testing.
- Manage and control the State's performance testing.
- Coordinate integration test activities with DTMB and other State agencies for non-Treasury systems.

Both the State and Deloitte Consulting will provide appropriate resources to execute their respective responsibilities for integration and user acceptance testing.

8.1 Deloitte Consulting Key Resources

The following individuals are considered Key Personnel from the beginning of the Services provided under this Change Notice:

- Project Manager–Louis Panebianco
- Solution Architect–Vamshi Putta
- Development Lead-Mohit Mantri

It is acknowledged that unauthorized removal of Key Personnel will interfere with the timely and proper completion of the Services, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State because of any unauthorized removal. Therefore, Deloitte Consulting and the State agree that in the case of any unauthorized removal, the State may assess liquidated damages against Deloitte Consulting.

For the unauthorized removal of any of the Key Personnel listed above, the liquidated damages amount is $25,000.00 per individual if Deloitte Consulting identifies a replacement approved by the State, which approval shall not be unreasonably withheld, and assigns the replacement to the Project to work with the Key Personnel who is leaving for a Transition Period of at least 30 calendar days before the Key Personnel's removal. It is understood that consultants may have valid reasons for leaving the project outside the control of Deloitte Consulting, including termination of their employment, serious illness, or other leaves of absence, and replacement of Key Personnel for such reasons shall not be considered an unauthorized removal.

If Deloitte Consulting fails to assign a replacement to work with the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 liquidated damages for an unauthorized removal, Deloitte Consulting must pay the amount of $833.33 per day for each day of the 30-day period that the replacement does not work with the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per unauthorized removal and failure to provide 30 days of transition must not exceed $50,000.00 per individual, and must not be assessed more than once for the same individual where that individual is providing services under multiple Change Notices to the Agreement.

In cases of authorized removal of resources, Deloitte Consulting will use diligent efforts to propose suitable replacement personnel. Where possible, replacement staff will overlap their role with their predecessor to ease knowledge transfer.

8.2 Project Control and Reports

Deloitte Consulting personnel assigned to Project tasks will record their time on a weekly basis in the State's time management system. Status reports will be produced by the PCO.

9.0 PROJECT FEES AND PAYMENT SCHEDULE:

Deloitte Consulting will perform the Services described in this Change Notice on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $5,060,267, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following payment schedule:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	Deloitte Resource Leveled Project Schedule	$184,010	6/24//2016

2	First 15 Technical Specifications Developed	$184,010	6/28/2016
3	System Test Approach Developed	$368,019	7/1/2016
4	Technical Specifications Completed	$736,039	7/1/2016
5	Integration Test Plan Developed	$368,019	8/9/2016
6	Configuration and Development Objects Ready for String Testing	$368,019	9/2/2016
7	Configuration and Development Objects Ready for Movement to QA Environment	$736,039	9/16/2016
8	Configuration and Development Objects Ready for Acceptance Testing	$828,044	11/30/2016
9	Integration Test Summary Developed	$184,010	12/14/2016
10	Configuration and Development Objects Ready for Movement to Production Environment	$736,039	1/11/2017
11	Warranty, as described in Section 11.0	$368,019	4/10/2017
	Total	**$5,060,267**	

Payment will be made on a fixed fee basis. DTMB will pay Deloitte Consulting upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect Deliverables and/or milestones completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe the Project Deliverable or Milestone, and fees.

Payment shall be considered timely if made by DTMB within forty-five (45) days after receipt of properly completed invoices.

9.1 Hourly Rates for Additional Services

From time to time, the State may request additional changes to these Services. Any additional Services will be processed as described in Section 11.0 of Change Notice #7 to the Agreement, and payment will be based on an hourly rate basis and invoiced monthly in accordance with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Any changes to the Services that require work to be performed after the dates listed in the column headings below will be based on hourly rates to be established in a separate Change Notice to the Agreement. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	**Hourly Rate (through December 31, 2016)**	**Hourly Rate (through December 31, 2017)**
Engagement Manager (PPD)	$352	$359
Project Manager	$324	$330
Solution Architect	$302	$308
Senior PS-CD Specialist	$302	$308
Test Manager	$302	$308

PS-CD Specialist	$244	$249
Senior BRF Specialist	$244	$249
BRF Specialist	$192	$196
Senior Developer	$244	$249
Developer	$192	$196
USDC Delivery Manager	$151	$154
USDC Developer	$120	$130
USDC Tester	$120	$130

9.2 Expenses
The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

10.0 PROJECT CONTACTS:
The designated Deloitte Engagement Director is:

Jason Beal
Deloitte Consulting LLP
111 Monument Circle, Suite 4200
Indianapolis, IN 46204-5108
812-325-8373
jbeal@deloitte.com

The designated DTMB Project Manager is:

David Gilliland
Department of Technology, Management and Budget
7285 Parsons Drive
Dimondale, MI
517-636-5006
gillilandd@michigan.gov

11.0 WARRANTY:
For the purposes of this Change Notice, Deloitte Consulting will warrant for a period of 12 weeks following the Initial Launch Go-Live Date of the Project that the System will conform in all material respects to the Blueprint and included functional specifications developed as part of the CITA CIT Blueprint project. The definition of "Go-Live Date" as used in this section shall be the date on which the configuration and development objects ready for movement to the production environment (Deliverable 10 in the Payment Schedule of this Change Notice) are moved to the production environment. The definition of "System" as used in this section and in Section 2.507 of the Agreement shall be all custom configuration and application code developed by Deloitte Consulting and delivered to the State with respect to this Change Notice.

12.0 GENERAL PROVISIONS:

12.1 Schedule and Project Management

- The Project will observe the following holidays. State employees will observe all applicable State holidays.
    - Memorial Day – Monday, May 30, 2016
    - Independence Day – Monday, July 4, 2016
    - Labor Day – Monday, September 5, 2016
    - Veterans Day – Friday, November 11, 2016
    - Thanksgiving Day – Thursday, November 24, 2016
    - Day After Thanksgiving – Friday, November 25, 2016
    - Christmas Eve – Saturday, December 24, 2016

- Christmas Day – Sunday, December 25, 2016
- New Year's Eve – Saturday, December 31, 2016
- New Year's Day – Sunday, January 1, 2017
- Martin Luther King, Jr., Day – Monday, January 16, 2017
- President's Day – Monday, February 20, 2017

- The project schedule has blocked out the weeks of July 4, 2016, November 21, 2016, December 19, 2016, December 26, 2016 or April 3, 2017 with no new tasks planned to start or finish during this time; Deloitte Consulting will provide a plan to provide sufficient coverage of key project activities during these weeks
- Deloitte Consulting staff typically performs the Services on-site Monday through Thursday and work remotely on Friday. It is presumed normal and customary modifications to this on-site work schedule will occur during the course of the engagement.
- Any delays caused by any activity not a part of this Change Notice will result in a Service Change for any extended staff.

12.2 Project Staffing

- State resources will be available on a timely basis to review and approve project Deliverables.
- The State will take primary responsibility for the following areas:
  - Training material development and training delivery
  - Change management and stakeholder engagement
  - Internal and external communications
  - Security
  - Technical infrastructure
  - User Acceptance, Performance, and Regression Testing
  - Go-live and cutover planning
  - Completion of all internal State approval processes

12.3 Solution and Approach

- The system will be built to conform to the Blueprint and functional specifications developed as part of the CITA CIT Blueprint project.
- Treasury will utilize the State's existing organizational structure within SAP, i.e. the State will continue to use a single company code for all tax processing.
- Updates to existing functional specification documents will be limited to content impacted by the CITA CIT Blueprint. The base documents will not be updated to address known changes that are not directly associated with CITA CIT Blueprint content.
- Updates to the current MIITAS Blueprint document are not in scope for this project, except where aspects of the Blueprint are directly modified because of the CITA CIT Blueprint.
- The PCO will coordinate the functional specification review and approval process. If multiple approvers have been identified for a given functional specification, comments will be held by the PCO until all approvers have responded.
- Functional specification and configuration documents will identify transaction codes being utilized to support business processes.
- Interface designs will be developed to or from the MIITAS System. The State will be responsible for the interface design of any data loading or extraction to or from any legacy software and systems.

12.4 Security and Controls

- The State will be responsible for all aspects of system security and control including transaction security design, configuration, maintenance, and administration.

12.5 Technology and Infrastructure

- SAP software licenses and all hardware required for the Project will be provided by the State. The implementation will utilize SAP ECC 6.0 Enhancement Pack 5.

- The State will be responsible for all system infrastructure planning, procurement, installation and configuration, testing (including performance and stress testing), implementation, maintenance, and support (commonly known as SAP Basis services). This responsibility will

cover all SAP instances including SAP ECC, SAP BI, and SAP CRM. Any material delays caused by a disruption in the system landscape will result in a Service Change for any extended Deloitte Consulting Implementation Team members.

- The QA hardware will be used for Disaster Recovery. The State will be responsible for Back-Up and Disaster Recovery.
- The Deloitte Online Collaboration System (eRoom), or equivalent, will be used to store in-process documents and Deliverables. As documents and Deliverables are approved during the project, they will be moved to Serena. Deloitte Consulting will be responsible for the administration of the eRoom.
- The State will be responsible for application of SAP Notes.

12.6 Data

- The State will be responsible for data quality and data cleansing for conversions.

12.7 Integration Testing

- Deloitte Consulting is not expert at tax law nor tax return preparation and will not utilize the tax preparation expertise in other Deloitte entities for integration testing.
- As the State is responsible for year-end tax updates for all currently implemented taxes, it will also be responsible for all regression testing, to be conducted concurrently with the CITA CIT testing. The State will continue to have a testing team for the execution of its testing responsibilities.
- Test cases and associated tax returns and payments will be defined by the State so that they can be provided to the State's bank for scanning development purposes, according to the timeline (estimated as late June, 2016) and process agreed upon between the State and its bank.
- Deloitte Consulting will be responsible for integration testing the change controls included with the new tax(es) functionality.
- The State will be responsible for all hardware-related and systems administration activities, commonly known as Basis activities, including environment creation and maintenance, system backups, and configuration and program transports between environments. The State's Basis resources will be available as required for integration testing.
- The State's bank will be responsible for scanning paper-based returns/payments and providing test files for integration testing. The State will be responsible for the transfer of files to and from its bank.
- The State will be responsible for loading data to and providing data files from external systems, e.g., MAIN, STAR, Siebel, etc., and Deloitte Consulting will be responsible for validating the data provided by those loads. The State will be responsible for validating data files provided to external systems.
- The State will be responsible for system performance and related system tuning activities.
- The State will be responsible for establishing user IDs for all integration and user acceptance testing activities according to criteria provided by the Testing Managers.
- Deloitte Consulting will create all functional configuration required for integration testing. The State will be responsible for system architectural configuration where needed.
- The State will be responsible for the definition and input of any data required by external systems for integration testing and the execution of those test steps.
- The State will use a subset of the integration test scenarios and test cases for its user acceptance testing.
- The State will provide adequate testing facilities for Deloitte Consulting to conduct its integration testing, including a testing room and access to HPQC.
- The State's Testing Manager or another clearly identified State resource will have responsibility for the approval of integration test results.

The parties agree that this Change Notice shall be excluded from Section 2.306 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything, to the contrary in Section 2.306 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice, regardless of the form of action, shall be limited to $5,060,267 or professional fees paid under this Change Notice whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice.

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

13.0 LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will generally work at 7285 Parsons Drive in Dimondale, Michigan or at Deloitte Consulting's US Development Center in Orlando, Florida.

CITA DEVELOPMENT PROJECT SCHEDULE

Text2	Text3	Task Name	Critical	Work	Start	Finish	Pred
		City Corp Tax - DeloittePlan - FEBGLv19Development	**Yes**	**21,840.72 hrs**	**Thu 6/23/16**	**Mon 4/10/17**	
		Deloitte Resource Leveled Project Schedule ($184,010)	No	9 hrs	Fri 6/24/16	Fri 6/24/16	
		First 15 Technical Specifications Developed	No	36 hrs	Thu 6/23/16	Tue 6/28/16	
		First 15 Technical Specifications Completed ($184,010)	No	0 hrs	Tue 6/28/16	Tue 6/28/16	
		Technical Specifications Developed	Yes	108 hrs	Thu 6/23/16	Tue 7/1/16	
		Technical Specifications Completed ($736,039)	No	0 hrs	Tue 7/1/16	Tue 7/1/16	
		Develop System Test Approach	Yes	54 hrs	Thu 6/23/16	Fri 7/1/16	
		System Test Approach Delivered ($368,019)	No	0 hrs	Fri 7/1/16	Fri 7/1/16	
		City Corp On-Site Project Coordination	**Yes**	**864 hrs**	**Thu 6/23/16**	**Wed 9/7/16**	
		On-Site Development Coordination	No	216 hrs	Mon 6/27/16	Fri 8/5/16	
		On-Site Development Coordination	No	216 hrs	Mon 6/27/16	Fri 8/5/16	
		On-Site Development Coordination	Yes	432 hrs	Thu 6/23/16	Wed 9/7/16	
		USDC Development Lead/Coordination	No	774 hrs	Mon 5/23/16	Thu 9/29/16	
		Integration Script Quality Review	Yes	702 hrs	Mon 7/18/16	Fri 9/9/16	
		Identify Integration Test Data	**No**	**180 hrs**	**Mon 7/25/16**	**Fri 8/5/16**	
		Create Additional Test Data Files	No	180 hrs	Mon 7/25/16	Fri 8/5/16	
		Construction	**Yes**	**2,778 hrs**	**Mon 5/23/16**	**Tue 8/16/16**	
INT268	**CNST**	I--TI11 268 Convert Estimate Payments (TSCNST)	Yes	36 hrs	Thu 6/23/16	Fri 6/24/16	6,112
INT001	**CNST**	I--Bulk Payments (CNST)	No	4 hrs	Mon 6/27/16	Mon 6/27/16	7,113
INT4P	**CNST**	I--Payment Load (CNST)	Yes	36 hrs	Thu 6/23/16	Mon 6/27/16	8,100
INT5B	**CNST**	I--Payments to MAIN (CNST)	No	36 hrs	Mon 6/27/16	Mon 7/11/16	9,114
CON001	**CNST**	C--Conversion (CNST)	Yes	63 hrs	Thu 6/23/16	Tue 6/28/16	11,81
FRM5309	**CNST**	F--City Corp Income Tax Notice of Balance Due (5309)(CNST)	No	27 hrs	Tue 6/28/16	Mon 7/11/16	12,115
FRM001	**CNST**	F--Additional Information Letter (CNST)	No	27 hrs	Mon 7/11/16	Thu 7/14/16	13,119
FRM002	**CNST**	F--Delinquency Letter (CNST)	No	45 hrs	Thu 7/14/16	Thu 7/21/16	14,120
FRM003	**CNST**	F--Payment Statement Letter (CNST)	No	27 hrs	Thu 7/21/16	Tue 7/26/16	15,121
FRM004	**CNST**	F--Preregister Letter (CNST)	No	27 hrs	Tue 7/26/16	Fri 7/29/16	16,122
FRM005	**CNST**	F--Extension Letter (CNST)	Yes	27 hrs	Thu 6/23/16	Fri 6/24/16	31
BRF5321	**CNST**	B--2016 City Income Tax Withheld Annual Reconciliation (CNST)	Yes	145 hrs	Thu 6/23/16	Thu 7/21/16	48,68
FRMR33	**CNST**	F--Corrected Notice of Assessment (CNST)	No	45 hrs	Fri 7/29/16	Fri 8/5/16	21,123
FRMR40	**CNST**	F--TBOR Letter (CNST)	Yes	18 hrs	Thu 6/23/16	Tue 6/28/16	22,83
FRMW001	**CNST**	F--City Withholding Tax Notice of Balance Due (CNST)	Yes	27 hrs	Thu 6/23/16	Tue 6/28/16	23,127
FRMW002	**CNST**	F--City Withholding Delinquency Letter (CNST)	No	27 hrs	Mon 7/11/16	Thu 7/14/16	24,116
INT13	**CNST**	I--Siebel Interface (CNST)	No	36 hrs	Thu 6/30/16	Thu 7/14/16	25,118
INT2	**CNST**	I--Registration Interface (CNST)	No	4 hrs	Thu 7/14/16	Thu 7/14/16	27,133
INT8A	**CNST**	I--Load Outstanding Debts File (CNST)	No	36 hrs	Thu 7/14/16	Wed 7/20/16	28,132
INT23	**CNST**	I--TI11 270 INT23 Prior Year City Tax Liability (CNST)	No	4 hrs	Wed 7/20/16	Wed 7/20/16	29,136
INT4D	**CNST**	I--Paper Return Load (CNST)	No	45 hrs	Wed 7/20/16	Wed 7/27/16	30,137
INT4D-TCB	**CNST**	I--TCB Return Load (CNST)	No	36 hrs	Mon 6/27/16	Mon 7/25/16	124,31
INT7A	**CNST**	I--e-File Return Load (CNST)	No	45 hrs	Tue 6/28/16	Wed 7/13/16	32,130
INT5A	**CNST**	I--Warrant Feedback (CNST)	No	4 hrs	Thu 7/14/16	Fri 7/15/16	34,135
INT5C	**CNST**	I--Outbound Warrants (CNST)	No	18 hrs	Mon 7/25/16	Wed 8/3/16	139,35
INT017	**CNST**	I--Return Mailings to Print Vendor (CNST)	No	36 hrs	Thu 7/21/16	Wed 7/27/16	36,125
INT003	**CNST**	I--Stop Action Upload (CNST)	No	4 hrs	Wed 6/29/16	Wed 6/29/16	37,131
INT006	**CNST**	I--TI11 264 INT6 Voucher Data to Print Vendor (CNST)	No	36 hrs	Wed 6/29/16	Fri 7/15/16	38,145
INT12	**CNST**	I—Data Warehouse Interface (CNST)	No	36 hrs	Wed 7/13/16	Tue 7/19/16	39,140
INT16E	**CNST**	I--Outbound Interface to STAR (CNST)	No	45 hrs	Tue 7/19/16	Tue 7/26/16	40,147
INT16F	**CNST**	I--Feedback from STAR (CNST)	No	45 hrs	Fri 7/15/16	Fri 7/22/16	41,142
ENH155	**CNST**	E--UWL (CNST)	No	27 hrs	Wed 7/27/16	Mon 8/1/16	42,144
ENH007	**CNST**	E--Merge (CNST)	No	45 hrs	Mon 8/1/16	Mon 8/8/16	43,150
ENH008	**CNST**	E--Unmerge (CNST)	No	4 hrs	Wed 7/27/16	Thu 7/28/16	44,138
ENH006	**CNST**	E--E-File Images (CNST)	No	45 hrs	Mon 8/8/16	Mon 8/15/16	45,151
ENH009	**CNST**	E--Refunds Address Change from Portal (CNST)	No	4 hrs	Mon 8/15/16	Tue 8/16/16	48,153
ENH013	**CNST**	E--IDA Form (CNST)	No	4 hrs	Tue 7/26/16	Tue 7/26/16	49,148
ENH003	**CNST**	E--Delinquency (CNST)	Yes	45 hrs	Thu 6/23/16	Tue 6/28/16	50,155
ENH002	**CNST**	E--Bulk Returns (CNST)	No	45 hrs	Wed 6/29/16	Thu 7/14/16	51,158
ENH226	**CNST**	E--Collection Process Enhancement (CNST)	No	45 hrs	Thu 7/14/16	Thu 7/21/16	52,159
ENH227	**CNST**	E--Garnishment Debt and Offset for Debts (CNST)	No	27 hrs	Fri 7/22/16	Wed 7/27/16	53,149
ENH011	**CNST**	E--E-File Attachments (CNST)	No	4 hrs	Tue 7/26/16	Wed 7/27/16	54,157
ENH259	**CNST**	E--Search by TRH Number (CNST)	No	4 hrs	Wed 7/27/16	Wed 7/27/16	55,162
ENH253	**CNST**	E--Filing Frequency Change (CNST)	No	27 hrs	Thu 7/21/16	Tue 7/26/16	56,160
ENH158	**CNST**	E--Reopen (CNST)	No	27 hrs	Wed 7/27/16	Mon 8/1/16	57,161
ENH014	**CNST**	E--Control Outgoing Letters by Letter Type (CNST)	No	45 hrs	Fri 7/15/16	Tue 7/26/16	58,146
ENH5011	**CNST**	E--Discontinuance to Cancel Delinquency Notices (CNST)	No	4 hrs	Thu 7/28/16	Thu 7/28/16	59,152
WRF001	**CNST**	W--Backend Workflow (CNST)	No	27 hrs	Wed 7/27/16	Mon 8/1/16	60,163
WRF005	**CNST**	W--Return Workflow (CNST)	No	27 hrs	Mon 8/1/16	Thu 8/4/16	61,168
WRF006	**CNST**	W--Postings Workflow (CNST)	No	4 hrs	Mon 8/1/16	Mon 8/1/16	62,165
WRF6003	**CNST**	W--Inbound Correspondence Workflow (CNST)	No	4 hrs	Mon 8/1/16	Tue 8/2/16	170,63
WRF267	**CNST**	W--Adjustments and Write-Off Workflow (CNST)	No	4 hrs	Tue 7/26/16	Tue 7/26/16	64,164
BRF5297	**CNST**	B--City Corp Income Tax Return (CNST)	Yes	192 hrs	Thu 6/23/16	Wed 7/27/16	66,173
BRF5323	**CNST**	B--2017 City Income Tax Withholding Monthly/Quarterly Return (CNST)	Yes	90 hrs	Thu 6/23/16	Mon 7/18/16	70,175
BRF002	**CNST**	B--Billing Actions (CNST)	Yes	90 hrs	Thu 6/23/16	Mon 7/11/16	72,178
BRF004	**CNST**	B--BRF Functions (CNST)	No	90 hrs	Mon 7/25/16	Fri 8/5/16	73,179
BRF003	**CNST**	B--Computed Assessment (CNST)	No	45 hrs	Tue 7/19/16	Wed 7/27/16	74,177
R2055	**CNST**	R--Percentage of Returns Processed Timely (CNST)	No	18 hrs	Mon 8/8/16	Tue 8/9/16	75,180
DWSTATS	**CNST**	R--DW Statistics (CNST)	No	4 hrs	Thu 7/28/16	Fri 7/29/16	76,167
TAM RPT 014	**CNST**	R--Assessments Filter Report (CNST)	No	4 hrs	Tue 7/26/16	Tue 7/26/16	77,166
TAM RPT 25	**CNST**	R--Refunds Paid (CNST)	No	4 hrs	Tue 7/26/16	Wed 7/27/16	78,184
TAM RPT 26	**CNST**	R--Refunds in Approval Queue (CNST)	No	4 hrs	Tue 7/26/16	Wed 7/27/16	172,79
TAM RPT 27	**CNST**	R--Refunds Pending Processing (CNST)	No	4 hrs	Fri 8/5/16	Fri 8/5/16	80,129
TAM RPT 29	**CNST**	R--Pending Debts (CNST)	No	4 hrs	Tue 8/2/16	Tue 8/2/16	81,171
TAM RPT 37	**CNST**	R--Refund Revenue (CNST)	No	4 hrs	Thu 8/4/16	Fri 8/5/16	82,169
TAM RPT 38	**CNST**	R--Revenue Reporting (CNST)	No	4 hrs	Fri 8/5/16	Fri 8/5/16	83,189
RP_RPT_042	**CNST**	R--Acknowledgement Control Totals Report (CNST)	No	4 hrs	Wed 7/27/16	Thu 7/28/16	84,174
RP_RPT_017	**CNST**	R--Assessment Pending Feedback Report (CNST)	No	4 hrs	Fri 7/29/16	Mon 8/1/16	85,191
RP_RPT_035	**CNST**	R--Returns Error Report (CNST)	No	4 hrs	Wed 8/10/16	Wed 8/10/16	86,182
RP_RPT_036_39	**CNST**	R--E-file Posting Report (CNST)	No	4 hrs	Wed 7/27/16	Wed 7/27/16	87,185
RP_RPT_001	**CNST**	R--Delinquency Letter and Computed Assessments Report (CNST)	No	45 hrs	Wed 7/27/16	Wed 8/3/16	88,186

Browsing	**CNST**	R--Browsing Report (CNST)	No	4 hrs	Fri 8/5/16	Mon 8/8/16	100,187
TAM_RPT_34	CNST	X--STAR Recon Report (CNST)	No	27 hrs	Thu 7/28/16	Mon 8/8/16	101,181
		Unit Test	**No**	**2,002 hrs**	**Tue 5/31/16**	**Fri 9/2/16**	
INTNSF	**UT**	I--NSF Interface (UT)	No	18 hrs	Fri 7/29/16	Tue 8/2/16	183
INT268	**UT**	I--TI11 268 Convert Estimate Payments (UT)	No	18 hrs	Tue 8/2/16	Thu 8/4/16	212
INT001	**UT**	I--Bulk Payments (UT)	No	18 hrs	Thu 8/4/16	Mon 8/8/16	213
INT4P	**UT**	I--Payment Load (UT)	No	18 hrs	Mon 8/8/16	Wed 8/10/16	207
INT5B	**UT**	I--Payments to MAIN (UT)	No	18 hrs	Mon 8/8/16	Wed 8/10/16	214
TAM RPT 28	**UT**	R--Year End Receivables (UT)	No	18 hrs	Wed 7/27/16	Mon 8/1/16	194
CON001	**UT**	C--Conversion (UT)	No	36 hrs	Tue 8/2/16	Mon 8/8/16	188
FRM5309	**UT**	F--City Corp Income Tax Notice of Balance Due (5309)(UT)	No	18 hrs	Wed 8/10/16	Fri 8/12/16	215
FRM001	**UT**	F--Additional Information Letter (UT)	No	18 hrs	Fri 8/12/16	Tue 8/16/16	219
FRM002	**UT**	F--Delinquency Letter (UT)	No	27 hrs	Tue 8/16/16	Fri 8/19/16	220
FRM003	**UT**	F--Payment Statement Letter (UT)	No	18 hrs	Fri 8/19/16	Tue 8/23/16	221
FRM004	**UT**	F--Preregister Letter (UT)	No	18 hrs	Tue 8/23/16	Thu 8/25/16	222
FRM005	**UT**	F--Extension Letter (UT)	No	18 hrs	Wed 8/3/16	Fri 8/12/16	143
BRF5321	**UT**	B--2016 City Income Tax Withheld Annual Reconciliation (UT)	No	63 hrs	Wed 8/10/16	Fri 8/19/16	193
FRM1004	**UT**	F--Reactivated Account Letter (UT)	No	18 hrs	Mon 8/1/16	Thu 8/4/16	217
FRM227	**UT**	F--Notice of Refund Offset (UT)	No	18 hrs	Thu 8/4/16	Tue 8/9/16	226
FRMR33	**UT**	F--Corrected Notice of Assessment (UT)	No	27 hrs	Thu 8/25/16	Tue 8/30/16	223
FRMR40	**UT**	F--TBOR Letter (UT)	No	27 hrs	Fri 8/5/16	Wed 8/10/16	190
FRMW001	**UT**	F--City Withholding Tax Notice of Balance Due (UT)	No	18 hrs	Tue 8/9/16	Fri 8/12/16	227
FRMW002	**UT**	F--City Withholding Delinquency Letter (UT)	No	18 hrs	Wed 8/10/16	Fri 8/12/16	216
INT13	**UT**	I--Siebel Interface (UT)	No	18 hrs	Mon 8/8/16	Wed 8/10/16	218
INT2	**UT**	I--Registration Interface (UT)	No	18 hrs	Wed 8/10/16	Fri 8/12/16	233
INT8A	**UT**	I--Load Outstanding Debts File (UT)	No	18 hrs	Fri 8/12/16	Tue 8/16/16	232
INT23	**UT**	I--TI11 270 INT23 Prior Year City Tax Liability (UT)	No	18 hrs	Tue 8/16/16	Thu 8/18/16	236
INT4D	**UT**	I--Paper Return Load (UT)	No	27 hrs	Thu 8/18/16	Tue 8/23/16	237
INT4D-TCB	**UT**	I--TCB Return Load (UT)	No	18 hrs	Fri 8/12/16	Tue 8/23/16	224
INT7A	**UT**	I--e-File Return Load (UT)	No	27 hrs	Wed 8/10/16	Mon 8/15/16	230
INT7B	**UT**	I--e-File Acknowledgements (UT)	No	18 hrs	Wed 8/3/16	Fri 8/5/16	195
INT5A	**UT**	I--Warrant Feedback (UT)	No	18 hrs	Fri 8/12/16	Tue 8/16/16	235
INT5C	**UT**	I--Outbound Warrants (UT)	No	18 hrs	Tue 8/23/16	Thu 9/1/16	239
INT017	**UT**	I--Return Mailings to Print Vendor (UT)	No	18 hrs	Tue 8/16/16	Thu 8/18/16	156
INT003	**UT**	I--Stop Action Upload (UT)	No	18 hrs	Fri 8/12/16	Tue 8/16/16	231
INT006	**UT**	I--TI11 264 INT6 Voucher Data to Print Vendor (UT)	No	18 hrs	Tue 8/16/16	Fri 8/19/16	245
INT12	**UT**	I—Data Warehouse Interface (UT)	No	18 hrs	Mon 8/15/16	Wed 8/17/16	240
INT16E	**UT**	I--Outbound Interface to STAR (UT)	No	27 hrs	Wed 8/17/16	Mon 8/22/16	247
INT16F	**UT**	I--Feedback from STAR (UT)	No	27 hrs	Tue 8/16/16	Fri 8/19/16	242
ENH155	**UT**	E--UWL (UT)	No	18 hrs	Thu 8/18/16	Mon 8/22/16	244
ENH007	**UT**	E--Merge (UT)	No	27 hrs	Mon 8/22/16	Thu 8/25/16	250
ENH008	**UT**	E--Unmerge (UT)	No	18 hrs	Tue 8/23/16	Thu 8/25/16	238
ENH006	**UT**	E--E-File Images (UT)	No	27 hrs	Thu 8/25/16	Tue 8/30/16	251
ENH010	**UT**	E--Stop Action Table (UT)	No	18 hrs	Fri 8/19/16	Tue 8/23/16	225
ENH005	**UT**	E--BP Overview Enhancement/Returns Summary Screen (UT)	No	18 hrs	Fri 8/5/16	Tue 8/9/16	241
ENH009	**UT**	E--Refunds Address Change from Portal (UT)	No	18 hrs	Tue 8/30/16	Thu 9/1/16	253
ENH013	**UT**	E--IDA Form (UT)	No	18 hrs	Mon 8/22/16	Wed 8/24/16	248
ENH003	**UT**	E--Delinquency (UT)	No	27 hrs	Tue 8/9/16	Fri 8/12/16	255
ENH002	**UT**	E--Bulk Returns (UT)	No	27 hrs	Fri 8/12/16	Wed 8/17/16	258
ENH226	**UT**	E--Collection Process Enhancement (UT)	No	27 hrs	Wed 8/17/16	Mon 8/22/16	259
ENH227	**UT**	E--Garnishment Debt and Offset for Debts (UT)	No	18 hrs	Fri 8/19/16	Tue 8/23/16	249
ENH011	**UT**	E--E-File Attachments (UT)	No	18 hrs	Wed 8/24/16	Fri 8/26/16	257
ENH259	**UT**	E--Search by TRH Number (UT)	No	18 hrs	Fri 8/26/16	Tue 8/30/16	262
ENH253	**UT**	E--Filing Frequency Change (UT)	No	18 hrs	Mon 8/22/16	Wed 8/24/16	260
ENH158	**UT**	E--Reopen (UT)	No	18 hrs	Tue 8/23/16	Thu 8/25/16	261
ENH014	**UT**	E--Control Outgoing Letters by Letter Type (UT)	No	27 hrs	Fri 8/19/16	Thu 8/25/16	246
ENH5011	**UT**	E--Discontinuance to Cancel Delinquency Notices (UT)	No	18 hrs	Thu 8/25/16	Mon 8/29/16	252
WRF001	**UT**	W--Backend Workflow (UT)	No	18 hrs	Mon 8/29/16	Wed 8/31/16	267
WRF005	**UT**	W--Return Workflow (UT	No	18 hrs	Wed 8/31/16	Fri 9/2/16	268
WRF006	**UT**	W--Postings Workflow (UT)	No	18 hrs	Thu 8/25/16	Mon 8/29/16	265
WRF6003	**UT**	W--Inbound Correspondence Workflow (UT)	No	18 hrs	Mon 8/29/16	Wed 8/31/16	270
WRF267	**UT**	W--Adjustments and Write-Off Workflow (UT)	No	18 hrs	Wed 8/24/16	Fri 8/26/16	264
BRF001	**UT**	B--BRF General Rule Across Forms (UT)	No	54 hrs	Mon 8/1/16	Tue 8/9/16	192
BRF5297	**UT**	B--City Corp Income Tax Return (UT)	No	90 hrs	Tue 8/9/16	Tue 8/23/16	273
BRF5298	**UT**	B--City Corp Renaissance Zone Schedule (UT)	No	54 hrs	Wed 7/27/16	Tue 8/9/16	181
BRF005	**UT**	B--P&I Calculations (UT)	No	27 hrs	Tue 8/23/16	Fri 8/26/16	254
BRF5323	**UT**	B--2017 City Income Tax Withholding Monthly/Quarterly Return (UT)	No	54 hrs	Tue 8/9/16	Fri 8/19/16	275
BRFUPE	**UT**	B--City Corp Income Tax Penalty and Interest Computation - Underpaid Estimated (UT)	No	18 hrs	Fri 8/26/16	Tue 8/30/16	276
BRF002	**UT**	B--Billing Actions (UT)	No	9 hrs	Tue 8/30/16	Wed 8/31/16	278
BRF004	**UT**	B--BRF Functions (UT)	No	54 hrs	Tue 8/23/16	Wed 8/31/16	274
BRF003	**UT**	B--Computed Assessment (UT)	No	27 hrs	Fri 8/19/16	Thu 8/25/16	277
R2055	**UT**	R--Percentage of Returns Processed Timely (UT)	No	9 hrs	Wed 8/31/16	Thu 9/1/16	279
DWSTATS	**UT**	R--DW Statistics (UT)	No	9 hrs	Fri 8/26/16	Mon 8/29/16	272
TAM RPT 014	**UT**	R--Assessments Filter Report (UT)	No	9 hrs	Thu 8/25/16	Mon 8/29/16	266
TAM RPT 25	**UT**	R--Refunds Paid (UT)	No	9 hrs	Mon 8/29/16	Tue 8/30/16	284
TAM RPT 26	**UT**	R--Refunds in Approval Queue (UT)	No	9 hrs	Mon 8/29/16	Tue 8/30/16	283
TAM RPT 27	**UT**	R--Refunds Pending Processing (UT)	No	9 hrs	Tue 8/30/16	Wed 8/31/16	229
TAM RPT 29	**UT**	R--Pending Debts (UT)	No	9 hrs	Wed 8/31/16	Thu 9/1/16	271
TAM RPT 37	**UT**	R--Refund Revenue (UT)	No	9 hrs	Tue 8/30/16	Wed 8/31/16	263
TAM RPT 38	**UT**	R--Revenue Reporting (UT)	No	9 hrs	Thu 9/1/16	Fri 9/2/16	288
RP_RPT_042	**UT**	R--Acknowledgement Control Totals Report (UT)	No	9 hrs	Wed 8/31/16	Thu 9/1/16	280
RP_RPT_017	**UT**	R--Assessment Pending Feedback Report (UT)	No	9 hrs	Thu 9/1/16	Fri 9/2/16	291
RP_RPT_035	**UT**	R--Returns Error Report (UT)	No	9 hrs	Thu 9/1/16	Fri 9/2/16	282
RP_RPT_036_39	**UT**	R--E-file Posting Report (UT)	No	9 hrs	Wed 8/31/16	Thu 9/1/16	287
RP_RPT_001	**UT**	R--Delinquency Letter and Computed Assessments Report (UT)	No	27 hrs	Tue 8/30/16	Fri 9/2/16	286
BWRPT006	**UT**	X--Production Detail Analysis Report (UT)	No	9 hrs	Thu 6/23/16	Thu 6/23/16	303,204
BWRPTR32	**UT**	X--Collection Summary Report (UT)	No	9 hrs	Fri 6/24/16	Fri 6/24/16	304,205
BWRPTR74	**UT**	X--Taxpayer Return Data Report (UT)	No	9 hrs	Mon 6/27/16	Mon 6/27/16	305,206

Browsing	UT	X--Browsing Report (UT)	No	4 hrs	Fri 9/2/16	Fri 9/2/16	292
TAM_RPT_34	UT	R--STAR Recon Report (UT)	No	18 hrs	Thu 8/25/16	Tue 8/30/16	281
		Configuration and Development Objects Ready for String Testing ($368,019)	No	0 hrs	Fri 9/2/16	Fri 9/2/16	
		String Test	**Yes**	**440.63 hrs**	**Tue 9/6/16**	**Fri 9/16/16**	
		Perform String Test	Yes	440.63 hrs	Tue 9/6/16	Fri 9/16/16	211
		Configuration and Development Objects Ready for Movement to QA Environment ($736,039)	No	0 hrs	Fri 9/16/16	Fri 9/16/16	
		Gold Client Build	Yes	244.8 hrs	Mon 9/19/16	Fri 9/23/16	312
		Integration Test Plan Developed	Yes	135 hrs	Thu 6/23/16	Wed 8/9/16	107
		Integration Test Plan Delivered ($368,019)	No	0 hrs	Wed 8/9/16	Wed 8/9/16	
		Integration Test	**No**	**8,144.28 hrs**	**Mon 7/18/16**	**Wed 12/14/16**	
		Off-Site Test Prep	No	351 hrs	Mon 7/18/16	Fri 9/9/16	
		Integration Test Training/Ramp Up	Yes	1,350 hrs	Mon 9/12/16	Fri 9/23/16	
		Populate Integration Test Environment	No	0 hrs	Mon 9/19/16	Fri 9/23/16	313SS
		Integration Test - Cycle 1	**Yes**	**1,471.68 hrs**	**Mon 9/26/16**	**Wed 10/5/16**	
		Integration Test - Cycle 1 Execution	Yes	1,080 hrs	Mon 9/26/16	Wed 10/5/16	313,317
		Integration Test - Cycle 1 Defect Resolution	Yes	391.68 hrs	Mon 9/26/16	Wed 10/5/16	320SS
		Integration Test - Cycle 1 Exit Approval	Yes	0 hrs	Wed 10/5/16	Wed 10/5/16	321
		Integration Test - Cycle 2	**Yes**	**1,667.52 hrs**	**Thu 10/6/16**	**Fri 10/21/16**	
		Integration Test - Defect Resolution/Cycle 2 Set-Up	Yes	195.83 hrs	Thu 10/6/16	Tue 10/11/16	322
		Integration Test - Cycle 2 Execution	Yes	1,080 hrs	Wed 10/12/16	Fri 10/21/16	324
		Integration Test - Cycle 2 Defect Resolution	Yes	391.68 hrs	Wed 10/12/16	Fri 10/21/16	325SS
		Integration Test - Cycle 2 Exit Approval	Yes	0 hrs	Fri 10/21/16	Fri 10/21/16	326
		Integration Test - Cycle 3	**Yes**	**1,546.57 hrs**	**Mon 10/24/16**	**Mon 11/7/16**	
		Integration Test - Defect Resolution/Cycle 3 Set-Up	Yes	146.88 hrs	Mon 10/24/16	Wed 10/26/16	327
		Integration Test - Cycle 3 Execution	Yes	1,080 hrs	Thu 10/27/16	Mon 11/7/16	329
		Integration Test - Cycle 3 Defect Resolution	Yes	319.68 hrs	Thu 10/27/16	Mon 11/7/16	330SS
		Integration Test - Cycle 3 Exit Approval	Yes	0 hrs	Mon 11/7/16	Mon 11/7/16	331
		Integration Test - Cycle 4	**Yes**	**1,667.52 hrs**	**Tue 11/8/16**	**Wed 11/30/16**	
		Integration Test - Defect Resolution/Cycle 4 Set-Up	Yes	195.83 hrs	Tue 11/8/16	Fri 11/11/16	332
		Integration Test - Cycle 4 Execution	Yes	1,080 hrs	Mon 11/14/16	Wed 11/30/16	334
		Integration Test - Cycle 4 Defect Resolution	Yes	391.68 hrs	Mon 11/14/16	Wed 11/30/16	335SS
		Integration Test - Cycle 4 Exit Approval	Yes	0 hrs	Wed 11/30/16	Wed 11/30/16	336
		Integration Test Exit Approval	Yes	0 hrs	Wed 11/30/16	Wed 11/30/16	337
		Configuration and Development Objects Ready for Acceptance Testing ($828,044)	No	0 hrs	Wed 11/30/16	Wed 11/30/16	
		Integration Test Summary Developed	No	90 hrs	Thu 12/1/16	Wed 12/14/16	338
		Integration Test Summary Delivered ($184,010)					
		User Acceptance Test	**Yes**	**1,146.23 hrs**	**Thu 12/1/16**	**Thu 1/12/17**	
		User Acceptance Test - Cycle 1	**Yes**	**677.52 hrs**	**Thu 12/1/16**	**Fri 12/16/16**	
		UAT - Defect Resolution/UAT Cycle 1 Set-Up	Yes	195.83 hrs	Thu 12/1/16	Tue 12/6/16	338
		UAT Cycle 1 Execution	Yes	90 hrs	Wed 12/7/16	Fri 12/16/16	342
		UAT Cycle 1 Defect Resolution	Yes	391.68 hrs	Wed 12/7/16	Fri 12/16/16	343SS
		UAT Cycle 1 Exit Approval	Yes	0 hrs	Fri 12/16/16	Fri 12/16/16	344
		User Acceptance Test - Cycle 2	**Yes**	**468.72 hrs**	**Tue 1/3/17**	**Thu 1/12/17**	
		UAT - Defect Resolution/UAT Cycle 2 Set-Up	Yes	133.92 hrs	Tue 1/3/17	Wed 1/4/17	345
		UAT Cycle 2 Execution	Yes	90 hrs	Thu 1/5/17	Wed 1/11/17	347
		UAT Cycle 2 Defect Resolution	Yes	244.8 hrs	Thu 1/5/17	Thu 1/12/17	348SS
		UAT Cycle 2 Exit Approval	Yes	0 hrs	Thu 1/12/17	Thu 1/12/17	349
		Config and Develop Objects Ready for Movement to Production Environment ($736,039)	No	0 hrs	Thu 1/12/17	Thu 1/12/17	
		Initial Training	Yes	30 hrs	Tue 11/1/16	Fri 12/16/16	
		Initial Go-Live Prep	Yes	97.92 hrs	Thu 1/12/17	Mon 1/16/17	350
		Go-Live (Initial Launch)	Yes	0 hrs	Mon 1/16/17	Mon 1/16/17	352
		Go-Live (Final Launch)	Yes	0 hrs	Mon 3/6/17	Mon 3/6/17	
		Warranty	**Yes**	**2,643.83 hrs**	**Mon 1/16/17**	**Mon 4/10/17**	
		Warranty Support	Yes	2,643.83 hrs	Mon 1/16/17	Mon 4/10/17	353SS
		Warranty Completion	No	0 hrs	Mon 4/10/17	Mon 4/10/17	

HIGH LEVEL REQUIREMENTS

Requirement Number	Requirement Description	Functional Area	Comments
1	The State's financial accounting system will provide a method to initially load a fund that is prepopulated with dollars from the City to be used for initial refunds processed for the tax year the State began administrating tax for the City.	Accounting	Dependent on agreement with City of Detroit. Suggest stop daily wire to Detroit, weekly if not monthly. The current frequency is based on bankruptcy court requirement.
2	The SAP system will provide a method for an authorized user to reissue a warrant that was initially undeliverable after verifying that the original warrant has been canceled.	Accounting	Roles impacted to provide appropriate security.
3	The SAP system will provide a method for an authorized user to reissue a warrant that was not cashed after verifying that the original warrant has been canceled.	Accounting	Roles impacted to provide appropriate security.
4	The SAP system will provide the capability to process mass reversals of financial postings which originated from interfaces (duplicates / wrong file, stale data)	Accounting	
5	The SAP system will provide the capability to transfer monies received to other reporting periods within the same tax type for the same taxpayer, and generate the proper transactions.	Accounting	
6	The SAP system will provide the capability to transfer monies received to other reporting periods within the same tax type for a different taxpayer, and generate the proper transactions.	Accounting	
7	The SAP system will provide the capability to transfer monies received to the same or other reporting periods of other tax types for the same taxpayer, and generate the proper transactions to the State's financial accounting system.	Accounting	
8	The SAP system will provide the capability to transfer monies received to the same or other reporting periods of other tax types for a different taxpayer, and generate the proper transactions to the State's financial accounting system.	Accounting	
9	The SAP system will provide the capability to perform payment transfers and/or return transfers (taxpayer to taxpayer account).	Accounting	
10	The SAP system will provide the capability to reconcile to the State's financial accounting system by providing the following information: - City Corporate Payments ($ only) - City Corporate Refunds (# and $) - City Corporate Transfers to the State's financial accounting system ($ only)	Accounting	
11	The SAP system will provide the capability to reconcile to the State's financial accounting system by providing the following information: - City Withholding Payments ($ only) - City Withholding Refunds (# and $) - City Withholding Transfers to the State's financial accounting system ($ only)	Accounting	
12	The SAP system will provide the capability to match payments received through Electronic Funds Transfer with the return data received in various forms allowed by the Treasury.	Accounting	
13	The SAP system will provide the capability for authorized users to make adjustments in order to correct out of-balance conditions and deposit adjustment errors as defined by bank reconciliation.	Accounting	
14	The SAP system will provide the capability to systematically translate financial transactions that were posted to a taxpayers account into cash received journal items that are then posted to Revenue Accounting summaries.	Accounting	
15	The SAP system will provide the capability to track money received that cannot immediately be associated to a particular taxpayer until it is properly associated with a taxpayer and credited to that taxpayer's account, and generates the proper accounting transactions.	Accounting	
16	The SAP system will provide the capability to identify and reissue refund	Accounting	

	checks that have been returned and canceled.		
17	The SAP system will provide the capability to produce a list with a summary of payment by tax type that is still pending which has not yet interfaced with the State's financial accounting system.	Accounting	
18	The SAP system will provide the conformance with Generally Accepted Accounting Principles (GAAP).	Accounting	
19	The SAP system will provide the capability to tie deposits to accounting periods and fiscal years.	Accounting	
20	The SAP system will provide the capability to reconcile cash amounts held for others and activity by tax type, including breakdown between tax, penalty and interest.	Accounting	
21	The SAP system will provide the capability to electronically transmit refund and accounting entries to the State's financial accounting system.	Accounting	
22	The SAP system will provide the capability to recognize the State's accounting system as the official book of record.	Accounting	
23	The SAP system will provide a General Ledger structure that equates to the State's financial accounting system's General Ledger structure.	Accounting	
24	The SAP system will provide the capability to reconcile to the State's financial accounting system.	Accounting	
25	The SAP system will provide the capability to utilize the existing SAP General Ledger structure for City Corporate Income Tax. City summarized posting in the General Ledger will carry unique identifiers to differentiate between cities and tax types.	Accounting	
26	The SAP system will provide the capability to utilize the existing SAP General Ledger structure for City Withholding. City summarized posting in the General Ledger will carry unique identifiers to differentiate between cities and tax types.	Accounting	
27	The SAP system will provide the capability to manually transfer monies between taxes within SAP and generate appropriate accounting entries. (i.e. from one city to another)	Accounting	
28	The SAP system will provide the capability for an authorized user to write-off debt based on business rules.	Accounting	
29	The SAP system will provide the capability to post to General Ledger re-calculated penalty and interest based on final approval date.	Accounting	
30	The SAP system will provide the capability to ensure financial postings occur to the appropriate open period on General Ledger based on defined business rules.	Accounting	
31	The SAP system will provide the capability to prevent financial postings to General Ledger in closed periods.	Accounting	
32	The SAP system will record money as non-State revenue.	Accounting	

33	The SAP system will use the existing City Income Tax 29N batch agency to support City Corporate Income Tax and City Withholding.	Accounting	
34	The SAP system will use the existing City Codes and Names for City Corporate Income Tax and Withholding.	Accounting	
35	The SAP system will provide the capability to generate a listing of manual journal entries. These are accounting entries directly to SAP General Ledgers by accounting.	Accounting	
36	The SAP system will provide capability to automatically, on a daily basis, calculate reclass of tax revenue to penalty and interest.	Accounting	
37	The SAP system will provide capability to reclass/change posted payment types based on manual input. Update the appropriate the State's financial accounting system interface to reclass revenue. Restrict contract object transfer to allowed doc types for target account. Appropriate security is required to ensure money is pushed instead of pulled between taxes.	Accounting	
38	The SAP system will provide one unique file for IDAs of all tax types by city going to the State's financial accounting system.	Accounting	Interface 5B file has to have the same batch agency for both the credit and debit sides of the transaction regardless of which batch agency is in SAP. Defaults to the credit side batch agency.
39	The SAP system will provide the capability to close SAP fiscal years. Any entry for a prior year will post in the current fiscal year. Prevent sub-ledger and General Ledger posting dates to prior fiscal years with 4-5 day grace (table ZMAIN in SAP). Any entry (manual, automated, interfaced, etc.) with prior fiscal year posting date receives a RED error and defaults or requires user to input a posting date within the current fiscal year. All posting dates consider grace period then reflect a date within the current fiscal year including and not limited to Reopens, interfaces to/from other	Accounting	

	systems, deposits, reversals, manual entries, transfers, IDAs, tax returns, credits, liabilities.		
40	The SAP system will provide the capability to Open New Fiscal Years in SAP.	Accounting	
42	The SAP system will require multiple returned items to be processed with a unique reconciliation key per returned item. Accurately post to SAP account and General Ledger. Accurately assess in SAP. Accurately send to the State's financial accounting system.	Accounting	
43	The SAP system will provide the ability to reconcile SAP General Ledgers daily.	Accounting	
44	The SAP system will provide the capability to timely and accurately report all cash receipts and disbursements to the State's financial accounting system.	Accounting	
45	The SAP system will generate separate refund checks for Michigan Corporate Income Tax and each City Corporate Income Tax.	Accounting	
46	The SAP system will generate separate refund checks for Michigan Withholding and each City Withholding.	Accounting	
47	The SAP system will provide the capability to identify STAR transactions for City Corporate Income Tax and City Withholding (GLs, Main/Subs, Doc Types and Main Coding).	Accounting	This is specific to the City third party collections design. These are third party collection payments.
48	The SAP system will provide the capability for SAP to be the primary interface to State's financial accounting system.	Accounting	From SUW requirement 1101
49	The SAP system will provide the capability for the posting of refunds, payments, and changes in revenue type to feed into a file for the State's financial accounting system.	Accounting	From SUW requirement 1110 (Monthly/Qtrly & Annuals)
50	The SAP system will provide the ability to add new Mains and Subs for the City credits that will be manually added to the system.	Accounting	From SUW requirement 1204
51	The SAP system will provide the capability to systematically daily reconcile bank files. The SAP system will provide a report or notification if out of balance.	Accounting	From SUW requirement 1223
52	The SAP system will map bank file date of deposit to SAPs posting date and SAPs value date and then to 29N 5B interface for the State's financial accounting system effective date.	Accounting	From SUW requirement 1224
53	The SAP system will provide the ability to recognize the IDA reason code. If the reason code is offsetting a refund, the system must ensure that the refund does not get issued twice.	Accounting	From SUW requirement 2211
54	The SAP system will provide the ability for TCB to manually load return stops into the Stop Action table.	Audit	
55	The SAP system will systematically record stops identified by TCB into the existing Stop Action table.	Audit	
56	The SAP system will work flow returns stopped by TCB in the Stop Action table to designated users based on appropriate business rules.	Audit	
57	The SAP system will generate a letter for returns stopped by TCB in the Stop Action table based on appropriate business rules such as date or on demand.	Audit	
58	The SAP system will allow staff with appropriate security to choose custom letter content for returns stopped by TCB in the Stop Action table.	Audit	
59	The SAP system will provide the ability to upload original returns and audit changes in batch. Data that has changed on return will be captured in the as audited column and merged with return of record data that has not changed. If there is no existing return, complete return information is required.	Audit	
60	The SAP system will provide the capability to track and search for TCB returns with an entry on the Stop Action table.	Audit	
61	The SAP system will provide the capability to workflow a return to Tax Compliance based on defined business rules.	Audit	
62	The SAP system will provide the capability for TCB to make adjustments to audited fields on a City return and identify these changes as a result of an audit. If there is an assessment for the original return, this would generate a new assessment for the TCB return.	Audit	
63	The SAP system will provide return channels "Audit Returns" and “Discovery Returns” for both paper and e- File.	Audit	
64	The SAP system will provide the capability for assessments generated from Tax Compliance to be created with Tax Compliance current project codes for revenue tracking.	Audit	
65	The SAP system will provide the capability for monies posted as TCB audit payments to only be applied to returns identified as TCB returns.	Audit	No MTO
66	The SAP system will generate a Notice of Additional Tax Due or Notice of Refund Adjustment letter specifically for Tax Compliance staff based on business rules.	Audit	

67	The SAP system will provide the capability for a report to be generated and sent to Tax Compliance with specific accounts loaded to the system.	Audit	
68	The SAP system will provide the ability to specify penalty types and amounts including negligence, intentional disregard, fraud (discretionary penalties).	Audit	
69	The SAP system will provide the ability for Tax Compliance staff to send an explanation letter while an account/period is on the Stop Action table.	Audit	Additional Information Letter
70	The SAP system will provide the ability for Tax Compliance staff to suppress an explanation letter while an account/period is on the Stop Action table.	Audit	Additional Information Letter
73	The SAP system will provide an authorized user the capability to approve automatic posting of the final audit assessment after calculations are performed and the return is finalized.	Audit	From CIT requirement 146
74	The SAP system will provide the capability for denoting which taxes and which tax periods have been or are under TCB audit in order to create a work item should any return be filed for those periods.	Audit	From CIT requirement 150
75	The SAP system will provide the capability for TCB payments to be assigned an audit payment type based on business rules.	Audit	From CIT requirement 158
76	The SAP system will provide the ability to establish automated business rules for auditing annual returns.	Audit	From SUW requirement 808
77	The SAP system will provide the ability to upload City Withholding by the taxpayer's period (monthly OR quarterly OR annual).	Audit	From SUW requirement 1407
78	The SAP system will provide the ability to upload City Corporate Income Tax by the taxpayer's tax year.	Audit	From SUW requirement 1407
79	The SAP system will provide the ability for City Corporate Income Tax uploads from TCB to be placed on the Stop Action table. No business rules or action will be allowed on the account for City Corporate Income Tax for the tax period marked as TCB (i.e. computed assessment).	Audit	From SUW requirement 1409 Corporate and withholding
80	The SAP system will provide the ability for City Withholding uploads from TCB to be placed on the Stop Action table. No business rules or action will be allowed on the account for City Withholding for the tax period marked as TCB (i.e. computed assessment).	Audit	From SUW requirement 1409 Corporate and withholding
81	The SAP system will provide the ability for audit staff to generate refund, credit forward, tax due, or transfer transactions to another tax type.	Audit	From SUW requirement 1418
82	The SAP system will provide the capability to accommodate City Withholding audits that have been submitted covering ranges from the beginning of the audit period to the end of the year, the intervening years and from the beginning of the year to the end of the audit period.	Audit	From SUW requirement 1446 for withholding
83	The bank will capture City Corporate Income Tax returns using the Remit One platform.	Bank	
84	The bank will capture City Withholding returns using the Remit One platform.	Bank	
85	The bank will deliver City Corporate Income Tax payments in the consolidated payment format. A unique TRH number (an identifier for each transaction) will be generated for every lead City Income Tax form.	Bank	The State would like to use the same lockbox as City individual vouchers for both corporate and withholding vouchers.
86	The bank will deliver City Withholding payments in the consolidated payment format. A unique TRH number (an identifier for each transaction) will be generated for every lead City Income Tax form.	Bank	The State would like to use the same lockbox as City individual vouchers for both corporate and withholding vouchers.
87	The bank will provide a combined image file for Michigan Corporate Income Tax and City Corporate Income Tax that are filed together as a single return.	Bank	
88	The bank will provide image files for City Withholding.	Bank	City withholding will be separate from State withholding, separate lockbox, forms, etc. The State would like to use the same lockbox as City individual vouchers for both corporate and withholding vouchers.
89	The bank will provide a copy of a miscellaneous City Corporate Income Tax payment document (should a payment be received without a return, or an invalid document, etc.).	Bank	
90	The bank will provide a copy of a miscellaneous City Withholding payment document (should a payment be received without a return, or an invalid document, etc.).	Bank	
91	The bank will capture 100% of City Corporate Income Tax return data.	Bank	
92	The bank will capture 100% of City Withholding return data.	Bank	
93	The bank will capture and image a City Corporate Income Tax estimated payment voucher and check.	Bank	
94	The bank will capture and image a City Withholding Monthly/Quarterly return, Annual	Bank	

	Reconciliation, and check.		
95	The bank will accept and process estimated City Corporate Income Tax payments using a voucher from 2015 and prior tax year received after March 1, 2017. Payment will be sent to SAP to be posted in the current processing year.	Bank	Fiscal year 2016, ending in 2017, will continue filing with the City of Detroit. Detroit will be responsible for providing estimate data via an interface file through 2017 for 2016 tax year.
96	The bank will accept and process City Withholding Monthly/Quarterly returns, Annual Reconciliation, and payments from 2017 forward.	Bank	
97	The bank will reject a City Corporate Income Tax return filed for a tax year prior to 2016.	Bank	If a City Corporate Income Tax return that Chase does not process is received with the Michigan Corporate Income Tax return, Chase will include the city return as correspondence with the Michigan Corporate Income Tax return.
98	The bank will reject a City Withholding return filed for a tax year prior to 2017.	Bank	
99	The bank will capture all correspondence with a paid City Corporate Income Tax return and provide an image of the correspondence.	Bank	Correspondence received with a combined return will be included with both City Corporate Income Tax and Michigan Corporate Income Tax returns. Chase will not attempt to separate or determine tax the correspondence applies when a combined return is received.

100	The bank will capture all correspondence with a paid City Withholding return and provide an image of the correspondence.	Bank	Correspondence received with a combined return will be included with both City Corporate Income Tax and Michigan Corporate Income Tax returns. Chase will not attempt to separate or determine tax the correspondence applies when a combined return is received.
101	The bank will receive City Corporate Income Tax returns filed separate from the Michigan Corporate Income Tax return using the same lockbox as the Michigan Corporate Income Tax return.	Bank	
102	The bank will capture a City Corporate Income Tax return as additional schedules when submitted as a combined with a Michigan Corporate Income Tax return. Multiple City Corporate Income Tax returns may be attached to a single State Corporate return in a combined filing.	Bank	City and State corporate returns will be split by SAP during the load process, not by JPM Chase.
103	The bank will capture a City Corporate Income tax return and process per business rules when submitted as a standalone return (not combined with Michigan Corporate Income Tax return).	Bank	City corporate return can be filed as a standalone return.
104	The bank will provide Michigan Corporate Income Tax return data in the current SAP file format.	Bank	State will provide schema and XSD for required State Corporate Income Tax file format.
105	The bank will provide City Corporate Income Tax return data in the current SAP file format.	Bank	State will provide schema and XSD for required City Corporate Income Tax file format.
106	The bank will provide City Withholding return data in the current SAP file format.	Bank	State will provide schema and XSD for required City Corporate Income Tax file format.
107	The bank will programmatically split a combined Michigan and City Corporate payment based on business rules. Business rules will provide direction for scenarios such as partial payment, over payment and paid in full.	Bank	
108	The bank will build system to support multiple cities.	Bank	
109	The bank will carry forward an account number, name and address from the Michigan Corporate Income Tax return if field is blank on the City Corporate Income Tax return based on business rules when a combined return is filed. Data will be moved only when FEIN matches on both returns.	Bank	
110	The bank will carry forward an account number from the first page of a City Corporate Income Tax return to subsequent pages if missing.	Bank	
111	The bank will be able to process a separate check for City Corporate Income Tax and Michigan Corporate Income Tax with a combined return.	Bank	
112	The bank will capture partial City Corporate Income Tax return if the first page is present.	Bank	Chase will only process pages that are present. First page must be present.

113	The bank will send an unprocessable combined return back to the State based on business rules.	Bank	
114	The bank will provide custom Edge reporting for City Corporate Income Tax returns and payments processed. Reports must separate Michigan tax return and payment data when filed as a combined return and include, but not be limited to the following data items. • Number of City Income Tax Returns • Number of State Income Tax Returns • Dollar Amount of Miscellaneous City Checks • Dollar Amount of City Paid Annual Returns • Number and Dollar Amount of Estimates • Number of Extensions • Number and Dollar Amount of Payment Vouchers	Bank	
115	The bank will provide custom Edge reporting for City Withholding returns and payments processed. Reports must separate Michigan tax return and payment data when filed as a combined return and include, but not be limited to the following data items. • Number of City Withholding Returns • Dollar Amount of Miscellaneous City Checks • Dollar Amount of City Withholding Paid Annual Reconciliations • Number and Dollar Amount of Payments with City Withholding Returns	Bank	
116	The bank will capture the following forms for City Corporate Income Tax: - City Corp Income Tax Return (5297) - City Corp Renaissance Zone Schedule (5298) - City Corp Income Tax E-file Annual Payment Voucher (CORP-V) (5299) - City Corp Income Tax Quarterly Return (5300) - Application for Extension of Time to File City CIT Return (5301) - City Corp Income Tax Notice of Proposed Tax Due (5303) - City Corp Income Tax Penalty Waiver Request (5306) - City Corp Income Tax Notice of Balance Due (5309) - City Corp Income Tax Notice of Intent to Assess (5310) - City Corp Income Tax Corrected Notice of Intent to Assess (5311) - City Corp Income Tax Final Notice of Taxes Due (5312) - City Corp Income Tax Corrected Final Notice of Taxes Due (5314) - City Corp Income Tax Final Demand for Taxes Due (5315) - City Corp Income Tax 10-Day Demand for Payment (5316) - City Corp Income Tax Payment Voucher (5317) - City Corp Income Tax Collections Voucher (3rd Party) (5318) - City Corp Income Tax Penalty and Interest Computation for - Underpaid Estimated Tax	Bank	

	(5321)		

117	The bank will capture the following forms for City Withholding: - 2016 City Income Tax Withheld Annual Reconciliation (5321) - 2016 City Income Tax Withholding E-file Payment Voucher (5322) - 2017 City Income Tax Withholding Monthly/Quarterly Return (5323) - City Withholding Tax Notice of Additional Tax Due - City Withholding Delinquency Letter - City Withholding Tax Notice of Balance Due - City Withholding Tax Notice of Intent to Assess - City Withholding Tax Corrected Notice of Intent to Assess - City Withholding Tax Final Notice of Taxes Due - City Withholding Tax Corrected Final Notice of Taxes Due - City Withholding Tax Final Demand for Taxes Due - City Withholding Tax 10-Day Demand for Payment - City Withholding Tax Payment Voucher - City Withholding Tax Collections Voucher (3rd Party)	Bank	
118	The bank will provide a file of returned City Corporate Income Tax payment items (NSF), checks or electronic payment.	Bank	
119	The bank will provide a file of returned City Withholding payment items (NSF), checks or electronic payment.	Bank	
120	The bank will process City Corporate Income Tax final demand payments with a payment voucher with output in the Consolidated Payment format.	Bank	Will be a separate lockbox.
121	The bank will process City Withholding final demand payments with a payment voucher with output in the Consolidated Payment format.	Bank	Will be a separate lockbox.
122	The bank system will provide a method of accepting and posting walk-in/field payments.	Bank	
123	The bank will provide the same processing priority to City Corporate Income Tax returns as with the Michigan Corporate Income Tax returns.	Bank	
124	The bank will provide the same processing priority to City Withholding returns as with the Michigan Sales, Use and Withholding Tax returns.	Bank	
125	The bank will post City Corporate Income Tax estimates based on business date received versus coupon date using defined business rules.	Bank	
126	The bank will post City Withholding payment received with return based on return period using defined business rules.	Bank	
127	The bank will identify City Corporate payments received for the City from tax periods prior to the year State began administering tax for the City, other than estimates, as unprocessable based on defined business rules.	Bank	
128	The bank will identify City Withholding returns and payments received for the City from tax periods prior to the year State began administering tax for the City as unprocessable based on defined business rules.	Bank	
129	The bank will provide reporting on cost of City Corporate services by city.	Bank	This reporting will be used by the State for billing of the cities for cost of tax processing services.
130	The bank will provide reporting on cost of City Withholding services by city.	Bank	This reporting will be used by the State for billing of the cities for cost of tax processing services.
131	The bank will add City Withholding as a valid ACH payment tax type.	Bank	From SUW requirement 312a
132	The bank will provide the capability to process zero dollar extension requests with or without an associated check.	Bank	
133	The SAP system will provide the ability to upload multiple assessments per tax period to the system (for all staff).	Collections	
134	The SAP system will provide the ability for an authorized user to flag an account for hearings on the Stop Action table.	Collections	
135	The SAP system will move an account in Intent to Assess status to Final Assessment or	Collections	

	Final Demand status based on business rules within a configurable number of days (currently 70 days) if the account is not flagged for hearings in the Stop Action table.		
136	The SAP system will provide the ability to remove a flag on an account for hearings. • Hearings decision of cancelation of debt in full – taxing unit removes hold, reopens return, adjusts debt to zero, rebills return • Hearings decision to uphold assessment amount in full – taxing unit removes hold, system moves straight to final assessment • Hearings decision to partially adjust assessment amount – taxing unit removes hold, reopens return, adjusts per hearing decision, system moves straight to final assessment	Collections	
137	The SAP system will provide a configurable number of business days (currently 7) grace period for the posting date of a Final Assessment Notice to allow for mailing. When calculating the posting date, the system will account for holidays and weekends. The Final Assessment notice date is separate from the Intent to Assess date and should not overwrite the intent date.	Collections	
138	The Collections system will establish a Collections Statute of Limitations (COLSED) date based on the assessment date provided by SAP when moving to the third party vendor stage (transfer to STAR).	Collections	
139	The SAP system will provide the capability to interface with the Collections system via an interface file using the current 16B layout when moving to the third party vendor stage (transfer to STAR).	Collections	
140	The SAP system will provide the capability to process feedback from the Collections system via an interface file using the current 16A layout.	Collections	
141	The SAP system will update the assessment number from the Collections system using the current STAR assessment number field.	Collections	
142	The SAP system will store the SAP assessment number in a unique field that is not the current STAR assessment number field.	Collections	
143	The SAP system will provide the capability to distinguish between voluntary payments and payments as a result of an offset when processed between letter of inquiry and Final Assessment when the Final Assessment Notice is generated.	Collections	

144	The SAP system must be able to process multiple assessments concurrently for the same taxpayer and same tax period for one or multiple cities.	Collections	
145	The SAP system will continue to accrue penalty and interest on an agreed upon interval until the assessment is transferred to the Collections system.	Collections	SAP will continue to own the debt during final demand phase.
146	The SAP system will allow staff with appropriate security to put a STOP status on an City Corporate Income Tax or City Withholding debt Intent to Assess if an informal conference is requested within a configurable number of days (currently 60 days plus a grace period) of Letter of Intent. The system will create an error for any amended returns filed for the same tax and period as a return with an appeal flag.	Collections	Flags will be manually placed and removed from the Stop Action table.
147	The SAP system will allow staff with appropriate security to remove the STOP status when an Informal Hearing decision is made.	Collections	Flags will be manually placed and removed from the Stop Action table.
148	The SAP system will issue a Final Assessment Notice after a configurable number of days (currently 60 days plus a grace period) have elapsed from date of Notice of Intent was sent or a Hearings decision confirms debt and debt is not fully paid. Correspondence associated with issuance of the Final Assessment Notice will be sent to the taxpayer.	Collections	
149	The SAP system will transfer debt to the Collections system after a configurable number of days (currently 35 days plus a grace period) have elapsed from the date a Final Demand was sent, there is no litigation hold in place, and the debt is not fully paid (known as Final Demand status) based on business rules.	Collections	
150	The SAP system will move an assessment from On Demand to Final Demand status after a configurable number of days.	Collections	
151	The SAP system will automatically generate a refund from overpayment of an Intent to Assess or Final Assessment Notice.	Collections	
152	The SAP system will allow a user with appropriate security the capability to adjust an account in the Intent to Assess or Final Assessment Notice status to zero balance due.	Collections	
153	The SAP system will provide the capability to hold off issuing assessment if a response has been received but not yet worked (correspondence lock).	Collections	
154	The SAP system will provide the capability for the system to automatically send a bill	Collections	

	for the monies owed if a partial payment and no correspondence is received.		
155	The SAP system will generate a corrected Notice of Assessment when an assessment is corrected within SAP.	Collections	
156	The SAP system will notify the Collections system when a corrected Notice of Assessment is generated if the assessment has been transferred to the Collections system.	Collections	
157	The SAP system will move an account to Final Demand status upon expiration of appeal period if the taxpayer does not request an informal conference within a configurable number of days.	Collections	
158	The Siebel CRM system will provide the capability to receive service requests from the Collections system.	Collections	
159	The SAP system will not issue a Notice of Intent to Assess if the amount is below a configurable threshold that is maintainable by a user with appropriate security.	Collections	
160	The SAP system will generate tax due correspondence when amount is above a configurable threshold that is maintainable by a user with appropriate security.	Collections	
161	The Collections system will apply payment to City debt first when a single payment is received for City and State debt (payment identifies the debt in which the payment applies). Once City debt is satisfied, remaining payment will be applied to State debt.	Collections	
162	The Collections system will apply payment to City debt first when a payment is received, but does not identify City or State debt in which it applies.	Collections	Current process is to satisfy oldest debt first. Floyd will take this forward to Treasury leadership.
163	The Collections system will not apply an overpayment of City debt to a State debt when the taxpayer designates the payment for City debt.	Collections	Currently have no process to identify debt specified.
164	The Collections system will only apply payment to City debt when the taxpayer identifies the payment as applicable to City debt.	Collections	Currently have no process to identify debt specified.
165	The SAP system shall have the ability to place a correspondence hold to stop assessments moving to the next step if there is unworked correspondence.	Collections	
166	The Collections system will calculate penalty and interest once an assessment is transferred from SAP. From that point forward, the Collections system will provide regular update of penalty and interest to SAP.	Collections	
167	The SAP system will provide the capability to calculate penalty and interest until the third party collection stage and transfer to the Collections system. After that point, SAP will accept penalty and interest from the Collections system.	Collections	Need additional discussion on penalty and interest calculation. Will both SAP and STAR send communication to the taxpayer? New penalty type P&I back to SAP on a regular basis SAP does not accrue P&I after time of third party stage
168	The Collections system will produce Final Demand Notice from data provided by the SAP system.	Collections	
169	The Collections system will support installment payments.	Collections	
170	The Third Party Collections Agency will generate a Welcome Letter once SAP has transferred the account. Welcome Letter will include assessment details. Account number on letter must be consistent with intent and final assessment letters from SAP.	Collections	
171	The Third Party Collections Agency will generate a Notice of Final Demand a configurable number of days after the Welcome Letter.	Collections	
172	The SAP system will replace SAP assessment number with the return ID when communicating to the Collections system for City Corporate Income Tax and City Withholding assessment activity.	Collections	
173	The SAP system will provide the source (payment source code) of payment transactions (voluntary or offset).	Collections	
174	The SAP system will provide the capability to systematically update the Stop Action table for bankruptcy status received from the Collections system based on business rules.	Collections	STAR status to identify the bankruptcy status

175	The Collections system will provide the capability for an authorized user to change the responsibility of debt from the Third Party Collection Agency (recall).	Collections	Use the normal collections assignment process. Need discussion during the agreement talks with the City of Detroit.
176	The SAP system will provide the capability to appropriately status an assessment when recalled from the Third Party Collection Agency.	Collections	
177	The SAP system will provide the capability to identify debt that has been written off and currently not collectible based on feedback from the Collections system.	Collections	Need a unique GL for the STAR write off.

	This status needs to indicate the system that performed the write off (SAP or STAR).		
178	The SAP system will provide the capability to post a payment received by the Collections system as a result of collections activity performed by STAR/MARCS.	Collections	
179	The SAP system will provide the capability to differentiate between collections related payments received by SAP and the Collections system.	Collections	
180	The Collections system will provide a report that accounts for all commission payments made for collection of City debt by city.	Collections	Approach will be the State to provide an accounting of payments the State has collected on regardless of the group that actually performed the collection activity.
181	The SAP system will provide a method for an authorized user to manually post a garnishment debt to a taxpayer account based on business rules.	Collections	
182	The SAP system will provide the capability to create a unique assessment for an amended return separate from the assessment on the original return.	Collections	From SUW requirement 764
183	The SAP system will provide the capability to issue an intent to assess without generating a Proposed Tax Due letter based on defined business rules.	Collections	From SUW requirement 772 This is both corporate and withholding
184	The SAP system will provide a delinquency process based on defined business rules.	Collections	From SUW requirement 791 Similar to current SUW design of delinquency process.
185	The SAP system will provide the ability to manually and automatically create a delinquency return.	Collections	From SUW requirement 813 Check to see if already covered with computed return requirements
186	The Collections system will modify existing STAR parameters for the Collections system interface to the State's financial accounting system to suppress all City Corporate Income Tax postings (transfer account).	Collections	From SUW requirement 1211
187	The Collections system will modify existing STAR parameters for the Collections system interface to the State's financial accounting system to suppress all City Withholding postings (transfer account).	Collections	From SUW requirement 1211
188	The SAP system will provide a link between the return in SAP and debt in the Collections system (return ID).	Collections	From SUW requirement 1242
189	The SAP system will provide the capability for the system to pass and receive new and corrected assessment information with the Collection System based on predefined business rules.	Collections	From SUW requirement 1301
190	The SAP system will provide the capability to correct a computed monthly or quarterly assessment to penalty and interest only if the annual return is paid and a computed monthly or quarterly assessment exists based on defined business rules.	Collections	From SUW requirement 1304
191	The SAP system will provide the capability to have more than one assessment for the same tax type and the same tax period. (This would accommodate an original return with an assessment and an amended return is filed and creates a new assessment. This capability is needed for all staff not just TCB audit returns.)	Collections	From SUW requirement 1305
192	The SAP system will provide the capability to cancel an assessment for a file period after the discontinuance date if a discontinuance date for a tax on a taxpayer's account is posted and that date is prior to the date a computed assessment was issued by the system for that tax type.	Collections	From SUW requirement 1309 10/7/2013 Business agreed that requirements 1309 and 1310 are duplicates and 1309 could be cancelled.
193	The SAP system will provide the capability for a canceled computed assessment to trigger a corrected assessment (corrected to zero) to the Collections system if has been transferred to third party vendor.	Collections	From SUW requirement 1311
194	The SAP system will provide the capability to generate a computed assessment if the taxpayer fails to file or pay tax due after a configurable number of days (waiting period) from sending of the delinquency letter, based on business rules.	Collections	From SUW requirement 1320
195	The SAP system will provide the ability to change the minimum amount and percentage of average tax liability for the computed assessment in a table and maintained by an authorized user. Start with $250 as a minimum and 1.5 times of tax liability.	Collections	From SUW requirement 1321
196	The SAP system will provide the ability to systematically cancel computed assessments using business rules.	Collections	From SUW requirement 1325
197	The SAP system will provide the capability to convert computed assessment(s) (all open periods) based on a prorated amount once an annual return has been filed to actual assessments.	Collections	From SUW requirement 1326
198	The SAP system will provide a configurable threshold to be used by the system to determine whether an assessment is generated.	Collections	From SUW requirement 1328

199	The SAP system will provide the capability to include applicable penalty and interest in generation of assessment.	Collections	From SUW requirement 1329
200	The SAP system will provide the capability for the annual delinquency process to prorate any open periods for which a computed assessment has not been issued.	Collections	From SUW requirement 1330
201	The Collections system will report bankruptcy stops to SAP if an assessment is in third party vendor stage. Automatically trigger SAP to set status to bankruptcy in the Stop Action table.	Collections	From SUW requirement 1338
202	The SAP system will provide the capability to automatically set status to bankruptcy in the Stop Action table when the Collections system reports bankruptcy stops to SAP.	Collections	From SUW requirement 1338a
203	The SAP system will provide the capability for an authorized user to manually put a bankruptcy flag on an account in the Stop Action table.	Collections	From SUW requirement 1338a

204	The SAP system will provide the capability to generate an assessment and the Collection system to collect from information available with a shell registration (example, only a payment is received and is returned NSF).	Collections	From SUW requirement 1343 Default STAR required values prior to transferring the assessment.
205	The SAP system will provide the capability to correct the assessment balance when a City Withholding payment and return are received after a computed assessment is issued.	Collections	From SUW requirement 1348
206	The SAP system will provide the capability to correct a computed return balance to the actual tax due plus applicable penalty and interest when an actual City Withholding return is received.	Collections	From SUW requirement 1352
207	The SAP system will provide the capability to correct a computed return to a prorated amount to be considered actual amount due if an annual City Withholding return is received. If an annual payment is included with the return, the payment will be prorated.	Collections	From SUW requirement 1353
208	The SAP system will provide the capability to ensure there is NOT a corrected assessment issued until a City Withholding return is closed/completely worked if a computed assessment exists when the return is received.	Collections	From SUW requirement 1354
209	The SAP system will provide the capability to prorate all open periods and actual assessments issued for those periods when an annual return is filed.	Collections	From SUW requirement 1366
210	The SAP system will provide the ability to convert Delinquency letters to computed assessments based on a configurable tolerance and configurable time frame after the date of the Delinquency letter.	Collections	From SUW requirement 1367
211	The SAP system will provide the capability, if an annual return is not filed, to issue a computed assessment based on business rules for all open periods in that year. If no actual returns have been filed for the period covered by the annual return, penalty and interest will be determined using the standard penalty and interest model.	Collections	From SUW requirement 1368 Reference City Income Tax Act section 61, allow computed returns to be issued on an annual basis for taxpayers lower than a configurable value. Authorized user to be able to maintain the threshold in a table.
212	The SAP system will provide the ability to send to the Collections system a collectable assessment with unique Project Codes. If a Project Code is not entered, then the system should automatically use a default code.	Collections	From SUW requirement 1413 PAR code - example: CP99
213	The SAP system will provide the ability to send to the Collections system multiple message codes on an assessment.	Collections	From SUW requirement 1414
214	The Collections system will provide the capability for the Collections system status codes to feedback to the assessment in SAP (hearings, tribunals, etc.).	Collections	From SUW requirement 1415
215	The SAP system will provide the capability for status codes to feedback to the assessment in SAP (hearings, tribunals, etc.).	Collections	From SUW requirement 1415
216	The SAP system will provide the ability to specify penalty types and amounts including negligence, intentional disregard, fraud (discretionary penalties).	Collections	From SUW requirement 1420
217	The SAP system will provide an authorized user approval capability for automatic posting of the final audit assessment after calculations are performed and the return is finalized.	Collections	From SUW requirement 1427 comment from CIT Reqs: 5/3 - Clarified with audit, this requirement is to establish business rules for the timing of STAR posting of assessment associated with a finalized return. Timing will be different than for return processing, which has a delay between approval and posting of assessment to STAR.
218	The SAP system will send a Letter of Intent to Assess to the taxpayer. Intents must	Collections	

	be sent by certified mail if tax due exceeds a configurable amount (initially $5000) or a hearing has been requested. This will happen on a tax debt after the correspondence holds have expired or have been released.		
219	The SAP system will send a Final Assessment Notice to the taxpayer. Final assessments must be sent by certified mail if tax due exceeds a configurable amount (initially $5000) or a hearing has been requested. This will happen on a tax debt after the correspondence holds have expired or have been released.	Collections	
220	The SAP system will provide the capability to receive payment reversals from STAR without generating an NSF assessment fee.	Collections	
221	The SAP system will provide the capability to replace the designation "IDA" on payment statement letter with a more descriptive title.	Correspondence	From SUW requirement 1716
222	The SAP system will provide a file that can be used by a print vendor to print City Corporate Income Tax 2017 and subsequent yearly mailing of estimated payment voucher based on business rules.	Correspondence	
223	The SAP system will provide a file that can be used by a print vendor to print City Withholding 2017 and subsequent yearly mailing of monthly/quarterly returns based on business rules.	Correspondence	
224	The SAP system will generate a letter with detailed information when taxpayer has underpaid their City Corporate Income Tax quarterly estimates (Notice of Proposed Penalty And Interest for Underpaid Estimates). SAP should generate the penalty and/or interest intent for underpayment of estimate, based on business rules (note city UPE rules are different than the State's).	Correspondence	Underpayment of estimate process exists with MBT and CIT. Same process should be used for CITA with city income tax rules.
225	The SAP system will provide a taxpayer letter that explains a refund offset and details where the offset dollars were applied (Notice of Refund Offset). Notice could be in addition to an explanation letter.	Correspondence	
226	The SAP system will generate a Letter of Inquiry with a configurable number of days (currently 30 days) for taxpayer to respond to a City Corporate Income Tax due situation based on business rules.	Correspondence	
227	The SAP system will generate a letter with a configurable number of days (currently 30 days) for taxpayer delinquent on City Withholding based on business rules.	Correspondence	
228	The SAP system will generate an Intent to Assess with a configurable number of days (currently 30 days) for taxpayer to respond to a tax due situation based on business rules.	Correspondence	
229	The SAP system will issue a Final Assessment Notice to taxpayer when account moves from Intent to Assess to Final Assessment based on business rules.	Correspondence	

230	The SAP system will generate the following letters for City Corporate Income Tax. - City Corp Income Tax Notice of Refund Adjustment (5302) - City Corp Income Tax Notice of Proposed Tax Due (5303) - City Corp Income Tax Additional Information Letter (5304) - City Corp Income Tax Payment Statement (5305) - City Corp Income Tax Penalty Waiver Request (5306) - City Corp Income Tax Statement of History (5308) - City Corp Income Tax Notice of Balance Due (5309) - City Corp Income Tax Notice of Intent to Assess (5310) - City Corp Income Tax Corrected Notice of Intent to Assess (5311) - City Corp Income Tax Final Notice of Taxes Due (5312) - City Corp Income Tax Corrected Final Notice of Taxes Due (5314) - City Corp Income Tax Final Demand for Taxes Due (5315) - City Corp Income Tax 10-Day Demand for Payment (5316) - City Corp Income Tax Payment Voucher (5317)	Correspondence	

	- City Corp Income Tax Collections Voucher (3rd Party) (5318) - City Corp Income Tax Notice of Garnishment (5319) - City Corp Income Tax Notice of Refund Offset (5320)		
231	The SAP system will generate the following letters for City Withholding. - City Withholding Tax Notice of Refund Adjustment - City Withholding Tax Notice of Refund Additional Tax Due - City Withholding Delinquency Letter - City Withholding Tax Additional Information Letter - City Withholding Tax Payment Statement - City Withholding Tax Penalty Waiver Request - City Withholding Tax Statement of History - City Withholding Tax Notice of Balance Due - City Withholding Tax Notice of Intent to Assess - City Withholding Tax Corrected Notice of Intent to Assess - City Withholding Tax Final Notice of Taxes Due - City Withholding Tax Corrected Final Notice of Taxes Due - City Withholding Tax Final Demand for Taxes Due - City Withholding Tax 10-Day Demand for Payment - City Withholding Tax Payment Voucher - City Withholding Tax Collections Voucher (3rd Party) - City Withholding Tax Notice of Garnishment - City Withholding Tax Notice of Refund Offset	Correspondence	
232	The SAP system will provide the ability to print a phone number on letters based on parameters, such as project codes.	Correspondence	
233	The SAP system will incorporate phone number and taxing division content on Intent to Assess and Final Assessment Notice letters based on project code.	Correspondence	
234	The SAP system will include a 2D barcode on all system generated correspondence. Business Partner number will be included in the 2D barcode in addition to FEIN.	Correspondence	System will generate the barcode, but not scan or use barcode when correspondence is received. Is DataCap ready to utilize barcode in workflow process.
235	The SAP system will provide a configurable number of business days (currently 7) grace period for the posting date of an Intent to Assess to allow for mailing. When calculating the posting date, the system will account for holidays and weekends.	Correspondence	
236	The SAP system will print a Final Assessment Notice and mail to the taxpayer's legal address.	Correspondence	
237	The SAP system will include a payment voucher with the Intent to Assess and Final Assessment Notice mailed to the taxpayer.	Correspondence	
238	The SAP system will provide an option to a user with appropriate security to suppress taxpayer notification of a corrected Intent to Assess or Final Assessment Notice during a hearings or Board of Review hold.	Correspondence	
239	The SAP system will provide the capability to generate a Letter of Inquiry specifically for Tax Compliance based on defined business rules. Letters will be system	Correspondence	

	generated based on the content of return.		
240	The SAP system will provide the capability to generate a notice to the taxpayer regarding a bad check with appropriate bad check assessment.	Correspondence	
241	The SAP system will provide authorized users the capability to load and maintain canned messages from other systems in a pre-defined format.	Correspondence	
242	The SAP system will provide the capability to create free form messages.	Correspondence	
243	The SAP system will provide the capability to review all free form messages through an approval process.	Correspondence	
244	The SAP system will provide the capability to record City Corporate Income Tax extension requests generate correspondence to the taxpayer when the Department has granted or denied through extension request or payments by taxpayer.	Correspondence	
245	The SAP system will provide the capability to generate notices of adjustment (e.g. tax due, refunds, overpayment notices and correspondence) using business rules.	Correspondence	
246	The SAP system will provide the capability to systematically generate a letter to taxpayer displaying line by line changes to return.	Correspondence	
247	The SAP system will provide the capability to generate correspondence, automatically and on demand based on business rules.	Correspondence	
248	The SAP system will provide the capability to support multiple copy letter generation, alternative routing instructions and reprinting both automatically and as requested.	Correspondence	
249	The SAP system will provide the capability for allowing notices to be viewed online, before and after printing.	Correspondence	
250	The SAP system will provide the capability for allowing letters to be stopped or deleted prior to printing.	Correspondence	

251	The SAP system will provide Treasury staff immediate access to correspondence history information.	Correspondence	
252	The Siebel system will provide Treasury staff immediate access to correspondence history information.	Correspondence	
253	The SAP system will provide the capability to systematically schedule the releasing of correspondence to both taxpayers and through work flow.	Correspondence	
254	The SAP system will generate a message on the Remittance Advice that can be populated from pre-defined message text that can be chosen by the system per business rules or by the user with appropriate security.	Correspondence	
255	The SAP system will generate a request for information letter that can be populated from pre-defined message text that can be chosen by the system per business rules or by the user with appropriate security.	Correspondence	
256	The SAP system will provide the capability to stop letters on the same day of approval regardless of the stage of the refund. Therefore, letters that are erroneously issued are capable of being stopped.	Correspondence	
257	The SAP system will provide the ability to send additional information letter and have that letter go to a follow up work list to track whether taxpayer responds. When taxpayer responds, queue the taxpayer letter to the staff member that sent the letter.	Correspondence	
258	The SAP system will provide the ability to suppress a letter the system is trying to send (all staff).	Correspondence	
259	The SAP system will provide the ability to generate a letter when the system does not think one should be sent (all staff).	Correspondence	
260	The SAP system will provide the ability to systematically or manually generate and send delinquent letters that can be specific to City Corporate Income Tax and Withholding and filing requirements based on defined business rules.	Correspondence	
261	The SAP system will provide the ability to store and maintain letter messages in a table. Provide the business user with appropriate security access the ability to maintain the messages.	Correspondence	
262	The SAP system will provide the capability to generate correspondence, automatically and on demand based on business rules.	Correspondence	
263	The SAP system will provide the capability for allowing correspondence to be printed locally and sent to FileNet with administrative approval.	Correspondence	
264	The DataCap system will scan and index City Corporate Income Tax correspondence.	Correspondence	DTMB estimate.
265	The DataCap system will scan and index City Withholding correspondence.	Correspondence	DTMB estimate.
266	The SAP system will provide the capability to generate a letter to be sent to businesses that were pre- registered for City Withholding.	Correspondence	
267	The SAP system will provide the capability to generate a letter to be sent to businesses that filing Michigan Withholding, but were not pre-registered.	Correspondence	
268	The DataCap system will provide the capability to index and route a City Withholding registration form as correspondence to appropriate staff.	Correspondence	DTMB estimate.

269	The SAP system will provide the capability to generate a mailing of City Corporate Income Tax quarterly estimate forms and cover letter during the first year of processing to those pre-registered from City and State registration files.	Correspondence	
270	The SAP system will provide the capability for an authorized user to adjust the received date (net due date) of a payment to recalculate penalty and interest.	Correspondence	From CIT requirement 548
271	The SAP system will provide the capability to automatically issue computed tax due notices to delinquent taxpayers in accordance with business rules.	Correspondence	From SUW requirement 1302 from SAP
272	The SAP system will provide the capability to send a delinquency letter and assessment correspondence to the last known legal address within SAP.	Correspondence	From SUW requirement 1322
273	The SAP system will provide the capability to reflect tax type and tax period on correspondence received by the system (need capability to place hold on specific tax return for a specific period's assessment).	Correspondence	From SUW requirement 1346 Include DataCap and Siebel
274	The SAP system will provide the capability to send a Delinquency letter for all open periods for which there is an expectation to file that was not satisfied.	Correspondence	From SUW requirement 1364
275	The SAP system will provide the capability to generate correspondence, automatically and on demand based on business rules.	Correspondence	From SUW requirement 1701
276	The SAP system will provide the ability to send additional information letter and have that letter go to a follow up work list to track whether taxpayer responds. When taxpayer responds, queue the taxpayer letter to the staff member that sent the letter.	Correspondence	From SUW requirement 1702
277	The SAP system will provide the ability to track information on outbound correspondence by tax type including correspondence type, date sent, address sent to.	Correspondence	From SUW requirement 1705 When a taxpayer calls and claims he has not rec'd a piece of correspondence, staff would know if, when, what and to what address a piece of correspondence was sent. Functionality currently exists in FileNet/CRM - would like capability within SAP and include information regarding "who" initiated the correspondence sent
278	The SAP system will provide the capability to notify the appropriate user when correspondence has been received and has been identified as being relevant to a specific taxpayer (Workflow).	Correspondence	From SUW requirement 1711
279	The SAP system will provide the ability to systematically or manually generate and send delinquent letters that can be specific to the different taxes and filing requirements (for example; Form 2331, 2332, 2324).	Correspondence	From SUW requirement 1717
280	The SAP system will provide the ability to systematically or manually generate and send an additional information letter constructed from pre-defined message text that can be chosen by the system per business rules or by the user with appropriate security.	Correspondence	From SUW requirement 1725

281	The SAP system will provide the capability to automatically send a notice to taxpayers who have not filed a required return.	Correspondence	From SUW requirement 1731 Friendly delinquency letter
282	The SAP system will provide the capability to prevent non-filer letters (obligation to file) from being sent to taxpayers who are identified by Treasury.	Correspondence	From SUW requirement 1734 Use the Stop Action table to prevent sending
283	The SAP system will provide the capability to systematically report from Print Center acknowledgement confirmation the number of correspondence received and printed.	Correspondence	From SUW requirement 1739
284	The SAP system will populate Teradata Warehouse with 100% of City Corporate Income Tax return, payment, and meta data (Form and Table) on a daily basis (including -0- extract notifications).	Data Warehouse	From SUW requirement 1505 requirement 214 reworded
285	The SAP system will populate Teradata Warehouse with 100% of City Withholding return, payment, and meta data (Form and Table) on a daily basis (including -0- extract notifications).	Data Warehouse	From SUW requirement 1505 requirement 216 reworded
286	The SAP system will populate Business Warehouse with 100% of City Corporate Income Tax return and payment data on a daily basis.	Data Warehouse	
287	The SAP system will populate Business Warehouse with 100% of City Withholding return and payment data on a daily basis.	Data Warehouse	
288	The SAP system will provide Business Warehouse query access for users with appropriate security to generate ad hoc reports.	Data Warehouse	
289	The SAP system will provide the capability to feed	Data	From SUW requirement 1503

	hearings/bankruptcies/tribunals/Board of Review to the data warehouse.	Warehouse	
290	The SAP system will provide the capability to show tax type in the data warehouse without using Main/Sub combinations.	Data Warehouse	From SUW requirement 1504
291	The SAP system will provide the capability to extract employer data for the Teradata Warehouse.	Data Warehouse	
292	The Teradata Warehouse will provide the capability to transform and load employer data received from SAP.	Data Warehouse	
293	The Teradata Warehouse will provide the capability to transform and load City Corporate Income Tax return and payment data received from SAP.	Data Warehouse	
294	The Teradata Warehouse will provide the capability to transform and load City Withholding return and payment data received from SAP.	Data Warehouse	
295	The SAP system will provide the capability to accept and process electronically filed City Corporation Income Tax returns received via MeF. Returns will be placed in the same location as Michigan CIT e-Filed returns downloaded from the IRS.	e-File	SAP to use the same load process as with CIT e- Filed returns. Wednesday, October 21 (morning)
296	The SAP system will provide the capability to reject electronically filed City Corporate Income Tax returns based on business rules.	e-File	DTMB estimate
297	The SAP system will provide the capability to reject electronically filed City Withholding returns based on business rules.	e-File	DTMB estimate
298	The SAP system will provide the ability to accept payments from all payment channels for an e-File return.	e-File	Bulk (one payment per return), ACH, check (no MTO initiated payment)
300	The SAP system will generate the following reports of test and production City Corporate Income Tax and City Withholding data from e-file submissions. - Control Report for Acknowledgements (Corporate only) - Control Report for Returns Loaded and Rejected - E-file Error Report	e-File	Report 36-39, Report 20, Report 42 There will be separate revenue types for corporate (DETC) and withholding (DETW).
301	The Beyond Compare system will provide a report of e-mails generated for software developer compare results.	e-File	TI06S28Z01 (MBT/CIT E-File Control Total Report)
302	The Beyond Compare system will provide a report of e-mail addresses associated with software developers that an e-mail could not be sent.	e-File	TI06S28Z02 (MBT/CIT E-File email Compare Control Total Report)
303	The Beyond Compare system will provide a report of the number of test files read and number of compare reports generated.	e-File	TI06-S27-Z01 (E-file Compare Control Total Report)
304	The Beyond Compare system will provide a report of e-mails generated from test files.	e-File	
305	The SAP system will provide the capability to receive, store and view data captured from electronic Federal tax returns.	e-File	Only for City Corporate Income Tax returns. SAP calls the Read MeF application
306	The Beyond Compare system will provide a report when the XML cannot be read while generating compares.	e-File	Beyond Compare TI06-S27-Z03 (E-file Compare Error Report)
307	The SAP system will provide the capability to display rejected or error returns on the Business Partner Overview (i.e., returns that never made it to the returns process due to failure of the preliminary e-file business rules).	e-File	From CIT requirement 169
308	The SAP system will provide capability for a business user with appropriate security to enable and disable bulk e-file error conditions, using a table, for specific returns based on e-file business rules.	e-File	From CIT requirement 171
309	The SAP system will provide the capability to accept bulk file transmission of City Withholding returns and payments through direct e-file input channel with the financial transactions schema. (i.e. Payroll Service and Software Vendors).	e-File	From SUW requirement 303 Same as existing design with a new tax type. Any supported filing frequency for City Withholding Current design is one payment per return
310	The SAP system will provide the capability to accept multiple returns (same contract object) from/for a taxpayer in same period via direct e-file. Business rules will be written to ensure duplicates are not rejected.	e-File	From SUW requirement 308 Make sure we have business rules to not reject duplicates.
311	The SAP system will provide the capability to reject electronically filed returns based on defined business rules.	e-File	From SUW requirement 309

312	The SAP system will provide the ability to create Electronic acknowledgments for e-filed returns and electronic receipts.	e-File	From SUW requirement 310

314	The SAP system will provide the capability to validate schema of City Withholding returns received via bulk e-file.	e-File	Program 273 will need to be extended (Z_TI06_273_BLK_SCHEMA_VALIDATE)
315	The SAP system will provide an interface to receive City Corporate Income Tax estimates and extensions from a City for the first year of their agreement with the State to process City Corporate Income Tax returns.	Interface	
316	The SAP system will provide an interface to receive City Withholding credit forward from a City for the first year of their agreement with the State to process City Withholding returns.	Interface	
317	The SAP system will provide the ability to load a file of City Corporate Income Tax city issued debt prior to State administration that includes at minimum FEIN, name, type of debt, amount of debt, tax period, and date of debt.	Interface	
318	The SAP system will provide the ability to load a file of City Withholding city issued debt prior to State administration that includes at minimum FEIN, name, type of debt, amount of debt, tax period, and date of debt.	Interface	
319	The SAP system must provide appropriate data via interface to the existing STAR system to support third party collections and bankruptcy.	Interface	Interface to be consistent with City Individual STAR change control.
320	The SAP system will provide a process to keep the SAP and STAR systems in balance after the placement process. SAP will be the system of record for payments and debt.	Interface	See existing collections reconciliation report (reports 19, 34)
321	The STAR system will provide a process to keep the SAP and STAR systems in balance after the placement process. SAP will be the system of record for payments and debt.	Interface	See existing collections reconciliation report (reports 19, 34)
322	The SAP system will provide a small balance adjustment function that accepts payment of interest, penalty and tax as paid in full if within a configurable threshold. Record of payment must be sent to the Third Party Collections Agency. If small balance adjustment is delegated to third party collections agency upon payment of all except agreed upon amount, the third party collections agency will provide small balance adjustments back to SAP.	Interface	
323	The STAR system will provide a small balance adjustment function that accepts payment of interest, penalty and tax as paid in full if within a configurable threshold. Record of payment must be sent to the Third Party Collections Agency. If small balance adjustment is delegated to third party collections agency upon payment of all except agreed upon amount, the third party collections agency will provide small balance adjustments back to SAP.	Interface	
324	The SAP system will produce a control total report for each interface.	Interface	
325	The SAP system will transfer all correspondence generated with SAP to FileNet.	Interface	System currently sends copies of all letters and notices to FileNet.
326	The SAP system will provide an interface to post liability from a no-response TCB letter and implement collection action with or without a return being filed. (i.e. upload 1000 discovery letters that did not respond and generate an automatic assessment for each)	Interface	
327	The SAP system will provide a process to load a file of Account Numbers from Discovery into SAP to identify TCB initiated returns.	Interface	
328	The SAP system will provide the capability to interface and conform to the State's Consolidated Print Center (CPC) standards.	Interface	
329	The SAP system will provide the capability to assign a Document Locator Number to every document received into the system or generated by the system.	Interface	
330	The SAP system will provide applicable taxpayer account and return status changes to the Siebel system via a real time web service.	Interface	
331	The SAP system will provide a batch interface to Siebel that provide city taxpayer demographic information.	Interface	
332	The SAP system will record service requests in Siebel. SAP will place a hold on Letter of Inquiry action based on business rules.	Interface	
333	The SAP system will be built to interface with MAIN (through TC88). A separate project will address changes to SAP required for SIGMA.	Interface	
334	The SAP system will provide the ability to receive and process an estimated payment voucher. Will include both interface and accounting work.	Interface	
335	The SAP system will provide the ability to load a file received from the City that contains businesses currently filing City Withholding.	Interface	
336	The SAP system will provide the ability to load a file received from registration that contains business currently filing Michigan Withholding with a City address based on defined business rules.	Interface	The State filter out businesses that are contained in the file from the City of Detroit.
337	The SAP system will provide the ability to load a file received from the City that contains businesses currently filing City Corporate Income Tax.	Interface	

338	The SAP system will provide the ability to load a file received from registration that contains businesses currently filing Michigan Corporate Income Tax with a City address based on defined business rules.	Interface	The State filter out businesses that are contained in the file from the City of Detroit.
339	The SAP system will provide the ability to load a file received from registration that contains businesses currently filing Michigan Business Tax with a City address and business type of S-corp.	Interface	The State filter out businesses that are contained in the file from the City of Detroit. Need to define the query parameters to ensure only identifying businesses currently conducting business.
340	The SAP system will provide the capability to load a file from the City of withholding taxpayer liabilities for the tax year previous to State beginning administration of tax for the City.	Interface	From SUW requirement 1322 To support computed assessments.
341	The SAP system will provide the capability to load a file from the City of taxpayer's liabilities for the tax year immediately preceding State beginning administration of tax to determine UPE.	Interface	From SUW requirement 1322
342	The SAP system will provide the capability for SAP to transfer to the Collections System corporate officer identification number as potentially liable for taxpayer liability. Corporate officer identification number should be 10 characters, alpha in first character ("S" for individual or "F" for business) and all numeric in the remaining characters.	Interface	From SUW requirement 1335
343	The SAP system will provide the ability to generate SAP files to reconcile to the State's financial accounting system by the State's financial accounting system coding blocks. Includes all revenue changes, transfers, incoming deposits, outgoing refunds from SAP to the State's financial accounting system.	Interface	Interfaces 5B and 5C

344	The SAP system will provide the capability for an employer to submit W-2 data with their bulk City Withholding returns. Return and W-2 data will be separated prior to delivery to SAP return and employer data load programs. W-2 data file will be in Social Security Administration format as defined by the Specifications for Filing Forms W-2 Electronically (EFW2). W-2 data will be processed by the SAP Employer Data interface developed with SUW phase 2.	Interface	This requirement does not support use of MTO for employer data submission. This requirement does not support submission of corrected W-2 data. This requirement does not support identification or processing of a deceased worker. This requirement does not support communication of rejected W-2 data to employer, software developer or payroll service provider.
345	The Siebel CRM system will retrieve applicable data from SAP using a real time web service.	Interface	
346	The SAP system will accept and process the existing consolidated payment file format with the addition of fields necessary to split City payments from each other and from the State payment when a combined payment is remitted by the taxpayer.	Payment Processing	
347	The SAP system will provide a method to transfer a City Corporate Income Tax payment and associated information related to the payment to the City when payment is determined to be for a tax year prior to the year State began administering tax for the City.	Payment Processing	Need ability to transfer a payment to the City of Detroit (generic City GL defined or refund to City).
348	The SAP system will provide a method to transfer a City Withholding payment and associated information related to the payment to the City when payment is determined to be for a tax year prior to the year State began administering tax for the City.	Payment Processing	Need ability to transfer a payment to the City of Detroit (generic City GL defined or refund to City).
349	The SAP system will provide an electronic IDA process for the manual movement of payments within SAP.	Payment Processing	
350	The SAP system will provide the ability to refund a payment submitted as a City Corporate Income Tax payment in error without a return.	Payment Processing	Use backend refund process that exists for MBT, CIT, and SUW.
351	The SAP system will provide the ability to refund a payment submitted as a City Withholding payment in error without a return.	Payment Processing	Use backend refund process that exists for MBT, CIT, and SUW.
352	The SAP system will provide the capability for an authorized user to apply money paid by a taxpayer in a single check to multiple returns and/or tax due notices.	Payment Processing	
353	The SAP system will provide the capability for an authorized user to apply money paid by a taxpayer through multiple checks to a single return and/or tax due notice.	Payment Processing	
354	The SAP system will provide the capability for an authorized user to apply money paid with a single check to liabilities owed across multiple reporting periods, and generate the proper transactions.	Payment Processing	
355	The SAP system will provide the capability to allocate money received to	Payment	

	Interest, Penalty, and Tax according to business rules, and generate the proper transactions.	Processing	
356	The SAP system will provide the capability for an authorized user to enter payment transactions through the use of a GUI with proper security safeguards.	Payment Processing	
357	The SAP system will provide the capability for business user, under special circumstances, to specify payment application other than the standard business rule with appropriate security. (i.e. tax and interest instead of tax and penalty)	Payment Processing	
358	The SAP system will provide the capability to receive annual payments made with the paper return or with a payment voucher.	Payment Processing	
359	The SAP system will provide the capability to allow all information, including FileNet image link on a payment to move when a payment is transferred.	Payment Processing	
360	The SAP system will provide the capability to track money received. (e.g. Money that is not associated to a specific taxpayer but is to a specific tax type and/or reporting period until it is properly associated with a specific taxpayer, tax type and credited to that taxpayer's account, and generates the proper accounting transactions)	Payment Processing	
361	The SAP system will provide the capability for business user with appropriate security to correct improperly posted transactions regardless of the type of transaction (e.g. change payment type annual to estimate and generate the appropriate accounting transfer).	Payment Processing	
362	The SAP system will provide the capability to automatically generate an NSF assessment with a fee (configurable value, currently $50 for State and $25 for City) upon posting of a return lot for a dishonored check and electronic payment. With a combined Michigan and City Corporate Income Tax return, an NSF fee will be levied for only the State of Michigan Tax (currently $50).	Payment Processing	Need to figure out what should happen with a combined return. Will there be two assessments, one with a fee and one with zero? The State CIT and CITY CIT are different from an assessment perspective.
363	The SAP system will provide the capability to reverse all transactions generated by a payment, for both State and City if a combined return, when the payment is returned to the bank (based on NSF report from the bank).	Payment Processing	
364	The SAP system will provide a method to enter payments that are received without a payment voucher.	Payment Processing	
365	The SAP system will provide the ability to post future/past period (2016 and later) returns and payments to the City's current fiscal year.	Payment Processing	
366	The SAP system will provide the capability to have Business rules to automatically apply payments that come in with a Treasury letter.	Payment Processing	examples; Notice of Additional Tax Due, Delinquency Notice
367	The SAP system will provide the capability for money, along with the original batch validation, to be moved to different taxes, taxpayers, and/or file periods.	Payment Processing	
368	The SAP system will provide the capability to post payment in current fiscal year, including payment received with an out of statute return.	Payment Processing	
369	The SAP system will provide for the posting date of the payment to be equal to the bank Date of deposit (which is provided in the bank file) and prevent that date from being adjusted either manually or systematically.	Payment Processing	
370	The SAP system will provide the ability to accept and post miscellaneous and TCB payments as separate payment types.	Payment Processing	
371	The SAP system will provide the ability to accept an indicator such as batch number range to identify a payment type.	Payment Processing	

372	The SAP system will provide the ability to take audit payments and post to account and not clear until TCB staff clears the return.	Payment Processing	
373	The SAP system will provide the ability to apply partial paid to interest, penalty, tax for uncontested amounts based on business rules.	Payment Processing	
374	The SAP system will put a City Corporate Income Tax estimated payment or extension request on clarification if a business partner does not exist when received.	Payment Processing	
375	The SAP system will provide the capability to specify tax type in any manual payment postings.	Payment Processing	From CIT requirement 542
376	The SAP system will provide the capability to show tax type indicator on FP30.	Payment Processing	From CIT requirement 543
377	The SAP system will provide the capability to systematically deny extensions when the request is received past the due date and systematically send out letter of denial.	Payment Processing	From CIT requirement 552
378	The SAP system will provide the capability for an authorized user to manually update deferral date for a specific taxpayer and city. System will send a letter to the taxpayer of the deferral date change.	Payment Processing	From CIT requirement 553
379	The SAP system will provide the capability to record the tax type for the NSF penalty, should be designated as belonging to a particular tax type.	Payment Processing	From CIT requirement 555

380	The SAP system will provide the ability for 1 account to accept payments thru more than 1 channel (EFT, Check, etc.) and not be forced into a delinquency if multiple channels are used.	Payment Processing	From SUW requirement 904
381	The SAP system will provide the capability for multiple payments to be received within the same return period without error.	Payment Processing	From SUW requirement 905
382	The SAP system will provide the ability to capture and post the payment in a red seal batch and error out on a work list. Capture and link the image of the correspondence and payment document.	Payment Processing	From SUW requirement 909 Red seal handling - has its own distinct batch range. Search and cross-reference as many data fields as possible (e.g. FEIN, address, phone numbers, owner name, etc.) If no match is found auto-generate an account ID, post any return/payment data submitted, flag the account for follow-up, and notify TP that Treasury could not locate registration information.
383	The SAP system will provide the ability to post payments with no tax type specified according to business rules.	Payment Processing	From SUW requirement 912 Example: Taxpayer sent in late return but did not indicate type of tax due
384	The SAP system will provide the ability to transfer payments from one period to another within the same account or to a different account within SAP and generate the appropriate transactions to State's financial accounting system.	Payment Processing	From SUW requirement 913
385	The SAP system will provide the ability to handle the unpostables (payments received containing no FEIN or other account ID; or with an account ID but not yet registered) in a way that the money can post immediately.	Payment Processing	From SUW requirement 914 Move to clarification
386	The SAP system will provide the capability to have business rules to automatically apply payments that come in with a Delinquency letter.	Payment Processing	From SUW requirement 918
387	The SAP system will provide the capability to capture tax type from the bank payment file during the payment load.	Payment Processing	From SUW requirement 926
388	The SAP system will provide the capability to alert the appropriate user when a payment lot fails to load. The payment lot loading should complete without the bad payment.	Payment Processing	From SUW requirement 930
389	The SAP system will provide the capability to store the received date of the payment or return in the appropriate field for the purpose of calculating penalty and interest.	Payment Processing	From SUW requirement 933
390	The SAP system will provide the capability to manually transfer payments to SAP from another system.	Payment Processing	From SUW requirement 936
391	The SAP system will provide the capability to manually transfer payments from SAP into another system.	Payment Processing	From SUW requirement 937
392	The SAP system will provide the capability to track any taxpayer payment and payment batch information back to an original deposit.	Payment Processing	From SUW requirement 954
393	The SAP system will provide the ability to take audit payments and post to account and not clear until audit staff clears the return.	Payment Processing	From SUW requirement 1417
394	The SAP system will provide the ability to apply partial paid to tax/penalty/interest for uncontested amounts, and apply the balance to an active assessment in SAP.	Payment Processing	From SUW requirement 1419
395	The SAP system will provide the capability for monies posted as Audit payments to only be applied to returns identified as Audit returns.	Payment Processing	From SUW requirement 1441
396	The SAP system will provide the capability to store the deposit document ID and reclass document ID with each tax type/filing period.	Payment Processing	From SUW requirement 1807
397	The SAP system will add City Withholding tax to an existing business registration if the business is registered for Michigan Withholding when processing a file received from the City that contains businesses currently filing City Withholding. If the business is not registered for Michigan Withholding at the time of file load, the specific record will raise an error for staff to work and remaining records in file will continue to process.	Registration	Default City Withholding filing frequency will be the same as the Michigan Withholding filing frequency. If a business is an accelerated filer, the City frequency will be monthly.
398	The SAP system will add City Withholding tax to an existing business registration if the business is registered for Michigan Withholding when processing a file received from registration that contains businesses currently filing Michigan Withholding and have a City address.	Registration	The State filter out businesses that are contained in the file from the City of Detroit. Default City Withholding filing frequency will be the same as the

			Michigan Withholding filing frequency. If a business is an accelerated filer, the City frequency will be monthly.
399	The SAP system will provide the capability for staff with the appropriate authorization to update registration information for City Withholding.	Registration	A form will be made available to businesses that will not be processed by the bank. Form will processed by DataCap as correspondence and routed to the appropriate staff.
400	The SAP system will provide the capability for Michigan and City Withholding filing frequencies to be different. The system must have the ability to store and process filing frequencies for multiple cities, each of which can be different.	Registration	Default City Withholding filing frequency will be the same as the Michigan Withholding filing frequency.
401	The SAP system will provide the capability to systematically change the City Withholding filing frequency to monthly if the amount of tax paid per quarter (based on the annual reconciliation) is greater than a configurable value. The filing frequency update process will be executed annually.	Registration	
402	The SAP system will provide the capability for a user with appropriate security to manually update City Withholding filing frequency based on business rules.	Registration	Taxpayer will have to request change in filing frequency in writing with signed correspondence.
403	The SAP system will add City Corporate Income Tax to an existing business registration when processing a file received from the City that contains businesses currently filing City Corporate Income Tax. If the business is not registered for a Michigan tax at the time of file load, the specific record will raise an error for staff to work and remaining records will continue to process.	Registration	
404	The SAP system will add City Corporate Income Tax to an existing business registration when processing a file received from registration that contains businesses currently filing Michigan Corporate Income Tax and have a City address.	Registration	The State filter out businesses that are contained in the file from the City of Detroit.
405	The SAP system will add City Corporate Income Tax to an existing business registration when processing a file received from registration that contains businesses currently filing Michigan Business Tax, has a City address, and business type of C-corp or S-corp.	Registration	The State filter out businesses that are contained in the file from the City of Detroit. Need to define the query parameters to ensure only identifying businesses currently conducting business.
406	The SAP system will provide the capability for staff with the proper authorization to update registration information for City Corporate Income Tax.	Registration	A form will be made available to businesses that will not be processed by the bank. Form will processed by DataCap as correspondence and routed to the appropriate staff. A known issue raised is when a shell registration is established causes a problem when a subsequent 518 is processed or MTO used to update registration. The updates will not process, raises red errors.
407	The SAP system will generate a business partner for each taxpayer that files a City Corporate Income Tax return that is not registered for City Corporate Income Tax.	Registration	
408	The SAP system will generate a business partner for each taxpayer that files a City Withholding return that is not registered for City Withholding.	Registration	
409	The SAP system will generate a relationship between taxpayer and Authorized Representative Declaration (ARD) by tax year.	Registration	
410	The SAP system will generate a relationship between taxpayer and return preparer by tax year.	Registration	
411	The SAP system will provide the ability for taxpayer return address associated with a Business Partner to change from filing to filing. The return address will not overwrite or update the legal address on the registration.	Registration	
412	The SAP system will cleanse/standardize address prior to creating a business partner in SAP.	Registration	
413	The SAP system will provide the capability to assign a unique ID (assigned TR Number) to a taxpayer when a new profile is created, becoming the primary identifier in the system.	Registration	

414	The SAP system will provide the ability to move the City Corporate Income Tax and/or City Withholding returns with update of State registration information when an account number is changed.	Registration	
415	The SAP system will allow an authorized user to register a garnishee and a debtor for the purposes of offsetting a refund to a garnishment. A contract object will be created for each registered garnishee and debtor.	Registration	
416	The SAP system will provide the capability to automatically reactivate an account registration for a tax when a return is received for a period (configurable number of days) after the date of discontinuance, and generate a letter if a return is received from an out of business taxpayer.	Registration	From SUW requirement 731
417	The SAP system will provide the capability to filter any report by tax type and city.	Reporting	
418	The SAP system will provide reporting of City Corporate Income Tax return metrics separate from Michigan Corporate Income Tax return filings. Metrics include, but are not limited to count of City Corporate Income Tax returns filed combined with the Michigan Corporate Income Tax return and count of City Corporate Income Tax returns filed separate of the Michigan Corporate Income Tax return.	Reporting	
419	The SAP system will provide reporting of City Withholding return metrics separate from Michigan Withholding return filings.	Reporting	
420	The SAP system will include both business partner number and FEIN/TR Number on reports.	Reporting	
421	The Collections system will provide an account balance report for periodic balancing with SAP.	Reporting	
422	The SAP system will produce a balance report for a given period to balance with the Collections system.	Reporting	
423	The SAP system will provide the capability to accept a date range when running reports.	Reporting	

424	The SAP system will provide the capability to execute all reports via scheduled Tidal jobs. Job execution frequency will be determined during system design.	Reporting	Any reports that will not be run through Tidal will be identified during Blueprint. Tidal jobs need to be designed to allow for City Corporate and Withholding specific reports be run separately from existing reports. Rename reports to be specific to City Corporate and Withholding. DTMB estimate.
425	The SAP system will provide reports that are clearly titled with descriptive words and hence, not named or referenced with a series of numbers and letters which are meaningless to an end user.	Reporting	
426	The SAP system will provide a Return Status Report with the following high level attributes for City Corporate Income Tax and City Withholding. • Total number of returns received in a given period • How many of those returns were processed by system • How many error out for manual review	Reporting	BW Initial Status Report
427	The SAP system will provide a return status report with the following high level attributes for City Corporate Income Tax and City Withholding. • For returns out on error for manual review: Prior backlog; number of new returns received; number of returns completed = current backlog (note: backlog means not out the door and completed means it is out the door with nothing further to do. The State does not want concepts such as created status, or reviewed by only one person to create report interpretation confusion) ○ Further broken down by return type (withholding underpaid, overpaid, in balance / corporate - refund, credit forward, tax due, NP, partial paid, amended, and tax year as examples)	Reporting	For individual this was broken into multiple reports. - Refunds Pending Processing - Return Status Detail Report

	o Produce sub lists from this report to show age and largest refunds as an example		
428	The SAP system will provide an Error Detail Report with the following high level attributes. Shows the number of auto-correct / green errors and the associated percentage processed by system • Shows the number of manual errors / red, yellow and the associated manual error rate percentage • List of all system errors and number of backlog returns currently associated with each error Similar to the IIT 943 report (a report that allows us to review the effectiveness of an error in terms of revenue generated based on different tolerance amounts and the number of times an error resulted in a change or now change etc. • Summary report of return error counts by line number (summary report by form number/field name). • These reports would need to be run daily and show year-to-date / cumulative totals	Reporting	
429	The SAP system will provide a General Statistics Report with the following high level attributes. • Number of paper vs. e-Filed returns filed • Number of e-pay vs. paper paid • Total dollar amount of refund claims • Total dollar amount of tax due returns • Number of refunds issued via check • Amount of credit interest paid on current year refunds vs. prior year	Reporting	Return Detail Analysis EFT may be introduced as a result of SIGMA
430	The SAP system will provide a Staff Production Related Report with the following high level attributes. • Total number of returns worked by all staff (break out quarterly / monthly vs. annual) • Total number of returns worked by individual oShow total number and type of underlying errors worked necessary to complete the return • Total number of correspondence worked by all staff • Total number of correspondence worked by individual • Separately track "re-opens" these are not new returns but represent a resource cost	Reporting	Staff Production Dashboard Analysis by Staff

431	The SAP system will provide a browsing report or functionality to ensure staff are reviewing tax information only as it is necessary to carry out their job function. The Browsing report should be developed to provide a list of users and their browsing activities. The report should provide audit logs for every user transaction including inquiry transactions that includes the date and time the transaction was executed. Provide the capability to track and report by user or Business Partner. The report should have the capability to be used for new and updated SAP transactions.	Reporting	Separated from the Staff Production Related Report requirement. The following Transaction Codes were identified as part of Business Taxes roll-out in SAP. We may add more transaction codes if different transaction codes are used for City taxes CAA1, CAA2, CAA3, FMCACOV, FPE1, FP05, FP06, FP40,

	The system should provide the capability of executing the Browsing Report on an on-line/real-time basis with one of the following selection criteria: 1. UserID 2. Transaction Code 3. Business Partner 4. Transaction Date		FPM3, FPM4, FPP1, FPP2, FPP3, FPTCRPO, PSOBWORK, PSOB_TREE_START Requirement may be impacted by the pending City individual change control.
432	The SAP system will provide a report of the collectability of returns during the Intent to Assess, Final Assessment Notice and on demand periods.	Reporting	Collections Summary Report
433	The SAP system will generate a paper return load control report.	Reporting	Return load interface 4D
434	The SAP system will generate a payment load control report.	Reporting	Payment load interface 4P
435	The SAP system will generate a refunds issued control report.	Reporting	Report 25
436	The SAP system will generate an e-File return load control report.	Reporting	E-file return load interface 7A
437	The SAP system will generate a TCB return load control report.	Reporting	TCB return load interface 4D
438	The SAP system will provide a report of the quantity of interest payments by tax type (corporate and withholding).	Reporting	Extension of existing report to include corporate and withholding
439	The State's financial accounting system will provide a report of City Income Tax fund deposits, disbursements and balances. Report will not be at the bank account level.	Reporting	The Office of Accounting will generate the necessary reporting appropriate for this requirement.
440	The SAP system will provide a report of the dollar amount and quantity of assessments sent by tax type (corporate and withholding).	Reporting	Collections Summary Report
441	The SAP system will provide a report of accounts receivable aging by tax type.	Reporting	Yearend Receivables Report does not address this requirement (TAM Report 28) TAM Report 29 provides this information Accounts receivable begins with intent to assess
442	The SAP system will provide a report of the total balance due for tax, penalty and interest by tax type.	Reporting	Collections Summary Report
443	The State's financial accounting system will provide a report of the detail invoices from the State of Michigan.	Reporting	The Office of Accounting will generate the necessary reporting appropriate for this requirement.
444	The SAP system will provide a report of the percentage of returns processed timely.	Reporting	BW Report R2055
445	The SAP system will provide a report of the percentage of income tax return exceptions.	Reporting	Staff Production Dashboard Analysis by Staff The return errors by line report include additional information.
446	The SAP system will provide a report of the statistics on the number of e-Filings by tax type.	Reporting	Production Detail Analysis Report (BW)
447	The SAP system will provide a report of the total income subject to tax for City Corporate Income Tax on an annual basis in aggregate by range.	Reporting	BW Report R2056
448	The SAP system will provide a fiscal and calendar year end report of the quantity of tax returns processed and the quantity of tax returns received but not processed (backlog).	Reporting	BW Return Backlog Report
449	The SAP system will provide a fiscal and calendar year end report of the amount of tax collected from estimates by tax type.	Reporting	Existing SAP report extended for corporate and withholding
450	The SAP system will provide a report of the quantity of extensions received and number approved for City Corporate Income Tax.	Reporting	BW Report R2050 For corporate only
451	The SAP system will provide the capability to generate reports based on expectation to file (computed assessments/notices) for City Corporate Income Tax and City Withholding on an annual basis.	Reporting	
452	The SAP system will provide a report in aggregate accounts receivable tax, penalty and interest along with aggregate amount of debt and number of tax payers with payment. Report number of resolved accounts and aggregate dollar amounts and number of judgments & garnishments. Report aggregate number of accounts that are uncollectable and dollar amounts. Will report aggregate number of accounts and aggregate dollar amount for small balance adjustments (cleaning up small balances on accounts such as penalty and interest accruals).	Reporting	Collections Report from SAP
453	The SAP system will provide a report of audit information including the following:	Reporting	

	• Quantity of audits by tax type • Collections from audits by tax type • Assessments from audits by tax type • Status of audits (e.g. open, closed, in-process) • Resolution to audits by tax type (e.g. assessment, refund, no change)		
454	The SAP system will provide the capability to generate a user profile listing that includes user name, ID, department, division, role, date access granted and date access deleted.	Reporting	
455	The SAP system will provide the capability to generate a listing of all actions taken by a privilege user including Privilege User ID, user ID, Privilege User actions.	Reporting	
456	The SAP system will provide the capability to generate a list of users who reset their password including User ID, User Name, User ID, and Date of password reset.	Reporting	

457	The SAP system will provide the capability to generate a listing of users with multiple User IDs within SAP.	Reporting	
458	The SAP system will provide the capability to generate a listing of disabled users within SAP.	Reporting	
459	The SAP system will provide the capability to create an e-File posting report by tax type.	Reporting	SAP Report 244
460	The SAP system will provide the capability to create an e-File error report by tax type.	Reporting	SAP Report 244
461	The SAP system will provide the capability to generate a control total report for Tax Compliance created returns.	Reporting	Interface 4D TCB
462	The SAP system will provide a monthly and YTD report for revenue activity by type (estimated, Annual, Extension, P&I, refunds, rebates).	Reporting	TAM Reports 28, 26, 27, 25
463	The SAP system will provide daily reports to ensure that accounts receivables are in balance.	Reporting	Report 34 provides the differences between SAP and STAR
464	The SAP system will provide the capability to generate a report that shows and compares monthly and year to date totals.	Reporting	TAM Report 37 and 38
465	The SAP system will provide the capability to generate a listing summarizing individual or group production and proficiency statistics.	Reporting	Staff Production Detail Report (BW)
466	The SAP system will provide the capability to generate a listing of Business Intelligence Record Selection Control Totals (ZMBT_DW_STATISTICS).	Reporting	ZMBT_DW_STATISTICS
467	The SAP system will provide the capability to generate a listing of control totals for submissions from the Web Services Client.	Reporting	Report of number of times the Siebel system requested data via the web service.
468	The SAP system will provide the capability to generate a listing of returns run through the e-File business rules that were accepted by type. (i.e. e-File posting)	Reporting	Interface 7A RP_RPT_36_39 E-file Posting Report
469	The SAP system will provide the capability to generate a listing of returns run through the e-File business rules that were rejected listed by rejection code. (i.e. e-File errors)	Reporting	Interface 7A RP_RPT_20_40-E-file Error Report
470	The SAP system will provide the capability to generate a listing of all acknowledgements submitted and received.	Reporting	RP_RPT_042-Acknowledgement Control Totals Report Corporate only
471	The SAP system will provide the capability to generate a listing of manual journal entries.	Reporting	TAM Report 38
472	The SAP system will provide the capability to generate a listing of refunds issued.	Reporting	TAM Report 25
473	The SAP system will provide the capability to generate a listing of refunds pending approval.	Reporting	TAM Report 26
474	The SAP system will provide the capability to generate a listing of refunds pending processing.	Reporting	TAM Report 27
475	The SAP system will provide the capability to generate a listing of revenue by type.	Reporting	TAM Report 28
476	The SAP system will provide the capability to generate a listing of balance sheet for General Ledger accounts.	Reporting	This is a fit for City Individual
477	The SAP system will provide the capability to generate a listing of payments by type.	Reporting	TAM Report 28
478	The SAP system will provide the capability to generate a listing of transfers to the State's financial accounting system.	Reporting	Interface 5B
479	The SAP system will provide the capability to generate a listing of assessments that are stopped on a filter. City filters must be independent of State filters. Do not stop city on State filters unless added to the city list.	Reporting	

480	The SAP system will provide the capability to generate a listing weekly and monthly for reconciliation of received payments.	Reporting	
481	The SAP system will provide the capability to generate a listing of large refund amounts (individual refund amount or total of refunds for a given day).	Reporting	TAM Report 25
482	The SAP system will provide the capability to generate a listing weekly and monthly for reconciliation of returned items for all tax types.	Reporting	Fit for City Individual
483	The SAP system will provide the capability to generate a listing of revenue by payment type, monthly and fiscal year to date.	Reporting	TAM Report 28
484	The SAP system will provide the capability to create an Acknowledgements Control Totals report by tax type.	Reporting	Interface 7A
485	The SAP system will provide the capability to generate a listing of penalty and interest reclass.	Reporting	ZPIRECLASS
486	The SAP system will provide an address history for taxpayers and source of change.	Reporting	Fit for City Individual
487	The SAP system will provide the ability to produce an assessed and unassessed breakdown of a particular taxpayer's liabilities and payments. Assessed should include paid and corrected to zero assessments.	Reporting	Extension of existing report for City Corporate and City Withholding
488	The SAP system will provide the ability to generate a report that lists the returns on hold.	Reporting	BW Holds on Account Report
489	The SAP system will provide the ability to generate a report that lists the assessments on hold.	Reporting	BW Holds on Account Report
490	The SAP system will provide the capability to systematically daily reconcile bank files and provide a report or notification if out of balance.	Reporting	Interface 4P
491	The SAP system will provide year end report of debts that have not been assessed.	Reporting	TAM Report 29
492	The SAP system will provide a report to determine Credit Forwards processed, pending processing and pending approval by Revenue Type.	Reporting	BW Credit Forward
493	The SAP system will provide a report that lists all transactions being sent to the Collections system for that day, including transactions totals, and dollar totals by transaction type, and by tax.	Reporting	Interface to STAR (will be consistent with STAR change control from City individual)
494	The SAP system will generate a TCB Stop load control report. Consisting of- • Stops Loaded (total and by type) • Stops errored out • Stops inactivated • Stops reactivated	Reporting	Extension of City Individual Enhancement 5051
495	The SAP system will provide the capability to generate reports automatically or on demand by project code for Intent to Assess, Final Assessment, On Demand and Final Demand.	Reporting	BW Report R2051
496	The SAP system will provide the capability to drill down to payment or return detail when viewing information from the portal.	Reporting	From CIT requirement 209
497	The SAP system will provide the capability to generate a listing of NR returns, Refund returns by Paper/e- file method.	Reporting	From CIT requirement 219
498	The SAP system will provide the capability to generate a listing of the audit trail of processors who change addresses and issue refunds.	Reporting	From CIT requirement 221
499	The SAP system will provide the capability to generate a daily listing of current outstanding errors and a summary of year to date error occurrence by error type.	Reporting	From CIT requirement 223

501	The SAP system will provide the capability to generate a listing of Accounts Receivable reconciliation with STAR.	Reporting	From CIT requirement 238
502	The SAP system will provide the capability to generate a listing of returns that are out in error (TC17-260- Z01) by error condition.	Reporting	From CIT requirement 242
503	The SAP system will provide the capability to generate a listing of refunds and interest paid, separately by paper vs. e-file returns.	Reporting	From CIT requirement 245 Does report 33 provide this functionality?
504	The SAP system will provide the capability to generate a listing of all payments that were received with no filing period or a filing period prior to CITA and were allocated systematically to future user defined filing period; report is generated daily and submitted via email.	Reporting	From CIT requirement 250
505	The SAP system will provide the capability to list the number and percentage of daily e-file and paper returns loaded into 3 categories; Created, In Processing and Billed with a grand total by tax year.	Reporting	From CIT requirement 258 The report will show the number and percentage of daily e-file and paper returns loaded into 3 categories by tax year. The categories are; Created, In Processing and Billed.

			Each tax year will have total lines along with a Grand Total line at the bottom of the report.
506	The SAP system will provide capability to reconcile (view, export, analyze files) SAP to the State's financial accounting system by providing the number/count# and value/amount$ of each of the following: City payments, refunds, transfers by revenue type.	Reporting	From SUW requirement 1206 New. Files from AL11 and spool reports
507	The SAP system will provide the capability to generate a listing of manual journal entries. These are accounting entries directly to SAP GLs by accounting.	Reporting	From SUW requirement 1208 Report 38
508	The SAP system will provide the capability to produce reports for ORTA. The SAP system will provide the capability to produce the files TC0391 and TC03914 (created annually).	Reporting	From SUW requirement 1216 TC03/91 – ORTA – Scheduled in July. TC03/914 – OAG – Scheduled in November. 10/26 - The business has determined this requirement is not necessary.
509	The SAP system will provide a new report that lists all transactions being sent to Collections for that day, including transaction totals, and dollar totals by transaction type, and by tax.	Reporting	From SUW requirement 1361 This will be a control total report from the SAP/STAR interface.
510	The SAP system will provide the capability for a report to be generated and sent to TCB with specific accounts loaded to the system and errors in loading.	Reporting	From SUW requirement 1408
511	The SAP system will provide the capability to generate a control total report for TCB created returns.	Reporting	From SUW requirement 1439
512	The SAP system will provide key data fields on the SAP statistical extract program for ORTA.	Reporting	From SUW requirement 1505 The statistical extract program is run on demand through Tidal job TI06T16.
513	The SAP system will provide automatic balancing / reconciliation of reports for scheduling etc. – the system should automatically engage in balancing at appropriate spots and ONLY generate a report or notice if something does not balance.	Reporting	From SUW requirement 1802
514	The SAP system will provide the capability to run reports, determine systematically whether the day balanced or not and send notification for out-of-balance status. The Daily Balancing of financials is done by printing out 3 individual reports and manually comparing totals to ensure the numbers balance.	Reporting	From SUW requirement 1805
515	The SAP system will provide the capability to run generated reports based on tax type.	Reporting	From SUW requirement 1810 Run based on tax type
516	The SAP system will provide the capability to generate a listing of Data Warehouse Record Selection Control Totals (ZMBT_DW_STATISTICS).	Reporting	From SUW requirement 1818 Data Warehouse Control file
517	The SAP system will provide the capability to generate a listing of overdue Collections system feedback. Include new and corrected assessments.	Reporting	From SUW requirement 1819 RP_RPT_017-MBT Overdue Star Feedback STAR will need to provide SAP with assessment numbers. This report is valid and required.
518	The SAP system will provide the capability to generate a listing daily, weekly and monthly of reconciliation of manually entered payments.	Reporting	From SUW requirement 1839 TAM_RPT_003 Payment Lot Report
519	The SAP system will provide an indicator to be displayed in the Business Partner Overview for City Corporate Income Tax standalone and linked with the State Corporate Income Tax submissions.	Return Processing	
520	The SAP system will provide the capability to re-calculate penalty and interest based on final approval date to display on letter.	Return Processing	
521	The SAP system will flag both a Michigan Corporate Income Tax return and a City Corporate Income Tax return when both are submitted as a combined filing (check or e-file).	Return Processing	
522	The SAP system will provide the capability of summing multiple monthly City Withholding returns within a given period based on defined business rules.	Return Processing	

	The system must merge returns received during the period after the due date.		
523	The SAP system will provide the capability of discontinuing City Withholding from a return based on business rules.	Return Processing	

524	The SAP system will provide the capability of discontinuing City Corporate Income Tax from a return based on business rules.	Return Processing	
525	The SAP system will include an indicator with return data that denotes when a City Corporate Income Tax return was combined with a State Corporate Income Tax return. This indicator will be visible in the SAP portal and provided to the Teradata Warehouse and BI Warehouse.	Return Processing	
526	The SAP system will provide the ability for staff with appropriate security to generate refund, credit forward, tax due, or transfer transactions to another tax type.	Return Processing	
527	The SAP system will allow taxpayers to file a City Corporate Income Tax return in paper and e-File formats.	Return Processing	
528	The SAP system will allow taxpayers to file a City Withholding monthly/quarterly return or annual reconciliation in paper or bulk e-file formats.	Return Processing	Not MTO
529	The SAP system will allow taxpayers to paper or e-File a City Corporate Income Tax return standalone or combined with the Michigan Corporate Income Tax return. SAP will separate combined City and Michigan Corporate Income Tax returns into two filings based on business rules with appropriate transactions.	Return Processing	
530	The SAP system will generate a letter to the taxpayer for missing pages and other return errors based on appropriate business rules.	Return Processing	
531	The SAP system will display error messages for Treasury staff when processing a City Corporate Income Tax or Withholding return.	Return Processing	
532	The SAP system will workflow a return that fails to load due to business rules if an address is not known at the time of attempted load.	Return Processing	
533	The SAP system will automatically bill all unprocessed returns released from the Stop Action table. Staff shall be able to make hearing and audit updates while the return is on the Stop Action table.	Return Processing	
534	The SAP system will not bill returns that have a stop entry in the Stop Action table.	Return Processing	
535	The SAP system will offset refunds against tax debt data received from the City subject to offset rules.	Return Processing	
536	The SAP system will allow the taxpayer to request a refund be used as a credit forward.	Return Processing	
537	The SAP system will not offset a credit forward against debt data received from the City. Credit forward will remain a credit forward within the system.	Return Processing	A credit forward can only be used to offset City Income Tax debt, not judgements.
538	The SAP system will establish a liability on the taxpayer account for debt and garnishment.	Return Processing	
539	The SAP system will provide the ability to assess underpayment penalty when return is received for City Corporate Income Tax quarterly estimated payments that do not exceed the required percentage and amount thresholds (currently 70% of current or previous year, or $250 which ever is less) of total liability for the current or immediately preceding tax year. The percentage threshold shall be configurable.	Return Processing	
540	The SAP system will provide the ability to process a City Corporate Income Tax filing extension request form received by the State of Michigan.	Return Processing	Need to be able to honor both State and City extension requests. Notify City of Detroit that they need to provide no money extension requests that they receive as part of the data delivered with the interface file.
541	The SAP system will offset refunds against garnishments subject to offset rules.	Return Processing	
542	The SAP system will provide a process to refund the remaining amount from a refund that was offset.	Return Processing	
543	The SAP system will void a duplicate paper return based on business rules.	Return Processing	
544	The SAP system will workflow an amended return if the original return has not been successfully billed.	Return Processing	
545	The SAP system will process an amended return based on defined business rules.	Return Processing	
546	The SAP system will provide work flow based on stop action type and division.	Return Processing	

547	The SAP system will include the city name on the warrant.	Return Processing	Standard refund message needs to include city name.
548	The SAP system will credit a refund to the next City Corporate Income Tax year when taxpayer requests a refund to be used as a credit forward based on business rules.	Return Processing	
549	The SAP system will credit a refund to the next City Withholding tax period when taxpayer requests a refund to be used as a credit forward. Credit forward will be refunded with the annual reconciliation and not carried forward to the next tax year.	Return Processing	
550	The SAP system will include appropriate credit interest with a refund based on business rules.	Return Processing	
551	The SAP system will work list a duplicate City Corporate Income Tax return based on business rules.	Return Processing	
552	The SAP system will work list a duplicate City Withholding return based on business rules.	Return Processing	
553	The SAP system will provide the capability to create an amended return when "as audited" fields contain data.	Return Processing	
554	The SAP system will provide the capability to view and process the following forms for City Corporate Income Tax: - City Corp Income Tax Return (5297) - City Corp Income Tax Renaissance Zone Schedule (5298) - City Corp Income Tax E-file Annual Payment Voucher (CORP-V) (5299) - City Corp Income Tax Quarterly Return (5300) - Application for Extension of Time to File City Corporate Income Tax Return (5301) - City Corp Income Tax Penalty and Interest Computation for - Underpaid Estimated Tax (5321)	Return Processing	

555	The SAP system will provide the capability to view and process the following forms for City Withholding: - 2016 City Income Tax Withheld Annual Reconciliation (5321) - 2016 City Income Tax Withholding E-file Payment Voucher (5322) - 2017 City Income Tax Withholding Monthly/Quarterly Return (5323)	Return Processing	
557	The SAP system will provide the capability to perform data validation with auto correction, using business rules against data captured from returns. Work items are created for returns that fail validation based on business rules and are then work flowed as assigned.	Return Processing	
558	The SAP system will provide the capability for users to resolve return exceptions, through the use of a GUI.	Return Processing	
559	The SAP system will provide the capability to process multiple returns for different cities per reporting period from the same taxpayer for all tax types.	Return Processing	
560	The SAP system will provide the capability to denote on a taxpayer's account by city that a request for an extension for filing returns has been received and granted by the Department.	Return Processing	
561	The SAP system will provide the capability to calculate applicable adjustments to tax, penalties and interest, using various rates as defined by business rules for different cities or different tax years.	Return Processing	
562	The SAP system will provide the capability to calculate applicable penalties and interest based on rules for a specific tax type.	Return Processing	
563	The SAP system will provide the capability for authorized users to waive penalty or interest assessed against a taxpayer's account and generate the proper accounting transactions.	Return Processing	
564	The SAP system will provide the capability for denoting city returns for tax periods that have been or are in an appeal stage (with an entry in the Stop Action table) and workflow according to business rules should any return be filed for those periods.	Return Processing	Will use Stop Action table to denote returns in hearing.
565	The SAP system will provide the ability to change the as filed values of a tax return with appropriate security.	Return Processing	
566	The SAP system will provide the capability for system to merge and unmerge returns based on business user actions. (i.e. original filing with amended)	Return Processing	
567	The SAP system will provide capability to systematically override the 'as determined' to the 'as filed' value if return is within a configurable tolerance. (i.e. tax liability)	Return Processing	
568	The SAP system will provide capability to determine appropriate letter, such as a Proposal for Tax Due, based on whether return is within tolerance.	Return Processing	Proposal for Tax Due or other name for this letter.

569	The SAP system will provide the capability to generate a unique return id for each filing. (i.e. original and amended)	Return Processing	
570	The SAP system will provide the capability to process the return without calculating penalty and to accept as audited amount entered based on channel and defined business rules.	Return Processing	
571	The SAP system will provide the capability to receive a City Corporate Income Tax extension or estimate payment from the paper request.	Return Processing	
572	The SAP system will provide the capability to receive a City Corporate Income Tax extension request without payment via paper.	Return Processing	
573	The SAP system will provide the capability to carry forward City Corporate Income Tax Net Operating Loss for taxpayer(s) based on defined business rules.	Return Processing	
574	The SAP system will provide the capability to stop a refund transaction until it's transferred to the State's accounting system.	Return Processing	
575	The SAP system will provide the capability to identify and report during the load process any tax returns requesting refunds greater than a configurable amount to an authorized user. This amount must be stored on a table that is maintainable by a business user with appropriate security.	Return Processing	
576	The SAP system will provide the capability for refunds due to taxpayer in bankruptcy to be routed to trustee based on defined business rules.	Return Processing	Stop refund to taxpayer and provide capability to refund to trustee. Stopped for manual review.
577	The SAP system will provide authorized users the capability to issue refunds to an alternate address with appropriate approval.	Return Processing	
578	The SAP system will provide the capability to capture an address off the return, update taxpayer account and store prior addresses according to business rules.	Return Processing	
579	The SAP system will receive feedback on warrant and warrant status and display to the user.	Return Processing	
580	The SAP system will provide remaining refund information when there is an offset.	Return Processing	
581	The SAP system will provide the ability to accept and process No Remittance Returns.	Return Processing	
582	The SAP system will provide the ability to generate a computed assessment (system generated return) for City Corporate Income Tax and City Withholding (tied to delinquency process).	Return Processing	
583	The SAP system will provide the ability to accept and process amended returns.	Return Processing	
584	The SAP system will provide the ability for staff to view refund information so that they know the status of the refund when responding to phone inquiries. (Cashed, undeliverable, etc.)	Return Processing	
585	The SAP system will provide the capability to systematically calculate refund credit interest using varying rates depending on tax type, tax period and city.	Return Processing	Interest rates will be the same for all cities.
586	The SAP system will provide the ability to recognize the IDA reason code. If the reason code is offsetting a refund, the system must ensure that the refund does not get issued twice.	Return Processing	
587	The SAP system will provide the capability to create a yellow error when a return is out of statute.	Return Processing	Same as existing process for State corporate income tax. This requirement applies to both City corporate and withholding returns.
588	The SAP system will provide the capability to override the Revenue Act statute of limitations date by users with appropriate security.	Return Processing	
589	The SAP system will provide a Revenue Act statute of limitation process for return processing based on business rules.	Return Processing	Same as existing process for State corporate income tax. This requirement applies to both City corporate and withholding returns.
590	The SAP system will provide the capability to auto correct basic calculation errors on paper returns and automatically notify the taxpayer of the adjustment.	Return Processing	

591	The SAP system will provide the ability to accept and process zero dollar liability returns.	Return Processing	
592	The SAP system will allow multiple payments to be received within the same return period without error.	Return Processing	
593	The SAP system will provide the ability to regenerate a refund or refunds to the State's financial accounting system as part of the current refund process.	Return Processing	Mirror CIT with G/L and sub ledgers applicable to city.
594	The SAP system will provide the capability to display inbound and outbound correspondence in the contacts tab.	Return Processing	
595	The SAP system will provide the ability for users with appropriate authority to update returns as a result of a stipulated agreement.	Return Processing	
596	The SAP system will provide the capability for staff with appropriate security to	Return	

	update / correct taxpayer information captured incorrectly.	Processing	
597	The SAP system will provide the capability to accept an ME number on a City Withholding return and process based on business rules.	Return Processing	Follow State withholding processing rules for ME numbers.
598	The SAP system will provide the capability to manually or systematically lock an assessment from moving to the next stage while correspondence is pending staff review.	Return Processing	
599	The SAP system will provide the capability to produce a breakdown letter of payment transactions by account and tax period.	Return Processing	From CIT requirement 264
600	The SAP system will provide the capability for authorized users to waive interest assessed against a taxpayer's account and generate the proper accounting transactions.	Return Processing	From CIT requirement 317
601	The SAP system will provide the capability of having a file period be less than 12 months based on business rules.	Return Processing	From CIT requirement 321
602	The SAP system will provide the capability to populate e-file image view with as filed values from submitted XML.	Return Processing	From CIT requirement 339
603	The SAP system will provide the capability to accept e-filed returns and hold for a configurable period of time before processing the returns to allow the payment to be received.	Return Processing	From SUW requirement 316
605	The SAP system will provide the capability to capture and store an image of a return, schedule, payment voucher or other form and link it to the appropriate corresponding transaction(s).	Return Processing	From SUW requirement 610
606	The SAP system will provide the capability to override a return exception with appropriate security (e.g. to close a red error on BP 1234).	Return Processing	From SUW requirement 729
607	The SAP system will provide the capability to define and maintain interest rules in a real time manner in tables maintained by business users.	Return Processing	From SUW requirement 743
608	The SAP system will provide the capability to calculate applicable adjustments to tax, penalties and interest, using various rates as defined by business rules.	Return Processing	From SUW requirement 746 Stipulated agreement
609	The SAP system will provide the capability to systematically identify and reopen any subsequent monthly and/or quarterly return impacted by the filing or reopening of an original or amended prior year return.	Return Processing	From SUW requirement 771
610	The SAP system will provide the ability to reconcile City Withholding monthly/quarterly filing to annual reconciliation return.	Return Processing	From SUW requirement 801 No annual filers
611	The SAP system will provide for handling of a separate amended return for an annual return.	Return Processing	From SUW requirement 806 Need rules to determine if amended
612	The SAP system will provide the ability to prorate the tax due from the City Withholding annual reconciliation return across all open periods.	Return Processing	From SUW requirement 810
613	The SAP system will provide the capability to systematically assess discretionary penalty for UPE based on business rules.	Return Processing	From SUW requirement 960 Corporate only for systematically assess discretionary penalties for UPE Corporate and withholding, assess discretionary penalties
614	The SAP system will provide the ability to use business rules to timely process an AP return (assessment pending).	Return Processing	From SUW requirement 1315 If payment or credit is available for the period in question to satisfy obligation, the monthly/quarterly return filing date does not impact timeliness of filing for the period.
615	The SAP system will provide the ability to flag a City Withholding audit return for a specific period so that processing rules don't run for that return.	Return Processing	From SUW requirement 1404
616	The SAP system will provide the capability to receive a zero dollar extension request through bank interface and grant or deny and send appropriate communication to taxpayer.	Return Processing	From CIT requirement 509
617	The SAP system will provide the capability for an authorized user to change (increase or decrease) the severity of a return error.	Return Processing	Red, yellow, green errors
618	The SAP system will provide the capability for recording, in the Stop Action table, the user who initiated a waiver or refund.	Security	
619	The SAP system will provide security to restrict view and update of City Corporate Income Tax payment, return and image data to users with appropriate roles specific to customer service functions and the processing of City Corporate	Security	

	Income Taxes.		
620	The SAP system will provide security to restrict view and update of City Withholding payment, return and image data to users with appropriate roles specific to customer service functions and the processing of City Withholding.	Security	
621	The SAP system will provide the capability to inactivate user accounts that have not been used for 90 calendar days and delete after 1 year of inactivity.	Security	
622	The SAP system will provide the capability to limit log-on attempts to three (3) attempts before a user is systematically locked out of the application only be re-enabled by a security administrator.	Security	
623	The SAP system will provide the capability to automatically log-off an inactive user after a pre-defined period of time. (i.e. session termination due to inactivity)	Security	
624	The SAP system will provide the capability to limit the number of concurrent sessions for any user.	Security	

625	The SAP system will provide the capability to restrict access to security functions (e.g., System Administrator, Security Administrator, Super User, etc.) and information to authorized personnel.	Security	
626	The SAP system will provide the capability to generate an audit log of security administration activity to detect security violations. A standard report must be available for review and monitoring purpose.	Security	
627	The SAP system will provide the capability to require both identification and authentication at both the operating system level and the application level when accessing the system.	Security	
628	The SAP system will provide the capability for a User ID to uniquely identify a person or an application and must be configured in compliance with Administrative Guide Procedure 1310.18.	Security	
629	The SAP system will provide the capability for passwords to meet the following characteristics. - Minimum Length - Eight (8) characters - At least two numeric characters (0 through 9) - A combination of two upper (A through Z) and lower case (a through z) letters. - Any special characters (!, @, #, $, %, ^, &, *, (,), +, =, /, <, >, ?,., :, ;, \) . - User ID in password is not allowed.	Security	
630	The SAP system will provide the capability for temporary passwords that must have the following characteristics. - Temporary Password Age - 1 day - Must be randomly chosen or generated - System must force the user to change the initial password at initial login	Security	
631	The SAP system will provide the capability to require passwords to be changed every thirty (30) calendar days.	Security	
632	The SAP system will provide the capability to restrict releasing locks on User IDs to authorized personnel.	Security	
633	The SAP system will provide the capability to not display Password/PIN on the screen during the login process (The exception to this is during selection of a machine-generated password).	Security	
634	The SAP system will provide the capability to store and transmit passwords with a minimum of 128-bit encryption. Passwords must be masked when entered on any screen.	Security	
635	The SAP system will provide the capability to maintain a record of when a password was changed, deleted, or revoked. The audit trail shall capture all unsuccessful login and authorization attempts for a one year period.	Security	
636	The SAP system will provide the capability to keep a password history and perform a check against the history to verify the password has not been used for a minimum of one year.	Security	
637	The SAP system will provide the capability to disable the “remember password” feature of the application.	Security	
638	The SAP system will provide the capability to enforce strong passwords by prohibiting viewing a previous password by anyone or anything.	Security	
639	The SAP system will provide the capability to enforce strong passwords by prohibiting:	Security	

	Reuse of a password for minimum of one year.		
640	The SAP system will provide the capability to encrypt confidential and sensitive information in transit with a minimum of 128 bit-encryption.	Security	
641	The SAP system will provide a minimum of 128-bit encryption, guided media or a dedicated telephone line must be used to transmit confidential and sensitive data over a network external to LMAN.	Security	
642	The SAP system will provide the capability to encrypt using HTTPS protocol utilizing SSL encryption certificate containing a key no less than 128 bits in length, or FIPS 140-2 compliant, whichever is stronger, for all internet transmissions. All sessions shall be encrypted and provide end-to-end encryption. i.e., from workstation to point of data.	Security	
643	The SAP system will provide encryption of encryption keys, certificates, and passwords/PINS.	Security	
644	The SAP system will provide the capability to log online changes, including additions, modifications, or deletions containing a minimum of: Origin of request, Program or command used to initiate the event, User ID, and Date and time of event.	Security	
645	The SAP system will provide the capability to capture all successful and unsuccessful login and authorization attempts in audit log files.	Security	
646	The SAP system will provide the capability to capture via change, audit and/or transport logs, all transactional, data, configuration and/or development/code changes made to the system by users. These logs will be additionally supplemented by processes that will promote configuration and development/code changes from the Development system to QA system and tested and evaluated before being approved to move into Production.	Security	
647	The SAP system will provide the capability to capture the creation, modification and deletion of user accounts and group accounts in audit log files.	Security	
648	The SAP system will provide the capability to capture all changes to logical access control authorities (i.e., rights, permissions) in audit log files.	Security	
649	The SAP system will provide the capability to store audit logs and electronic error files containing confidential or sensitive information in Zone 3. Files must be encrypted when stored on any server other than in Zone 3.	Security	Smruti will provide additional requirements for FTI and others.
650	The SAP system will provide the capability to limit access to audit logs to those who have a responsibility to review the records.	Security	
651	The SAP system will provide the capability to incorporate process controls to ensure that the transactions are processed and recorded in the nightly processing window. The automated job scheduler will log errors and issues	Security	
652	The SAP system will provide the capability to maintain a single or synchronized username and password between SAP ECC and Portal.	Security	
653	The SAP system will provide the capability to store bank routing and account numbers captured from a taxpayer's checks with appropriate safeguards.	Security	This also applies to a check images received from JPM Chase.
654	The SAP system will provide capability to view or print any report based on role.	Security	
655	The SAP system will provide the capability for defined administrative levels to approve transactions based on roles.	Security	

656	The SAP system will provide centralized security access so that adds, changes, and terminations in a user or a user's access capabilities are processed universally across all SAP systems (internal and external to core processing), and are only entered once.	Security	
657	The SAP system will provide the capability to access security rights by transaction and user.	Security	
658	The SAP system will provide the capability to allow security access to returns and images to employees on a need to know basis.	Security	
659	The SAP system will provide the capability to restrict the ability of users to change or delete previous comments without security rights.	Security	
660	The SAP system will provide the capability for users to view only specific transactions for a given tax type.	Security	
661	The SAP system will provide an audit trail for every user inquiry or transaction entered that includes the user performing the transaction and the date and time the transaction was performed.	Security	
662	The SAP system will use roles to implement access security.	Security	
663	The SAP system will provide the ability for a user with appropriate security to change a taxpayer address.	Security	
664	The SAP system will provide the capability for a user with appropriate security to stop correspondence prior to printing.	Security	
665	The SAP system must be configured to provide only essential capabilities prohibiting and/or restricting unnecessary functions, ports, protocols, and/or	Security	

	services.		
666	The SAP system must have default passwords for the standard SAP* delivered user master records changed to prevent unauthorized access to the system.	Security	
667	The SAP system will provide the capability to Default Accounts and Passwords: All SAP default accounts and the default password must be changed or removed from the system prior to operation.	Security	
668	The SAP system will provide the capability to restrict releasing locks on User IDs to authorized personnel.	Security	
669	The SAP system will store password separate from the program codes.	Security	
670	The SAP system will provide a status log tracking by account and employee, including saves and changes made to returns.	Security	
671	The SAP system will implement City Corporate Income Tax and City Withholding (City business tax) as a new contract account for city taxes.	Security	There will be a City individual contract account and a City business (corporate and withholding) contract account. There will be a City corporate contract object (C170 Detroit Corporate Tax) and a City withholding (W170 Detroit Withholding Tax) contract object under the City business contract account.
672	The SAP system will tag all FTI information with appropriate messages similar to what is being done in the data warehouse.	Security	
673	The SAP system will provide the capability to generate a list of inactive (dormant) accounts for last 11 months including UserID.	Security	From CIT requirement 4
674	The SAP system will provide the capability for recording the user who initiated a waiver or refund.	Security	From SUW requirement 752
675	The SAP system will provide the ability to change the as filed values of a tax return with appropriate security.	Security	From SUW requirement 756
676	The SAP system will provide the capability to view or print any report based on role.	Security	From SUW requirement 1817
677	The Siebel CRM system will provide the capability to view and process the following forms for City Corporate Income Tax: - City Power of Attorney (Need to find out if we are adding - Corporate & W/H to existing POA or creating a new) (5250) for Siebel	Siebel	
678	The Siebel CRM system will provide a report of the quantity of taxpayer assistance correspondence and number of calls received by tax type.	Siebel	
679	The Siebel CRM system will display taxpayer return status. Return status detail includes return receive date, estimated completion date for returns on error, status for returns in pending status of any kind and completed return with an expected date of direct deposit or warrant.	Siebel	
680	The Siebel CRM system will maintain a contact log of when eService users view their return status.	Siebel	
681	The Siebel CRM system will lock a user until midnight out of their account after 3 consecutive unsuccessful login attempts.	Siebel	
682	The Siebel CRM system will require user to provide shared secrets at the time of login for authentication based on business rules.	Siebel	
683	The system will be accessible to users with a separate URL for each city via a link to a Siebel page established by DTMB.	Siebel	
684	The Siebel CRM system will require user to provide a city at the time of login.	Siebel	
685	The Siebel CRM system will provide separate screens for each lead form and each city.	Siebel	
686	The Siebel CRM system will display taxpayer shared secret information for CSR verification during call.	Siebel	
687	The Siebel CRM system will create a contact log for every call received.	Siebel	
688	The Siebel CRM system will generate a screen pop for every call transferred to an agent.	Siebel	
689	The Siebel CRM system will receive and load a batch file of city taxpayer demographic information.	Siebel	
690	The Siebel CRM system will transmit a notice (SRSAP) of correspondence to SAP. SAP will place a hold on the specific tax period and tax type until correspondence is worked (tied to the TBOR process).	Siebel	
691	The system (SEAH Handler) will accept a new document class for all city taxes (CTY_INBCORR, CTY_OUTBCORR, and CTY_INBHIST as an example from City Individual).	Siebel	
692	The Siebel CRM system will provide a separate phone number for city taxes.	Siebel	May not be the same number as City individual.

693	The Siebel CRM system will provide, at a minimum, monthly reporting of the following metrics. Business users with appropriate security will be able to run reports. • Correspondence calls • Call resolution • Hold times	Siebel	
694	The Siebel CRM system will provide the capability to allow taxpayers to easily identify a return as amendments to a previously submitted return. Siebel system will support an original and amended returns.	Siebel	
695	The Siebel CRM system will provide the capability for a taxpayer to submit a general service request for City Corporate Income Tax or City Withholding.	Siebel	Linked to change control CSR-2015-001446 submitted for City individual income tax.
696	The SAP system will produce report output in electronic and paper format per user's choice.	System	All reports
697	The SAP system will include date, timestamp and ID of user that executed report in report header or footer.	System	All reports
698	The SAP system will provide real time changes within SAP on account adjustments.	System	From SUW requirement 1203
699	The SAP system will provide ability for a user with appropriate security to configure tolerances for tax amount due and refund amount. Changes to tolerance will require testing before going live.	System	
700	The SAP system will provide a table that is maintainable by a user with appropriate security to define tax rate. The table will include, at a minimum, city, tax year, and tax rate.	System	
701	The SAP system will provide the ability to search for returns and acknowledgements by submission ID.	System	
702	The SAP system will provide the capability to allow for display or export of data in different formats (spreadsheets, access, graphs, etc.).	System	
703	The SAP system will provide the capability to search for returns or payments by Document Locator Number (batch date, batch number, batch item).	System	
704	The SAP system will provide end users the capability to enter data from returns into the system through the use of a GUI.	System	
705	The SAP system will provide end users the capability to enter data from schedules into the system through the use of a GUI.	System	
706	The SAP system will provide end users the capability to enter payments into the system through the use of a GUI.	System	
707	The SAP system will provide the capability for an authorized user to maintain validation rules in tables. (e.g. Letter message, interest rate, grace days)	System	
708	The SAP system will provide the capability for an authorized user to manually override workflow prioritization.	System	
709	The SAP system will provide the capability for FileNet images to be available immediately for view at the desktop.	System	
710	The SAP system will provide the capability to allow authorized users to map data items to a tax form by year without losing the previous year form layout and mapping.	System	
711	The SAP system will provide the capability allow canned messages, variable paragraphs and free form text to be combined in a single document based on business rules.	System	
712	The SAP system will provide consistent profile information and location on each screen. Each screen will include the taxpayer ID and name.	System	
713	The SAP system will provide the capability to display and print dates in a consistent format (MM/DD/YYYY).	System	
714	The SAP system will provide the capability to insert the last day of the month value to a return when the day value is missing.	System	
715	The SAP system will provide the capability to generate all printed material with a print date and page number.	System	
716	The SAP system will provide for real time processing of transactions.	System	
717	The SAP system will provide the capability to manually input new transactions with appropriate security. (e.g. returns, payments, credits, etc.)	System	
718	The SAP system will provide the capability to view the image of submitted returns, schedules and checks in the same manner regardless of channel (paper/electronic) with a single click.	System	
719	The SAP system will provide the capability to process batches without interrupting or hindering daily processing or performance.	System	
720	The SAP system will provide the capability to use configurable parameter driven tables	System	

	that are maintained by business users with appropriate authorization.		
721	The SAP system will provide the capability to use configurable parameter driven tables to define e-File business rules that can be maintained by business users with appropriate authorization.	System	
722	The SAP system will provide the capability to have “total fields” in excess of 15 digits left of the decimal.	System	
723	The SAP system will provide the capability to download account data as needed.	System	
724	The SAP system will provide the capability to display word literals rather than codes where configurable.	System	
725	The SAP system will provide the capability to allow for multiple tax rates per tax period.	System	
726	The SAP system will provide the capability to allow for multiple tax rates per city.	System	
727	The SAP system will provide the capability to identify payment channel.	System	Payment channel will include payment credits received from the City.
728	The SAP system will provide the capability to capture developer identification off paper and software generated forms.	System	
729	The SAP system will provide the capability to store PDF attachments from e-File returns	System	Example is Renaissance Zone credit certificate. Current State withholding does not accept attachments.
730	The SAP system will provide the capability to automatically create a permanent notation that is viewable in the Business Partner Overview when a return or transaction, including payments, is moved from one BP to another showing the source and destination BP numbers.	System	
731	The SAP system will provide the capability to display a message in the portal when accessing a return that has been moved to another BP if there is no return remaining for that filing period.	System	

732	The SAP system will provide the capability to generate a Treasury approved report/file when monies are being transferred from SAP tax to another system. (i.e. online IDA)	System	Assume this will adhere to City Agreement
733	The SAP system will provide the capability to systematically determine date of any letter. Date on letter must be set at time of final approval and post dated to allow for mail handling and not be a Saturday, Sunday or Holiday.	System	
734	The SAP system will provide the capability for naming and usage of date fields to be consistent based on defined business rules. (i.e. received date always represents date return or transaction was actually received)	System	
735	The SAP system will provide the capability for the system, posting, and taxpayer correspondence dollar amounts to be consistent. (i.e. round or not round the cents)	System	
736	The SAP system will provide the capability to detect and prevent duplicate taxpayer accounts before creating new taxpayer profiles.	System	
737	The SAP system will provide the capability to search for existing taxpayers by displaying all taxpayers in the database by name or portion of the name supplied by user input.	System	
738	The SAP system will provide the capability to search for existing taxpayers by input of an address and displaying all taxpayers in the database having that same address.	System	
739	The SAP system will provide the capability to search for existing taxpayers by input of one or more Treasury assigned account number(s), at least 14 alpha/numeric characters, and displaying all taxpayers in the database having that same assigned account number.	System	
740	The SAP system will provide the capability to search for existing taxpayers by input of an FEIN or TR Number and displaying all taxpayers in the database having an association with that same FEIN or TR Number.	System	
741	The SAP system will provide the ability to manually move a return from one account to another.	System	
742	The SAP system will provide the capability to maintain multiple versions (system) of taxpayer profile information by always adding new information, never updating existing information.	System	
743	The SAP system will provide the ability to maintain a history of taxpayer profile information changes. (i.e. When taxpayer's profile information is changed, the revised profile becomes the current and the changed record becomes a prior profile. Both will be maintained with record of the change)	System	
744	The SAP system will provide the capability to support foreign addresses including country codes and foreign postal codes and are properly formatted to be compatible with the State's financial accounting system.	System	

745	The SAP system will provide for local printing of documents at Treasury offices and remote locations based on access rights.	System	
746	The SAP system will provide the capability for recording notes and/or narratives about actions taken for each taxpayer (at account and return level) and the user who did it and the date it was done in chronological order. The system must auto stamp user name and date.	System	
747	The SAP system will provide the capability to record notes and/or narratives for specific return after it has been processed.	System	
748	The SAP system will provide the capability, using business rules, for supervisors to approve transactions and data entered by users before posting of the transactions.	System	
749	The SAP system will have the capability to process Zero vs. Null according to business rules.	System	
750	The SAP system will have the capability to capture and store an image of a return, schedule, payment voucher or other form and link it to the appropriate corresponding transaction(s).	System	
751	The SAP system will provide the capability to store the received date of the payment or return in the appropriate field for the purpose of calculating penalty and interest.	System	
752	The SAP system will provide the capability to allow staff to view and search by batch date, batch number, and batch item number for payments and returns.	System	
753	The SAP system will provide the capability to view and search for a payment by payment amount, with the flexibility to include batch date, batch item, batch number, a date range, and a batch number range. Batch information should be displayed on the payment in the Business Partner Overview.	System	
754	The SAP system will provide real time changes within SAP on account adjustments. Increase the number of actions that could post in real time to reduce the amount of time used for review of follow-up information.	System	
755	The SAP system will provide the ability for all users to see if a return is on the Stop Action table.	System	
756	The SAP system will provide the ability to have As Audited fields for all lines on the City Corporate Income Tax and City Withholding forms, for all applicable periods, including penalty and interest.	System	
757	The SAP system will provide the capability to cancel/adjust notes with proper authorization.	System	Potential duplicate
758	The SAP system will provide the capability for the Business Partner Overview view to be automatically defaulted and pre-sorted by tax type. User should be able to adjust sorting as necessary.	System	
759	The SAP system will provide the capability to allow all information, including FileNet image link on a payment to move when a payment is transferred.	System	
760	The SAP system will provide the capability to view the image of submitted returns, schedules and checks in the same manner regardless of channel (paper/electronic).	System	
761	The SAP system will provide the capability for allowing notices to be viewed online, before and after printing.	System	
762	The SAP system will provide the capability to systematically report from Print Center acknowledgement confirmation the number of correspondence received and printed.	System	
763	The SAP system will provide the capability for allowing correspondence to be printed locally as a DRAFT copy that cannot be sent to FileNet.	System	
764	The SAP system will provide immediate access to correspondence history information.	System	
765	The SAP system will provide the capability to automatically run spell check and grammar check for all free format correspondence.	System	
766	The SAP system will provide the capability to search by submission ID, FEIN, or TR Number.	System	

767	The SAP system outbound correspondence must adhere to a standard template as defined by The State. Every template will be designed and approved by Treasury's Forms and Document Services Division. Every outbound correspondence will be unit / integration tested through printing (including names & addresses), approval queue workflow for approval, image indexing and capture in FileNet, and viewable through the SAP document viewer.	System	From CIT requirement 73
768	The SAP system will provide the capability for an electronic document to be formatted for transferring to the image system.	System	From CIT requirement 362
769	The SAP system will provide the capability to support multiple page letters and bills that include attachments to summarize the liability on a taxpayer account.	System	From CIT requirement 369
770	The SAP system will provide the capability to carry forward CIT business loss for	System	From CIT requirement 426

	taxpayer(s). Only for that city, loses are city specific		
771	The SAP system will provide the capability for SAP to transfer to STAR corporate officer identification number as potentially liable for taxpayer liability.	System	From CIT requirement 448
772	The SAP system will provide the capability to execute a transaction to view data captured from electronic Federal tax returns.	System	From CIT requirement 451
773	The SAP system will provide the capability for messages displayed on Warrant Remittance Advice to be applicable to City Corporate Income Tax or City Withholding.	System	From CIT requirement 459
774	The SAP system will provide the capability for messages displayed on Warrant Remittance Advice to be applicable to City Withholding.	System	From CIT requirement 459a
775	The SAP system will provide the capability for users to make adjustments in order to correct out-of-balance conditions.	System	From CIT requirement 462
776	The SAP system will provide a Returns summary screen by year. Display of an entire year's filing record. Should include at least what is available when viewing the SMY screen currently on TACS/Treas. This would The SAP system will provide a quick visual reference that can give a high overview of an account balances and return periods filed.	System	From SUW requirement 766
777	The SAP system will provide the capability to support new tax type of City Corporate Income Tax and City Withholding.	System	From SUW requirement 901
778	The SAP system will provide the capability for the Payment image file to include additional images of correspondence and be linked to the payment in SAP.	System	From SUW requirement 903
779	The SAP system will provide the capability, using business rules, for authorized users to approve transactions and data entered by users before posting of the transactions.	System	From SUW requirement 910 Need transaction thresholds: Manual Payment Postings (State Agency Payments, Returned Refunds) Changes to Payments and Financial Obligations Debit/Credit Memo's
780	The SAP system will provide the ability for staff to view refund information so that they know the status of the refund when responding to phone inquiries (Cashed, undeliverable, etc.).	System	From SUW requirement 1106
781	The SAP system will provide the ability for all users to see if a return is on the Stop Action table.	System	From SUW requirement 1411
782	The SAP system will provide the ability to view images of City Corporate Income Tax returns, payments, and other forms that are stored in FileNet.	System	From SUW requirement 1601
783	The SAP system will provide the ability to view images of City Withholding returns, payments, and other forms that are stored in FileNet.	System	From SUW requirement 1601
784	The SAP system will provide the capability to view the image of submitted returns, schedules and checks in the same manner regardless of channel (paper/electronic).	System	From SUW requirement 1604
785	The SAP system will provide the ability to print portal screen views.	System	From SUW requirement 1847
786	The SAP system will provide the capability to cancel/adjust notes with proper authorization.	System	From SUW requirement 2208
787	The SAP system will provide the capability and support for System and User Acceptance Testing of all system functionality including support for testing files received from the bank, e-file and any other channels.	System	From SUW requirement 2409
788	The SAP system will provide the capability to view and edit interactive forms.	System	From SUW requirement 2412
789	The SAP system will provide the capability for any form entry to accept 100% data capture.	System	From SUW requirement 2429
790	The SAP system will provide the capability to store PDF attachments from City Corporate Income Tax e-file returns.	System	From SUW requirement 2432 Corporate only
791	The SAP system will provide the capability to eliminate all BRF plus messages associated with a return at the time the status is changed to 'void' or 'duplicate'. This requirement is to 1) prevent the errors from void or duplicate returns being included in error reports, and 2) allow system to rerun rules and re-create errors if status of return is changed from void or duplicate.	System	From SUW requirement 2435
792	The SAP system will provide the capability to retain all batch information and make the batch information searchable for return and payment batches.	System	From SUW requirement 2437 These screens allow staff to look up payments by amount and batches by date. Currently, the information is purged monthly due to storage limitation
793	The SAP system will provide the capability to add tax type to clarification list, make list	System	From SUW requirement 2528

	sortable. Ability to display tax type at the line item level in clarification and reclassify as needed.		
794	The SAP system will provide a display of an account summary that includes total payments, total liabilities, average payment (similar to the current SMY screen).	System	From SUW requirement 2610
795	The SAP system will provide the capability to add notes to the ledger.	System	From SUW requirement 2616 Ledgers are difficult to read- too much data is displayed. Currently, all notations are stored on the ledger mixed in with numeric information.

796	The SAP system will provide the capability to search for existing taxpayers by input of an FEIN/TR Number and displaying all taxpayers in the database having that same FEIN/TR Number.	System	From CIT requirement 475
797	The SAP system will provide the capability to supports both calendar year and fiscal year annual reporting periods.	System	From CIT requirement 481
798	Training will be provided for Treasury staff to build adhoc queries against the SAP business warehouse.	Training	DTMB estimate.
799	Provide a supported SAP environment in which training can be conducted prior to go live.	Training	DTMB estimate.
800	The SAP system will provide the capability to transfer returns from one workflow to another with appropriate security. (i.e. transfer a miss-directed return from return process workflow to TCB workflow on a one-off basis)	Workflow	
801	The SAP system will provide the capability to utilize workflow technology to sort, prioritize and route work to the appropriate users based on roles and pre-defined business rules that can be maintained by business users with appropriate security.	Workflow	
802	The SAP system will provide the capability for a user to "pull" a work item that is unassigned in a workflow queue.	Workflow	
803	The SAP system will provide the capability to allow a supervisor/defined user to "push" work items to employees using workflow.	Workflow	
804	The SAP system will provide the capability to assign priorities to work items.	Workflow	
805	The SAP system will provide the capability to automatically alert supervisor of open work items over a configurable amount of time as the work item goes unattended as defined by business rules that can be maintained by business users with appropriate security.	Workflow	
806	The SAP system will provide the capability for an authorized user to manually increment priorities of work items on an as needed basis.	Workflow	
807	The SAP system will provide the capability to allow an authorized user to transfer a work item assigned to one user to a different user or work group. Track all work reassignments between users.	Workflow	
808	The SAP system will provide the capability for an authorized user to directly assign a work item to a specific user. Generate a listing of all work reassignments between users.	Workflow	
809	The SAP system will provide the capability to allow an authorized user to place and track a completion date on a process, giving the process a deadline of when to be completed.	Workflow	
810	The SAP system will provide capability to create and process a work item.	Workflow	
811	The SAP system will workflow items that hit on the Stop Action table based on defined business rules. Bankruptcy stops may be manually or system generated.	Workflow	
812	The SAP system will provide workflow of returns with errors based on business rules.	Workflow	
813	The SAP system will provide the capability to workflow a City Corporate Income Tax or City Withholding annual return to Tax Compliance if the annual return is filed for a period included in the Stop Action table.	Workflow	From SUW requirement 1447
814	The SAP system will provide the ability to automate refund approval queue levels based on defined business rules.	Workflow	From SUW requirement 2513
815	The SAP system will provide the capability to generate automatic notices to users of work beyond deadlines or as defined by business rules.	Workflow	From SUW requirement 2526
816	The SAP system will provide automated populating of work queues to balance business user work load based on defined user groups and/or individuals that can be maintained by business users with appropriate security.	Workflow	From SUW requirement 2527 Need to define hierarchy by tax type and staffing (example: work should flow to appropriate supervisors however supervisors should be able to access each other's queue).

Form No. DTMB-3521 (Rev. 7/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 19

to

CONTRACT NO. 071B8200018

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
DELOITTE CONSULTING LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
200 Renaissance Center, Ste. 3900	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Detroit MI, 48243-1313	415-640-1247	4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	David Gilliland	517-636-5006	gillilandd@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Mbt/Miitas

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2007	December 31, 2010	2 - 1 Year	December 31, 2018

PAYMENT TERMS	DELIVERY TIMEFRAME
45 days	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		Unchanged

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$77,015,009.99	$ 443,062.00	$77,448,071.99

DESCRIPTION: Effective November 6, 2015, the parties add $443,062.00 for the SIGMA interface design services detailed in the attached statement of work and associated documentation. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency and DTMB Procurement agreement and State Administrative Board approval on August 18, 2015.

After Amendment, remaining SIGMA funds approved by Ad Board but not yet added to contract: $568,938.00

1.0 Business Terms and Conditions

This Change Notice, effective November 16, 2015, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. For the purposes of this Change Notice, the term "Parties" means the State and Deloitte Consulting. Where conflicts arise, this Change Notice shall govern.

The SAP software platform will provide the framework for the Michigan Integrated Tax Processing and Administration System (MIITAS) to which all mainframe Tax and Revenue systems will transition in future projects. This Change Notice defines the Services that Deloitte Consulting will provide related to developing a blueprint for the MIITAS interface to the State's new general ledger system ("SIGMA Blueprint" or "Project"). SIGMA is the State's project name for its implementation of the CGI Advantage software for general ledger and other ERP functionality. As described in Article 1, Section 1.001 of the Agreement, the State elects to exercise its option to obtain a statement of work (SOW) for optional MIITAS Services.

2.0 Statement of Work

2.1 Project Background

The State has begun its process of moving all of its end-of-life core tax and revenue functions from its existing legacy systems to the new SAP software platform. The first MIITAS phase implemented the SAP software platform for the new Michigan Business Tax (MBT). Subsequently Corporate Income Tax (CIT) and Flow-through Withholding (FTW) have been implemented, as have Business Tax Registration and Sales, Use and Withholding Tax (SUW). The State is currently implementing the first release of a multiple-release implementation of the City Income Tax Act (CITA) project, enabling Michigan to process individual income tax returns for the City of Detroit. It is also implementing the Essential Services Assessment (ESA) project, enabling Michigan to levy a specific tax on the acquisition cost of eligible manufacturing personal property that is exempt from ad valorem personal property tax collected at the local level beginning in 2016, under 2014 PA 92. All financial transactions related to these taxes and assessments are currently interfaced to the Michigan Accounting Information Network (MAIN). The SIGMA Blueprint will develop a functional design for a new set of interfaces to the new general ledger to be implemented as part of the State's implementation of the CGI Advantage software. This new general ledger will replace MAIN.

2.2 Project Methodology and Approach

2.2.1 Integration

The SIGMA Blueprint will bring four distinct organizations together to coordinate project and quality management. As part of the project planning process, a comprehensive plan will be

developed to help align the objectives and outputs from each organization. Below is a partial list of responsibilities for Treasury/DTMB, Deloitte Consulting, Dewpoint/Project Control Office (PCO), and SAP:

2.2.1.1 Treasury/DTMB

These State departments will be the users and the owner of the MIITAS system including the SIGMA interfaces. Together, they will be responsible for validating requirements and approaches, approving deliverables, and assisting with the project as described in the Agreement, including design of development objects.

2.2.1.2 Dewpoint/PCO

The PCO will retain responsibility for overall program management and alignment of the SIGMA Blueprint with other agency initiatives. While Deloitte Consulting will have responsibility for initial planning and updates to the SIGMA Blueprint workplan for tasks under the Deloitte Consulting scope, the PCO will own the master plan and report progress against objectives.

2.2.1.3 Deloitte Consulting

Deloitte Consulting will be responsible for the development of the SIGMA Blueprint within the scope defined in this Statement of Work, and the creation of the specified deliverables. Responsibility includes management of the planned SIGMA B;ueprint tasks.

2.2.1.4 SAP

SAP will assist in assessing the quality of functional and technical designs and provide guidance during Blueprinting. Specific areas of involvement, as specified in more detail in SAP's contract and Statement of Work with the State, will include:

- Review of business process documentation
- Review of functional specifications and Blueprint narrative
- Review of high-level design

The final duties and responsibilities of SAP will be defined in a separate agreement directly between SAP and the State.

2.2.2 Methodology

Deloitte Consulting will continue to leverage tools and approaches from our Enterprise Value Delivery for SAP methodology (EVD). Deloitte will use standards defined in EVD in planning, estimating and scheduling tasks to design the scope defined in this Change Notice.

The detailed project schedule, phases, gateways, and project milestones will be defined in collaboration with the State and the PCO. The PCO will monitor and control the project.

The EVD method consists of the EVD phases described below. The Parties' roles and responsibilities with respect to the deliverables covered by this Change Notice are described in Section 2.6 of this Change Notice.

2.2.2.1 Phase 1 - Project Preparation

Project Preparation is the Project's start-up phase, during which the Parties will plan and prepare for subsequent phases of the Project. Project Preparation activities include assisting the Project Control Office in the development of a project charter, project and quality management

processes, and work plan. During this phase, the Parties establish the Project organization structure and assign resources.

2.2.2.2 Phase 2 - Blueprint

During the Blueprint phase, the Parties establish a common understanding of how SAP will be used at the State for the Project. Workshops are conducted to design business processes and business roles. Fit/gap analysis is performed in order to determine options for gap resolution. Configuration design and functional specifications are documented. Traceability documentation is established.

2.2.2.3 Additional Phases

Additional phases typically associated with an implementation, such as Realization, Final Preparation, and Go-live & Support are not included in the scope of this SOW.

2.2.3 Documentation Management

Serena will continue to be the primary formal document repository for the project. Approved deliverables, including functional specifications will be stored in Serena and accessed through authorized State personnel. Deloitte Consulting will also supplement Serena with Deloitte Consulting's eRoom to store in-process documents and deliverables. The eRoom, which can also be accessed by non-Deloitte Consulting project team members, provides version control and workflow management. Data in the eRoom will be limited to design documents only – no taxpayer data will be stored. At the conclusion of the project, all documents in the eRoom will be provided in soft copy to the State for record-keeping purposes, and information in the eRoom will be permanently removed. Deloitte Consulting will be entitled to maintain copies for archive purposes. Deloitte will coordinate with designated security administrators within DTMB to manage user access to the eRoom.

To store business process information, Deloitte Consulting will build on the existing Michigan Tax Industry Print. Industry Print is a Deloitte business process modeling tool and has been used as the basis for maintaining traceability from requirements to process model to functional and technical designs and testing.

2.2.4 Quality Management

The project team will create all Project documentation, including specifications and design documents according to updated and agreed-upon document templates. Applying standard templates will help to create consistency across deliverables.

While templates standardize deliverable creation, checklists act as a standardized tool used during the deliverable quality review process. These checklists help to maintain a consistent level of review across reviewers. Checklists will be coordinated with SAP, who will be acting in a Quality Review capacity throughout the project.

A repository of checklists will be maintained in the project eRoom.

2.2.5 Workplan Management

Deloitte Consulting will manage the activities necessary for the design of the proposed solution using MS Project as the primary tool. MS Project allows for the management of task dependencies, and resources assigned to those tasks. It also facilitates the definition of the critical path, which assists the project management team in prioritizing the activities that, if

delayed, may impact the timeline or resources for the project, and adjustments to the schedule can then be evaluated and alternatives considered for addressing those constraints.

Once the initial schedule has been baselined, the PCO will integrate the tasks into their overall program management structure. Individuals will record their time against tasks in the plan, and the PCO will maintain weekly Earned Value reporting to show project progress. This reporting will allow for comparison of actual task completion dates against the plan so that any predicted slippage can be managed.

The PCO will coordinate weekly project review meetings to review the project status jointly with the project management team, identifying project tasks coming due in the short term, project tasks completed since the last review, and tasks underway. As progress is compared to the baseline plan, Deloitte Consulting will identify any potential problem areas or opportunities to accelerate the schedule, and will work with the State's project manager to resolve issues that may arise. Additionally as each methodology phase of the project is completed the schedule will be reviewed and updated to reflect any necessary time or resource updates required based on the details uncovered during the previous phase.

2.3 Scope of Services

Deloitte Consulting will assist in the design (the "Services") for the Project.

For the Development Scope listed in section 2.3.1 of this Change Notice, Deloitte Consulting will be responsible for the following changes and updates to MIITAS and related documentation, including:

- Functional specification creation or updates

2.3.1 Development and Configuration Scope

The following configuration and development objects are planned to meet the functional requirements included in Appendix 1.

2.3.1.1 Reports

RICEFW ID	**Description**
TAM RPT 25	Refunds Paid Report
TAM RPT 28	Year End Receivables
TAM RPT 37	Refund Revenue Report
TAM RPT 38	Revenue Reporting

2.3.1.2 Interfaces

RICEFW ID	**Description**

RICEFW ID	Description
INT34	Vendor Extract File (Inbound)
INT35	Vendor Update to SIGMA (Outbound)
INT 4P	Payment Load
INT5A	Warrant Feedback
INT32 (CR-9D)	Payments to MAIN (SIGMA) (Cash Deposits)
INT32 (CR-9R)	Payments to MAIN (SIGMA) (Reversal/Reclass)
INT33 (GAX-9R)	Outbound Warrants (Registered-Front Door)
INT33 (GAX-9N)	Outbound Warrants (Non-registered-Side Door)
INT11	NSF Payment File
INT13	Siebel Outbound Web Service
INT36	NOC Feedback Inbound

2.3.1.3 Configuration

RICEFW ID	Description
O-Account	Master Data Configuration
O-GL	GL Configuration

2.3.1.4 Conversion

None

2.3.1.5 Workflow

None

2.3.1.6 Enhancements

RICEFW ID	Description
ENH NEW1	Manual GL Update with SIGMA Attribute

ENH 103	Consolidate C&I Split
ZPIRECLASS	P&I Reclass

2.3.2 Security Scope

The State will be responsible for all development and maintenance of security for the MIITAS system at both a hardware and software level. Deloitte Consulting will provide information on any new transactions to the State security team so that each transaction can be added to appropriate roles or new roles as necessary. Transactions and roles as well as any unique security requirements will be documented in the relevant Functional Specifications.

2.3.3 Technical Scope

The State will be responsible for the technical infrastructure, design, implementation, maintenance, and support for the Project. All hardware, software licensing, and network connectivity and bandwidth will be responsibility of the State.

2.3.4 End User Training Scope

All training material development and training delivery will be the responsibility of the State.

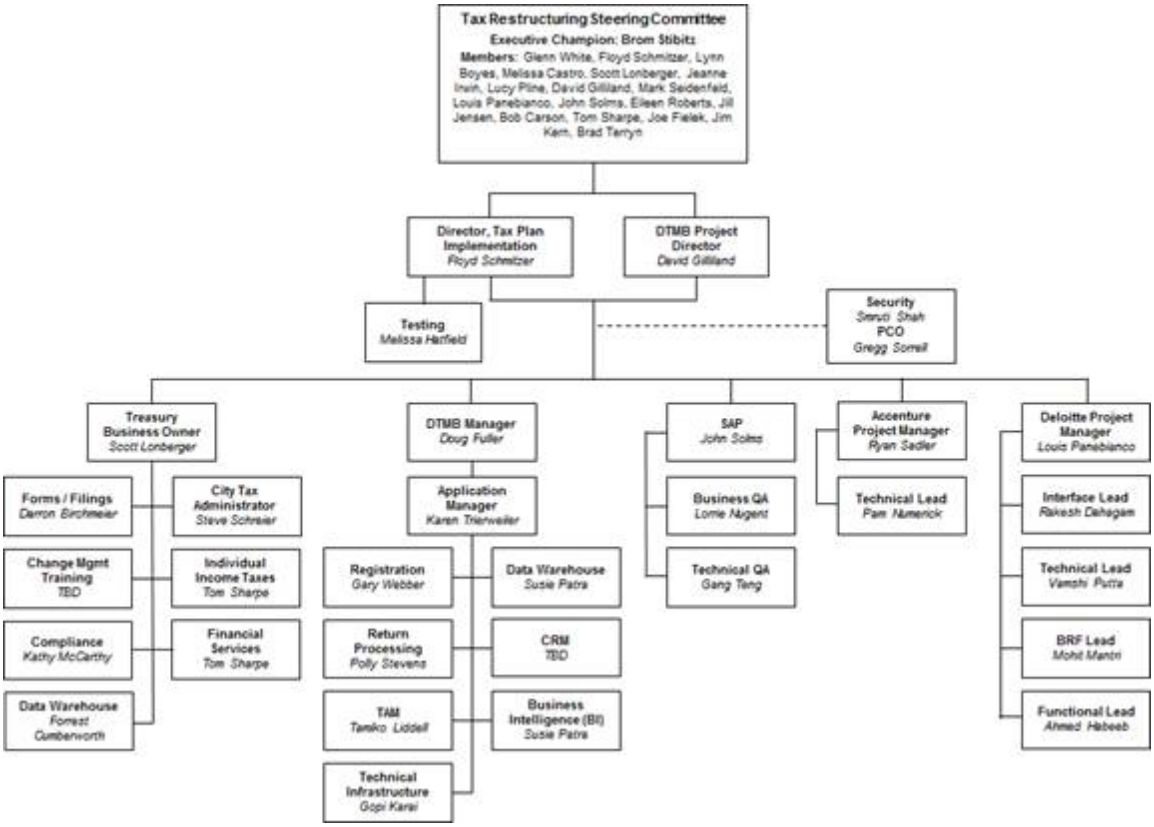
2.4 High Level Timeline

The planned timeline for the Project will begin on or about October 5, 2015 with a planned completion on January 27, 2016. The project will be shut down for one week during November and for two weeks during December and January for the holidays. Below are the estimated dates for major activities to be completed by the Parties:

SIGMA Blueprint	Start Date	End Date
Blueprint Sessions	11/16/2015	12/8/2015
Blueprint Document	11/16/2015	3/14/2016

2.5 Project Organization

The following Organization Chart illustrates Deloitte Consulting's planned leadership and its organization relative to the State's overall Tax Restructuring project:



2.6 Project Responsibilities

In the following chart, "Deloitte Consulting" includes State resources specifically allocated to this project, as defined in section 2.7 of this Change Notice.

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Project Workplan	The Project Work Plan is a deliverables-based execution plan showing the responsibilities, dependencies, schedule, and planned effort for Project tasks.	Secondary	Secondary	Primary
Blueprint	The Blueprint consists of the business process descriptions, process flow models, gap analysis, configuration inventory for the relevant functional scope described in section 2.3.1 and Appendix 1 of this Change Notice. It will also include any required Chart of Account revisions and provide traceability for all functional requirements as described in Appendix 1.	Secondary	Primary	
Functional Specifications	Functional Specifications are created for each functional object and define how each object will work.	Secondary	Primary	

2.7 Staffing Model

The following table describes the planned staffing model. It includes only the core staff required for the Project. Additional staff from the State and the Project Control Office will be required to review Deliverables, provide subject matter expertise, and manage the Project within the wider DTMB and Treasury enterprise project portfolio.

Role	Team	Number	Resource Source
Engagement Director	Project management	1	Deloitte Consulting
Project Manager	Project management	1	Deloitte Consulting
Solution Architect	Project management	1	Deloitte Consulting
Senior PSCD Specialist	Functional	1	Deloitte Consulting
PSCD Specialist	Functional	1	Deloitte Consulting
Development Team	Technical	3	Deloitte Consulting

Deloitte Consulting and the State during the term of this Change Notice agree to maintain a Steering Committee to provide executive oversight and guidance to the members of the Implementation Team. The Steering Committee will be composed of senior management from the State, Deloitte Consulting, and SAP, along with PCO representatives. The Steering Committee will meet in person at least every quarter or as frequently as mutually agreed, and will discuss topics such as the following:

a) Overall management and oversight of the Services described in this Change Notice and any subsequent Change Notices.

b) Change Notices requiring additional funding.

c) Issues escalated to the Steering Committee, providing agreed-upon direction to the Implementation Team.

The State will also appoint one individual designated as the State Key Contact, and Deloitte Consulting will appoint one individual designated as the Deloitte Consulting Engagement Director and another designated as the Deloitte Consulting Project Manager. The State will also staff and maintain a PCO. These individuals will be responsible for the performance of the following tasks:

The Deloitte Consulting Engagement Director will:

a) Have prime responsibility and final authority for the execution and delivery of Deloitte Consulting responsibilities under this Change Notice.

b) Provide guidance to the State Key Contact and Deloitte Consulting Project Manager relative to design, support, budget, and contract management.

c) Escalate issues, change requests, and risks when necessary.

d) Work with the State Key Contact and Deloitte Consulting Project Manager to review support procedures and documentation standards, and approve Change Notices on behalf of Deloitte Consulting.

e) Participate in Steering Committee meetings as needed.

The Deloitte Consulting Project Manager will:

a) Manage the day-to-day delivery of Services, including managing work done by functional and technical resources.

b) Conduct weekly status meetings with the State Key Contact to review project status and issues.

c) Resolve issues and escalate issues as appropriate.

d) Participate in Steering Committee Meetings as needed.

The State Key Contact will:

a) Act as a single point of contact in the execution and delivery of the Services and responsibilities under this Change Notice.

b) Enforce agreed-upon processes and related controls among the State Implementation Team members.

c) Ensure clear and open lines of communication exist between the State and Deloitte Consulting Implementation Team members.

d) Assist the Deloitte Consulting Project Manager in the day-to-day management of the project and resolution of issues

e) Approve Service Changes as needed.

f) Participate in Steering Committee meetings as needed.

g) Provide prompt notification to Deloitte Consulting of any issues, concerns or disputes with respect to the Services provided.

The PCO will, at minimum:

a) Maintain and monitor the project workplan as provided by Deloitte Consulting.

b) Provide project management reporting as needed.

c) Coordinate Steering Committee communications, meetings, and reporting.

2.8 Deloitte Consulting Key Resources

The following individuals are considered Key Personnel from the beginning of the Services provided under this Change Notice to the submission of the Blueprint for the Project:

- Project Manager–Louis Panebianco
- Solution Architect–Vamshi Putta
- Functional Lead-Ahmed Habeeb

It is acknowledged that unauthorized removal of Key Personnel will interfere with the timely and proper completion of the Services, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result of any unauthorized removal. Therefore, Deloitte Consulting and the State agree that in the case of any unauthorized removal, the State may assess liquidated damages against Deloitte Consulting.

For the unauthorized removal of any of the Key Personnel listed above, the liquidated damages amount is $25,000.00 per individual if Deloitte Consulting identifies a replacement approved by the State, which approval shall not be unreasonably withheld, and assigns the replacement to the Project to work with the Key Personnel who is leaving for a Transition Period of at least 30 calendar days before the Key Personnel's removal. It is understood that consultants may have valid reasons for leaving the project outside the control of Deloitte Consulting, including termination of their employment, serious illness, or other leaves of absence, and replacement of Key Personnel for such reasons shall not be considered an unauthorized removal.

If Deloitte Consulting fails to assign a replacement to work with the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 liquidated damages for an unauthorized removal, Deloitte Consulting must pay the amount of $833.33 per day for each day of the 30-day period that the replacement does not work with the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per unauthorized removal and failure to provide 30 days of transition must not exceed $50,000.00 per individual, and must not be assessed more than once for the same individual where that individual is providing services under multiple Change Notices to the Agreement.

In cases of authorized removal of resources, Deloitte Consulting will use diligent efforts to propose suitable replacement personnel. Where possible, replacement staff will overlap their role with their predecessor to ease knowledge transfer.

2.9 Business Requirements

The high-level business requirements that describe the functionality that will be included in the Blueprint as part of the Project are included in Appendix 1.

3.0 Fees and Expenses

3.1 Fee Schedule

Deloitte Consulting will perform the Services described in this Change Notice on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $443,062, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following payment schedule:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	Deloitte Leveled Project Schedule	$100,000	12/10/2015
2	Blueprint Workshops Completed	$100,000	12/9/2015
3	First 10 Functional Specifications Developed	$100,000	2/10/2016
4	Business Blueprint Completed	$143,062	3/14/2016
	Total	**$443,062**	

3.2 Hourly Rates for Additional Services

From time to time the State may request additional changes to these Services. Any additional Services will be processed as described in Section 11.0 of Change Notice #7 to the Agreement, and payment will be based on an hourly rate basis and invoiced monthly in accordance with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Any changes to the Services that require work to be performed after the dates listed in the column headings below will be based on hourly rates to be established in a separate Change Notice to the Agreement. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	Hourly Rate (through December 31, 2015)	Hourly Rate (through December 31, 2016)
Engagement Director	$345	$352
Project Manager	$318	$324
Solution Architect	$296	$302
Senior PS-CD Specialist	$296	$302
PS-CD Specialist	$239	$244
Senior BRF Specialist	$239	$244
BRF Specialist	$188	$192
Senior Developer	$239	$244
Developer	$188	$192

3.3 Deliverable Acceptance

Deliverable acceptance timeframes will be in accordance with Section 2.015 of the Agreement, with the following exceptions:

Deliverable	Initial Review	Deloitte Response	Final Review
Configuration Item	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

3.4 Change Management

Change Management will be conducted in accordance with section 11.0 of Change Notice #7 to the Agreement.

4.0 Warranty

No warranty will be provided for the Services provided under this Change Notice. A warranty is anticipated to be provided for the implementation of the SIGMA Blueprint under a separate Change Notice.

5.0 General Provisions

5.1 Schedule and Project Management

- This project will observe the following holidays. State employees will observe all applicable State holidays.
  a. Veterans Day – Wednesday, November 11, 2015
  b. Thanksgiving Day – Thursday, November 26, 2015
  c. Day after Thanksgiving – Friday, November 27, 2015
  d. Christmas Eve – Thursday, December 24, 2015
  e. Christmas Day – Friday, December 25, 2015
  f. New Year's Eve – Thursday, December 31, 2015
  g. New Year's Day – Friday, January 1, 2016
  h. Martin Luther King Day – Monday, January 18, 2016

- The project schedule calendar has blocked out the weeks of November 23, 2015; December 21, 2015; and December 28, 2015 with no new tasks planned to start or finish during this time.
- The project will start on or about November 16, 2015.
- Deloitte Consulting staff typically performs the Services on-site Monday through Thursday and work remotely on Friday.
- Any delays caused by any activity not a part of this Change Notice will result in a Service Change for any extended staff.

5.2 Project Staffing

- State resources will be available on a timely basis to review and approve project Deliverables.
- The State will take primary responsibility for the following areas:
    - External communications and change management, including stakeholder management
    - All aspects of end user training including curriculum development and training schedules, business process procedures/end user procedures, course materials, and instruction
    - Completion of all internal State approval processes
    - Go-live and cutover planning

5.3 Solution and Approach

- Treasury will utilize the State's existing organizational structure within SAP, i.e. the State will continue to use a single company code for all tax processing.
- Updates to existing functional specification documents will be limited to content impacted by the SIGMA Blueprint. The base document will not be updated to address existing errors that are not directly associated with SIGMA Blueprint content.
- The PCO will coordinate the functional specification review and approval process. If multiple approvers have been identified for a given functional specification, comments will be held by the PCO until all approvers have responded.
- Functional specification and configuration documents will identify transaction codes being utilized to support business processes.
- Updates to the current MIITAS Blueprint document are not in scope for this project, except where aspects of the Blueprint are directly modified as a result of the SIGMA Blueprint.
- Interface designs will be developed to or from the file layout specified by the SIGMA project. The SIGMA project will be responsible for the interface design of any data loading or extraction to or from the CGI Advantage software.

5.4 Security and Controls

- The State will be responsible for all aspects of system security and control including transaction security design.

5.5 Technology and Infrastructure

- SAP software licenses and all hardware required for the Project will be provided by the State. The implementation will utilize SAP ECC 6.0 Enhancement Pack 5.

- The State will be responsible for all system infrastructure planning, procurement, installation and configuration, testing, implementation, maintenance, and support (commonly known as SAP Basis services). This responsibility will cover all SAP instances including SAP ECC, SAP BI, and SAP CRM. Any material delays caused by a disruption in the system landscape will result in a Service Change for any extended Deloitte Consulting Implementation Team members.
- The QA hardware will be used for Disaster Recovery. The State will be responsible for Back-Up and Disaster Recovery.
- The Deloitte Online Collaboration System (eRoom) will be used to store in-process documents and Deliverables. As documents and Deliverables are approved during the project, they will be moved to Serena. Deloitte Consulting will be responsible for the administration of the eRoom.
- The State will be responsible for application of SAP Notes.

5.6 Data

- The State will be responsible for data cleansing for conversions.

6.0 Other

The parties agree that this Change Notice shall be excluded from Section 2.306 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything to the contrary in Section 2.306 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice, regardless of the form of action, shall be limited to $510,376 or professional fees paid under this Change Notice whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice.

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

Appendix 1—Functional Requirements

Requirement Number	Requirement Description	Comments
SIG01	Accept the 15 character EFT Event Number (Direct Deposit Warrant number). Today IIT assigns this number and is design as 9 characters. In Sigma this number is auto generated. Cannot assign. Number construct is: Ccyymmdd9999999	
SIG02	Accept 15 Character Warrant Number from Sigma. The value will be controlled to not exceed 999999999. This will allow posting to legacy systems with minimal impact.	
SIG03	SAP will accept feedback interface from SIGMA for posting warrant status's and take appropriate action for each status type.	
SIG04	SAP will obtain JPMorgan Chase Deposit ticket in the current common payment file, associate it with the transactions that are filed in SAP and provide the detail in the Sigma interfaces to allow automated bank account balancing in Sigma.	
SIG05	SAP will use Front Door payment requests (EFT) when a business is identified as a register vendor in Sigma and is EFT enabled.	
SIG06	SAP will use Side Door payment method for paper warrant request (non-vendor or Vendor and not EFT enabled)	
SIG07	SAP will send all accounting (JV's, Reversals, Deposits) entries to Sigma using Sigma define interfaces.	
SIG08	SAP will input an interface of rejected EFT feedback and reissue payments to the Return Address.	
SIG09	SAP will interface registered Vendors from Sigma. Purpose to identify accounts that are EFT enable which will trigger Front Door payments.	

I. Background

The SIGMA system will impact all areas of State business operations, from payroll and purchasing, to payment of suppliers, disbursement of grant funding and processing of unemployment, financial aid and child support. The system must interface with each of the applications managing these process areas, as well as those utilized for payment processing and revenue generating applications. To successfully implement the required functionality and realize projected efficiencies of SIGMA, the interfaces must be in established, tested and fully implemented. The State does not have resources with the necessary technical ability and bandwidth to accomplish the transition independently. Thus contract change notices will be processed for those interfaces which can be managed through existing contracts and staff augmentation resources will be obtained through bids completed under the pre-qualification program.

II. Environment / IT Standards

Per existing contract and statement of work.

III. Project Objective

Successfully design and implement necessary interfaces between existing systems and SIGMA for continued and improved operations and business processes throughout the state.

IV. Scope of Work

a. Deliverables

List specific interface(s) to be covered by this change request (provide task detail in table below):

b. Ac Provide interface name listed on the request spreadsheet (attached to email) and Contract number for matching purposes.
c
eptance Criteria – List in **Requirements column** for Milestone Acceptance & Signoff row, and identify those authorized to signoff in **Acceptance/Signoff Column**.

c. Cost/Price Model – List in table, **Hours, Rate, Total and Total Payment** Columns.
b. Project Contacts – Should all be listed on iTRAC, either in contact fields, description fields or on an attached document.
c. Agency Responsibilities and Assumptions – Identify in **State Staff and Roles** columns.
d. Contractor Staff – Numbers, **roles, anticipated hours, and duration by task and total** columns below.

V. Terms and Conditions

Were agreed upon in the signed Contract or issued PO, they are not modified with every change notice. There should be no terms and conditions attached to the Change requests in iTRAC, only this SOW document with a completed and approved iTRAC request.

Project Plan:

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
Milestone I Blueprint	Deliverable: Project Schedule Blueprint Document. Detailed Design Docs.	3/14/2015	PM	50	Business Analyst Developer Project Manager	Meet with agency SME's	1,305	$	$443,062	Review Design Plan, State PM & Program Manager sign off after edits incorporated and final is accepted.	$443,062
• Task I Develop Project Schedule	Project Schedule	12/9/2015	PM	20	Project Manager	Work with PCO to coordinate timeline	144	$xx	$100,000	State PM	$100,000
• Task II Conduct SIGMA Workshops	Design Workshops	12/8/2015	SMEs	20	Functional Lead and Project Manager	Meet with agency SME's to define detailed design	153		$100,000	State PM & Business Manager	$100,000
• Task III Complete Initial 10 Functional Specifications	Functional Specifications	2/10/2015	SMEs and Business Lead		Functional Lead and Developers	Develop Functional Specifications describing detailed design of specific objects	540		$100,000	State PM & Business Manager	$100,000
• Task IV Complete Final 10 Functional Specifications and Blueprint Document	Functional Specifications and Blueprint Document	3/14/2015	SMEs and Business Lead		Functional Lead and Developers	Develop Functional Specifications describing detailed design of specific objects plus overall design Blueprint	468		$143,062	State PM & Business Manager	$143,062
Milestone II Design the Interface					System Architect	Design interfaces				State PM & Program Manager	
• Task Program					Programmer	Program Interfaces				State PM & Program Manager	
• Task II					Programmer	Configure				State PM &	

Test						System modifications				Program Manager	
• Task III Resolve Defects											
• Task III Milestone Acceptance & Signoff											
Milestone III Go Live											
• Task I Support/ Maintenance											
• Task III Milestone Acceptance & Signoff											
Totals			3	90	6					State PM & Program Manager	

ID	Text2	Text3	Task Name	Critic	Work	Start	Finish	Prede
0			**SIGMA - DeloittePlan v6Blueprint**	**Yes**	**2,736 ...**	**Mon 11/2/15**	**Mon 3/14/16**	
1			**Project Schedule**	**No**	**207 hrs**	**Mon 11/2/15**	**Wed 12/9/15**	
2			Develop Project Schedule	No	135 hrs	Mon 11/2/15	Fri 11/20/15	
3			Review Project Schedule	No	45 hrs	Mon 11/30/15	Fri 12/4/15	2
4			Revise Project Schedule	No	9 hrs	Mon 12/7/15	Mon 12/7/15	3
5			Approve Project Schedule	No	18 hrs	Tue 12/8/15	Wed 12/9/15	4
6			MILESTONE-Project Schedule	No	0 hrs	Thu 12/10/15	Thu 12/10/15	1
7			**Blueprint**	**Yes**	**2,529 hrs**	**Mon 11/9/15**	**Fri 3/11/16**	
8			**Blueprint Sessions**	**Yes**	**153 hrs**	**Mon 11/9/15**	**Tue 12/8/15**	
9		BP	Workshop Prep	Yes	45 hrs	Mon 11/9/15	Fri 11/13/15	
10		**BP**	Reports	Yes	18 hrs	Mon 11/16/15	Tue 11/17/15	9
11		**BP**	Accounting (determine reconciliation approach, MAIN interface)	Yes	45 hrs	Wed 11/18/15	Tue 12/1/15	10
12		**BP**	Address Open Issues	Yes	45 hrs	Wed 12/2/15	Tue 12/8/15	11
13			MILESTONE-Blueprint Workshops Completed	No	0 hrs	Wed 12/9/15	Wed 12/9/15	8
14			**Functional Spec Development**	**Yes**	**2,106 hrs**	**Wed 12/9/15**	**Wed 2/10/16**	
15	**O Accour**		**O--Master Data Configuration (FS)**	**No**	**99 hrs**	**Wed 12/9/15**	**Tue 1/5/16**	
16			O--Master Data Configuration (FS) Development	No	27 hrs	Wed 12/9/15	Fri 12/11/15	8
17			O--Master Data Configuration (FS) Review	No	45 hrs	Mon 12/14/15	Fri 12/18/15	16
18			O--Master Data Configuration (FS) Rework	No	9 hrs	Fri 12/18/15	Fri 12/18/15	21
19			O--Master Data Configuration (FS) Approval	No	18 hrs	Mon 1/4/16	Tue 1/5/16	18
20	**O GL**		**O--GL Configuration (FS)**	**No**	**108 hrs**	**Mon 12/14/15**	**Thu 1/7/16**	
21			O--GL Configuration (FS) Development	No	36 hrs	Mon 12/14/15	Thu 12/17/15	16
22			O--GL Configuration (FS) Review	No	45 hrs	Fri 12/18/15	Thu 1/7/16	21
23			O--GL Configuration (FS) Rework	No	9 hrs	Mon 1/4/16	Mon 1/4/16	18
24			O--GL Configuration (FS) Approval	No	18 hrs	Tue 1/5/16	Wed 1/6/16	23
25	**INT 34**	**FS**	**I--Vendor Extract File (Inbound) (FS)**	**Yes**	**108 hrs**	**Wed 12/9/15**	**Thu 1/7/16**	
26			I--Vendor Extract File (Inbound) FS Development	Yes	36 hrs	Wed 12/9/15	Mon 12/14/15	8
27			I--Vendor Extract File (Inbound) FS Review	No	45 hrs	Tue 12/15/15	Mon 1/4/16	26
28			I--Vendor Extract File (Inbound) FS Rework	Yes	9 hrs	Tue 1/5/16	Tue 1/5/16	97
29			I--Vendor Extract File (Inbound) FS Approval	No	18 hrs	Wed 1/6/16	Thu 1/7/16	28
30	**Int 35**	**FS**	**I--Vendor Update to SIGMA (Outbound)(FS)**	**No**	**108 hrs**	**Wed 12/9/15**	**Mon 1/11/16**	
31			I--Vendor Update to SIGMA (Outbound) FS Development	No	36 hrs	Wed 12/9/15	Mon 12/14/15	8

ID	Text2	Text3	Task Name	Critic	Work	Start	Finish	Pred
32			I--Vendor Update to SIGMA (Outbound) FS Review	No	45 hrs	Tue 12/15/15	Mon 1/4/16	31
33			I--Vendor Update to SIGMA (Outbound) FS Rework	No	9 hrs	Thu 1/7/16	Thu 1/7/16	51
34			I--Vendor Update to SIGMA (Outbound) FS Approval	No	18 hrs	Fri 1/8/16	Mon 1/11/16	33
35	**INT4P**	**FS**	**I--Payment Load (FS)**	**Yes**	**99 hrs**	**Tue 12/15/15**	**Tue 1/12/16**	
36			I--Payment Load FS Development	Yes	27 hrs	Tue 12/15/15	Thu 12/17/15	26
37			I--Payment Load FS Review	No	45 hrs	Fri 12/18/15	Thu 1/7/16	36
38			I--Payment Load FS Rework	Yes	9 hrs	Fri 1/8/16	Fri 1/8/16	102
39			I--Payment Load FS Approval	No	18 hrs	Mon 1/11/16	Tue 1/12/16	38
40	**INT5A**	**FS**	**I--Warrant Feedback (FS)**	**No**	**108 hrs**	**Wed 12/9/15**	**Mon 1/11/16**	
41			I--Warrant Feedback FS Development	No	36 hrs	Wed 12/9/15	Mon 12/14/15	8
42			I--Warrant Feedback FS Review	No	45 hrs	Tue 12/15/15	Mon 1/4/16	41
43			I--Warrant Feedback FS Rework	No	9 hrs	Thu 1/7/16	Thu 1/7/16	56
44			I--Warrant Feedback FS Approval	No	18 hrs	Fri 1/8/16	Mon 1/11/16	43
45	**INT 32 ((**	**FS**	**I-- Payments to MAIN (SIGMA) (Cash Deposits) (FS)**	**Yes**	**135 hrs**	**Mon 1/11/16**	**Fri 2/5/16**	
46			I--Payments to MAIN (SIGMA) (Cash Deposits) FS Development	Yes	63 hrs	Mon 1/11/16	Wed 1/20/16	38
47			I--Payments to MAIN (SIGMA)(Cash Deposits) FS Review	No	45 hrs	Thu 1/21/16	Wed 1/27/16	46
48			I--Payments to MAIN (SIGMA)(Cash Deposits) FS Rework	No	9 hrs	Wed 2/3/16	Wed 2/3/16	61
49			I--Payments to MAIN (SIGMA)(Cash Deposits) FS Approval	No	18 hrs	Thu 2/4/16	Fri 2/5/16	48
50	**INT 32 ((**	**FS**	**I-- Payments to MAIN (SIGMA) (Reversal/Reclass) (FS)**	**No**	**135 hrs**	**Tue 12/15/15**	**Tue 1/19/16**	
51			I--Payments to MAIN (SIGMA) (Reversal/Reclass) FS Development	No	63 hrs	Tue 12/15/15	Wed 1/6/16	31
52			I--Payments to MAIN (SIGMA)(Reversal/Reclass) FS Review	No	45 hrs	Thu 1/7/16	Wed 1/13/16	51
53			I--Payments to MAIN (SIGMA)(Reversal/Reclass) FS Rework	No	9 hrs	Thu 1/14/16	Thu 1/14/16	77
54			I--Payments to MAIN (SIGMA)(Reversal/Reclass) FS Approv	No	18 hrs	Fri 1/15/16	Tue 1/19/16	53
55	**INT 33 (G**	**FS**	**I--Outbound Warrants (Registered-Front Door) (FS)**	**No**	**135 hrs**	**Tue 12/15/15**	**Wed 1/20/16**	
56			I--Outbound Warrants (Registered-Front Door) FS Development	No	63 hrs	Tue 12/15/15	Wed 1/6/16	41
57			I--Outbound Warrants (Registered-Front Door) FS Review	No	45 hrs	Thu 1/7/16	Wed 1/13/16	56
58			I--Outbound Warrants (Registered-Front Door) FS Rework	No	9 hrs	Fri 1/15/16	Fri 1/15/16	92
59			I--Outbound Warrants (Registered-Front Door) FS Approval	No	18 hrs	Tue 1/19/16	Wed 1/20/16	58
60	**INT 33 (G**	**FS**	**I--Outbound Warrants (Non-Registered-Side Door) (FS)**	**Yes**	**135 hrs**	**Mon 1/25/16**	**Tue 2/9/16**	
61			I--Outbound Warrants (Non-Registered-Side Door) FS Development	Yes	63 hrs	Mon 1/25/16	Tue 2/2/16	104

Form No. DTMB-3521 (Rev. 5/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 18

to

CONTRACT NO. 071B8200018

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
333 Bridge St, NW, Suite 700	**PHONE**	**VENDOR TAX ID # (LAST FOUR DIGITS ONLY)**
Grand Rapids MI, 49504	(415) 783-6791	4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	John Karlik	(517) 335-4062	karlikj@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	(517) 284-7045	barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: MBT/MIITAS

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2007	December 31, 2010	(2) 1-Year Options	December 31, 2018
PAYMENT TERMS	**F.O.B.**	**SHIPPED TO**	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED **PURCHASING**
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ Yes ☒ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/**OPTION**	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		December 31, 2018

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$73,400,223.00	**$3,039,803.99**	**$77,015,009.99**

DESCRIPTION:
Effective September 15, 2015, this contract is amended add $3,039,803.99 ($2,914,804.00 of funds previously approved by Ad Board and an additional $124,999.99) for purposes of encumbering funds prior to the end of the current fiscal year. The parties agree that these funds will not be utilized until a future change notice, including an appropriate statement of work and documentation, is issued by the parties. All other terms, conditions, specifications, and pricing

remain the same, per Contractor and Agency agreement and DTMB Procurement approval.

Form No. DTMB-3521 (Rev. 5/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 17

to

CONTRACT NO. 071B8200018

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
333 Bridge St, NW, Suite 700	**PHONE**	**VENDOR TAX ID # (LAST FOUR DIGITS ONLY)**
Grand Rapids MI, 49504	(415) 783-6791	4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	John Karlik	(517) 335-4062	karlikj@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	(517) 284-7045	barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: MBT/MIITAS

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2007	December 31, 2010	(2) 1-Year Options	December 31, 2018
PAYMENT TERMS	**F.O.B.**	**SHIPPED TO**	
N/A	N/A	N/A	

ALTERNATE PAYMENT OPTIONS	EXTENDED **PURCHASING**
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/**OPTION**	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		December 31, 2018

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$73,400,223.00	$574,983.00	$73,975,206.00

DESCRIPTION:
Effective September 2, 2015, this contract is amended add $574,983.00 of funds previously approved by Ad Board for the attached Statement of Work to assist Treasury in creating a training and communications plan. All other terms, conditions, specifications, and pricing remain the same, per Contractor and Agency agreement and DTMB Procurement approval.

Approved Ad Board Contract Value: $76,890,010.00

1.0 Business Terms and Conditions

This Change Notice, effective April 13, 2015, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. For the purposes of this Change Notice, the term "Parties" means the State and Deloitte Consulting. Where conflicts arise, this Change Notice shall govern.

The SAP software platform will provide the framework for the Michigan Integrated Tax Processing and Administration System (MIITAS) to which all mainframe Tax and Revenue systems will transition in future projects. This Change Notice defines the Services that Deloitte Consulting will provide related to change management and training for MIITAS City Income Tax Act (CITA) Release 1 – Detroit Individual Income Tax Processing and State Essential Services Assessment (SESA) Processing ("Project"). As described in Article 1, Section 1.001 of the Agreement, the State elects to exercise its option to obtain a statement of work (SOW) for optional MIITAS Services.

2.0 Statement of Work

2.1 Project Background

The State has begun its process of moving all of its end-of-life core tax and revenue functions from its existing legacy systems to the new SAP software platform. The first MIITAS phase implemented the SAP software platform for the new Michigan Business Tax (MBT). Subsequently Corporate Income Tax (CIT) and Flow-through Withholding (FTW) have been implemented, as have Business Tax Registration and Sales, Use and Withholding Tax (SUW). The State is currently implementing the first release of a multiple-release implementation of the CITA project, enabling Michigan to process individual income tax returns for the City of Detroit. CITA Release 1 is the first release of the overall MIITAS CITA Phase that will eventually also include business income tax with a design that will allow for future use by other cities beyond Detroit. It is also about to begin to implement tax processing services for SESA.

2.2 Project Approach

Change management and training services will be provided in two distinct but related streams of work. Our approach will address both services in the following paragraphs.

The primary goal of the proposed change management effort is to support the State and Taxpayers during the implementation of new processes and technologies for CITA and SESA. We will help the State to create a strong communication framework for each project that will guide the future development and execution of timely and appropriate messaging and support tools for each impacted audience. A Communication Strategy and Plan for each program will be created based on the initial identification of key stakeholders, an assessment of changes impacting the end user community, and a review of current communication practices.

Our training services support will assist the State in establishing a systematic approach to training that can be leveraged for additional phases. Historically, the State has leveraged an informal approach to training using subject matter experts to design, develop, and deliver training to staff as needed. The State has found this approach to be lacking based on staff and customer feedback. Previous MIITAS implementation efforts have also highlighted the need for a standard training approach and supporting organization infrastructure to meet ongoing and

related training requirements. Deloitte will assist the State in establishing an enterprise-level Learning and Development (L&D) Community of Practice (CoP) as a key enabler for creating targeted and effective end-user training programs. Deloitte will assist the establishment and cultivation of the L&D CoP by training its members on a systematic approach to instructional design and development.

The Learning and Development (L&D) Community of Practice (CoP) is a group of practitioners, informally bound to one another by common problem set within a particular domain and a pursuit of a solution or solution sets to address their common needs. The mission of the L&D CoP is to promote and apply a standard approach and systematic view of instructional design, training, learning solutions and interventions to increase their relevance, impact and effectiveness in helping Treasury meet its strategic goals and objectives.

2.3 Scope of Services

Deloitte will conduct the following change management activities for the CITA and SESA projects (the "Services"). Specific activities and deliverables are described further in section 2.6, Project Responsibilities:

- Conduct Stakeholder Assessment
- Conduct Change Impact Assessment
- Conduct Communication Assessment and develop Communication Strategy and Plan.
- Execute Communications Plans
- Support Treasury in the development of a L&D CoP charter
- Support L&D CoP members in the identification of Treasury's training needs and top priorities
- Develop 2 training modules for the L&D CoP.

2.4 High Level Timeline

Below are the planned dates for major CITA and SESA activities to be completed by the Parties:

Activity	Start Date	End Date
CITA Stakeholder Assessment	4/1/2015	5/1/2015
CITA Change Impact Assessment	4/1/2015	5/15/2015
CITA Communication Assessment, Strategy and Plan (includes website development)	5/15/2015	7/1/2015
CITA Communications	6/1/2015	12/31/2015
SESA Stakeholder Assessment	4/1/2015	5/1/2015
SESA Change Impact Assessment	6/24/2015	7/15/2015
SESA Communication Assessment, Strategy and Plan (includes website development)	7/1/2015	9/11/2015
SESA Communications	9/14/2015	12/31/2015
Treasury L&D CoP Concept Introduction Briefing Development	4/13/2015	4/30/2015

Activity	Start Date	End Date
L&D CoP Charter Development	5/1/2015	5/29/2015
High-Level CoP Member Training Curriculum Development	5/25/2015	6/19/2015
Instructional Design Module Development	06/22/2015	09/4/2015

2.6 Project Responsibilities

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
CITA Stakeholder Assessment	The Stakeholder Assessment will identify all individuals and groups of stakeholders, internal and external, who will be impacted by the change.	Primary	Secondary	
CITA Change Impact Assessment	The objective of the Change Impact Assessment is to capture and assess the levels of change in three areas including process/ structure, people, and technology.	Secondary	Primary	
CITA Communication Assessment, Strategy and Plan (includes website development)	Communications focuses on the process by which information is shared and/or exchanged using a variety of channels and media. This component includes the identification and scheduling of tasks to plan, design, develop, and deliver communications to both internal and external stakeholders based on identified needs.	Secondary	Primary	
CITA Communications	Communications such as form letters or similar documents (Up to 5 per month for June-July, 2015)	Secondary	Primary	
SESA Stakeholder Assessment	The Stakeholder Assessment will identify all individuals and groups of stakeholders, internal and external, who will be impacted by the change.	Primary	Secondary	
SESA Change Impact Assessment	The objective of the Change Impact Assessment is to capture and assess the levels of change in three areas including process/ structure, people, and technology.	Secondary	Primary	
SESA Communication Assessment, Strategy and Plan(includes website development)	Communications focuses on the process by which information is shared and/or exchanged using a variety of channels and media. This component includes the identification and scheduling of tasks to plan, design, develop, and deliver communications to both internal and external stakeholders based on identified needs.	Secondary	Primary	
Monthly CITA/SESA Communications	Communications such as form letters or similar documents (up to 5 per month for August-December 2015)	Secondary	Primary	
Treasury L&D CoP Concept Introduction Briefing Development	Briefing outlining the general concept of a Community of Practice (CoP) and the value of establishing a Learning & Development (L&D) CoP at Treasury, created to help Treasury Leadership foster general support and buy-in from key stakeholders (e.g., Bureau Leads).	Secondary	Primary	
L&D CoP Charter Development	Provides background information about the CoP, its purpose, mission and/or goals, membership composition, member roles, empowerment boundaries, high-level operating concept, and potential support requirements.	Primary	Secondary	

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
High-Level CoP Member Training Curriculum Development	A single Word Document that describes the topic/task areas, associated learning objectives, prerequisites and delivery methods that comprise a course of study. The L&D CoP curriculum will focus on the knowledge, skills and attitudes (KSAs) necessary for the L&D CoP members to begin applying a standard approach to training throughout Treasury. Topics/courses include: • An Introduction to Treasury's Standard Approach to Training • Understanding the Difference between Training and other Related Terms • Also includes module duration and development effort, and media	Secondary	Primary	
Instructional Design Module Development	Training slides, agenda, handouts, evaluation forms and/or other documents associated with a respective training module as reflected in the approved curriculum. (Two approximately 1-hour long training courses/modules)	Secondary	Primary	

2.7 Staffing Model

Deloitte will provide one consultant for change management and one consultant for training Services.

Additional staff from the State and the Project Control Office will be required to review Deliverables, provide subject matter expertise, and manage the Project within the wider DTMB and Treasury enterprise project portfolio.

3.0 Fees and Expenses

3.1 Fee Schedule

Deloitte Consulting will perform the Services described in this Change Notice on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $574,983, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following payment schedule:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	CITA Stakeholder Assessment	$21,510	5/1/2015
2	CITA Change Impact Assessment	$21,510	5/15/2015
3	CITA Communication Assessment, Strategy and Plan	$32,265	6/30/2015
4	CITA Communications	$27,963	7/31/2015
5	SESA Stakeholder Assessment	$21,510	5/1/2015
6	SESA Change Impact Assessment	$32,265	7/15/2015
7	SESA Communication Assessment, Strategy and Plan	$43,020	8/15/2015
8	Monthly CITA/SESA Communications (5 monthly payments of $43,020 each)	$215,100	8/31/2015 – 12/31/2015
9	Treasury L&D CoP Concept Introduction Briefing Development	$26,640	4/30/2015
10	L&D CoP Charter Development	$53,280	5/29/2015
11	High-Level CoP Member Training Curriculum Development	$39,960	6/19/2015
12	Instructional Design Module Development	$39,960	7/13/2015
	Total	**$574,983**	

3.2 Hourly Rates for Additional Services

From time to time the State may request additional changes to these Services. Any additional Services will be processed as described in Section 11.0 of Change Notice #7 to the Agreement, and payment will be based on an hourly rate basis and invoiced monthly in accordance with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Any changes to the Services that require work to be performed after the dates listed in the column headings below will be based on hourly rates to be established in a separate Change Notice to the Agreement. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	**Hourly Rate (through December 31, 2015)**
Account Manager	$345
Change Leadership & Training Manager	$318
Senior Specialist	$239

Position	Hourly Rate (through December 31, 2015)
Specialist	$188

3.3 Deliverable Acceptance

Deliverable acceptance timeframes will be in accordance with Section 2.105 of the Agreement.

3.4 Change Notice Management

Change Notice Management will be conducted in accordance with section 11.0 of Change Notice #7 to the Agreement.

4.0 Warranty

Deloitte Consulting will not provide any warranty for the Services provided in this Change Notice.

5.0 General Provisions

5.1 Schedule and Project Management

- This project will observe the following holidays. State employees will observe all applicable State holidays.
  i. Memorial Day – Monday, May 25, 2015
  j. Independence Day – Friday, July 3, 2015
  k. Labor Day – Monday, September 7, 2015
  l. Veterans Day – Wednesday, November 11, 2015
  m. Thanksgiving Day – Thursday, November 26, 2015
  n. Day after Thanksgiving – Friday, November 27, 2015
  o. Christmas Eve – Thursday, December 24, 2015
  p. Christmas Day – Friday, December 25, 2015
  q. New Year's Eve – Thursday, December 31, 2015
- The project schedule calendar has blocked out the weeks of April 6, 2015; June 29, 2015; November 23, 2015; December 21, 2015; and December 28, 2015 with no new tasks planned to start or finish during this time.

- The project will start on or about April 1, 2015.
- Deloitte Consulting staff typically performs the Services on-site Monday through Thursday and work remotely on Friday.
- Any delays caused by any activity not a part of this Change Notice will result in a Service Change for any extended staff.

5.2 Project Staffing

- State resources will be available on a timely basis to review and approve project Deliverables.

5.3 Scope

- MIITAS End-User Training course curricula outlines and materials, as well as specific course logistics and trainee registration for courses are not included in this Change Notice.
- Deloitte will support the development of an initial L&D CoP briefing to introduce the L&D CoP concept to key stakeholders (i.e., Bureau Directors) as well as provide initial training to the L&D CoP members regarding a standard approach to training. However, Treasury will take full responsibility for the development and delivery of such future briefings and training programs as well as any other needs or initiatives associated with the CoP's ongoing success..
- Deloitte will support the development of an initial L&D CoP Charter for Treasury's use in establishing the L&D CoP. Future changes and modifications to the charter and/or associated attachments will be the sole responsibility of the Treasury.
- The State will provide timely review and de-conflicted, consolidated feedback on all deliverables.
- The State will provide the appropriate resources, guidance and support to the L&D CoP members to affectively meet its goals and objectives as approved by Treasury.
- CITA and ESA Communications will utilize established tools and templates, and communication vehicles.

6.0 Other

The parties agree that this Change Notice shall be excluded from Section 2.306 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything to the contrary in Section 2.306 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice, regardless of the form of action, shall be limited to $574,983 or professional fees paid under this Change Notice whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice.

Neither Deloitte Consulting nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark or trade

secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting; to claims covered by other specific provisions of the Agreement calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice.

CMT Workplan v1

ID	Task Name	Duration	Start	Finish	Predec
1	**CITA/ESA change management & training**	**197 days**	**Wed 4/1/15**	**Thu 12/31/15**	
2	**CITA communication development**	**66 days**	**Wed 4/1/15**	**Wed 7/1/15**	
3	**CITA stakeholder assessment**	**23 days**	**Wed 4/1/15**	**Fri 5/1/15**	
4	Draft	18 days	Wed 4/1/15	Fri 4/24/15	
5	Review	4 days	Mon 4/27/15	Thu 4/30/15	4
6	Finalize	1 day	Fri 5/1/15	Fri 5/1/15	5
7	MILESTONE-CITA stakeholder assessment	0 days	Fri 5/1/15	Fri 5/1/15	3
8	**CITA change impact assessment**	**33 days**	**Wed 4/1/15**	**Fri 5/15/15**	
9	Draft	23 days	Wed 4/1/15	Fri 5/1/15	
10	Review	9 days	Mon 5/4/15	Thu 5/14/15	9
11	Finalize	1 day	Fri 5/15/15	Fri 5/15/15	10
12	MILESTONE-CITA change impact assessment	0 days	Fri 5/15/15	Fri 5/15/15	8
13	**CITA communications assessment, strategy, and plan**	**33 days**	**Mon 5/18/15**	**Wed 7/1/15**	
14	Draft	23 days	Mon 5/18/15	Wed 6/17/15	8
15	Review	5 days	Thu 6/18/15	Wed 6/24/15	14
16	Finalize	5 days	Thu 6/25/15	Wed 7/1/15	15
17	MILESTONE-CITA communications assessment, strategy and plan	0 days	Wed 7/1/15	Wed 7/1/15	13
18	**CITA communications**	**22 days**	**Thu 7/2/15**	**Fri 7/31/15**	
19	**CITA communications-July**	**22 days**	**Thu 7/2/15**	**Fri 7/31/15**	
20	**CITA communication 1- July**	**6 days**	**Thu 7/2/15**	**Thu 7/9/15**	
21	Draft	4 days	Thu 7/2/15	Tue 7/7/15	13
22	Review	1 day	Wed 7/8/15	Wed 7/8/15	21
23	Finalize	1 day	Thu 7/9/15	Thu 7/9/15	22
24	**CITA communication 2- July**	**6 days**	**Wed 7/8/15**	**Wed 7/15/15**	
25	Draft	4 days	Wed 7/8/15	Mon 7/13/15	21
26	Review	1 day	Tue 7/14/15	Tue 7/14/15	25
27	Finalize	1 day	Wed 7/15/15	Wed 7/15/15	26
28	**CITA communication 3- July**	**6 days**	**Tue 7/14/15**	**Tue 7/21/15**	

CMT Workplan v1

ID	Task Name	Duration	Start	Finish	Predec
29	Draft	4 days	Tue 7/14/15	Fri 7/17/15	25
30	Review	1 day	Mon 7/20/15	Mon 7/20/15	29
31	Finalize	1 day	Tue 7/21/15	Tue 7/21/15	30
32	**CITA communication 4- July**	**6 days**	**Mon 7/20/15**	**Mon 7/27/15**	
33	Draft	4 days	Mon 7/20/15	Thu 7/23/15	29
34	Review	1 day	Fri 7/24/15	Fri 7/24/15	33
35	Finalize	1 day	Mon 7/27/15	Mon 7/27/15	34
36	**CITA communication 5- July**	**6 days**	**Fri 7/24/15**	**Fri 7/31/15**	
37	Draft	4 days	Fri 7/24/15	Wed 7/29/15	33
38	Review	1 day	Thu 7/30/15	Thu 7/30/15	37
39	Finalize	1 day	Fri 7/31/15	Fri 7/31/15	38
40	MILESTONE-CITA communications-July	0 days	Fri 7/31/15	Fri 7/31/15	19
41	**SESA communication development**	**95 days**	**Mon 5/4/15**	**Fri 9/11/15**	
42	**SESA stakeholder assessment**	**11 days**	**Mon 5/4/15**	**Mon 5/18/15**	
43	Draft	6 days	Mon 5/4/15	Mon 5/11/15	9
44	Review	4 days	Tue 5/12/15	Fri 5/15/15	43
45	Finalize	1 day	Mon 5/18/15	Mon 5/18/15	44
46	MILESTONE-SESA stakeholder assessment	0 days	Mon 5/18/15	Mon 5/18/15	42
47	**SESA change impact assessment**	**16 days**	**Wed 6/24/15**	**Wed 7/15/15**	
48	Draft	11 days	Wed 6/24/15	Wed 7/8/15	
49	Review	4 days	Thu 7/9/15	Tue 7/14/15	48
50	Finalize	1 day	Wed 7/15/15	Wed 7/15/15	49
51	MILESTONE-SESA change impact assessment	0 days	Wed 7/15/15	Wed 7/15/15	47
52	**SESA communication assessment, strategy and plan**	**53 days**	**Wed 7/1/15**	**Fri 9/11/15**	
53	Draft	43 days	Wed 7/1/15	Fri 8/28/15	
54	Review	5 days	Mon 8/31/15	Fri 9/4/15	53
55	Finalize	5 days	Mon 9/7/15	Fri 9/11/15	54
56	MILESTONE-SESA communication assessment, strategy and plan	0 days	Fri 9/11/15	Fri 9/11/15	52

CMT Workplan v1

ID	Task Name	Duration	Start	Finish	Predec
57	**CITA/SESA communications**	**109 days**	**Mon 8/3/15**	**Thu 12/31/15**	
58	**CITA/SESA communications-August**	**21 days**	**Mon 8/3/15**	**Mon 8/31/15**	
59	**CITA/SESA communications-August 1**	**6 days**	**Mon 8/3/15**	**Mon 8/10/15**	
60	Draft	4 days	Mon 8/3/15	Thu 8/6/15	36
61	Review	1 day	Fri 8/7/15	Fri 8/7/15	60
62	Finalize	1 day	Mon 8/10/15	Mon 8/10/15	61
63	**CITA/SESA communications-August 2**	**6 days**	**Fri 8/7/15**	**Fri 8/14/15**	
64	Draft	4 days	Fri 8/7/15	Wed 8/12/15	60
65	Review	1 day	Thu 8/13/15	Thu 8/13/15	64
66	Finalize	1 day	Fri 8/14/15	Fri 8/14/15	65
67	**CITA/SESA communications-August 3**	**6 days**	**Thu 8/13/15**	**Thu 8/20/15**	
68	Draft	4 days	Thu 8/13/15	Tue 8/18/15	64
69	Review	1 day	Wed 8/19/15	Wed 8/19/15	68
70	Finalize	1 day	Thu 8/20/15	Thu 8/20/15	69
71	**CITA/SESA communications-August 4**	**6 days**	**Wed 8/19/15**	**Wed 8/26/15**	
72	Draft	4 days	Wed 8/19/15	Mon 8/24/15	68
73	Review	1 day	Tue 8/25/15	Tue 8/25/15	72
74	Finalize	1 day	Wed 8/26/15	Wed 8/26/15	73
75	**CITA/SESA communications-August 5**	**5 days**	**Tue 8/25/15**	**Mon 8/31/15**	
76	Draft	3 days	Tue 8/25/15	Thu 8/27/15	72
77	Review	1 day	Fri 8/28/15	Fri 8/28/15	76
78	Finalize	1 day	Mon 8/31/15	Mon 8/31/15	77
79	MILESTONE-CITA/SESA communications-August	0 days	Mon 8/31/15	Mon 8/31/15	58
80	**CITA/SESA communications-September**	**22 days**	**Tue 9/1/15**	**Wed 9/30/15**	
81	**CITA/SESA communications-September 1**	**6 days**	**Tue 9/1/15**	**Tue 9/8/15**	
82	Draft	4 days	Tue 9/1/15	Fri 9/4/15	58
83	Review	1 day	Mon 9/7/15	Mon 9/7/15	82
84	Finalize	1 day	Tue 9/8/15	Tue 9/8/15	83

CMT Workplan v1

ID	Task Name	Duration	Start	Finish	Predec
85	**CITA/SESA communications-September 2**	**6 days**	**Mon 9/7/15**	**Mon 9/14/15**	
86	Draft	4 days	Mon 9/7/15	Thu 9/10/15	82
87	Review	1 day	Fri 9/11/15	Fri 9/11/15	86
88	Finalize	1 day	Mon 9/14/15	Mon 9/14/15	87
89	**CITA/SESA communications-September 3**	**6 days**	**Fri 9/11/15**	**Fri 9/18/15**	
90	Draft	4 days	Fri 9/11/15	Wed 9/16/15	86
91	Review	1 day	Thu 9/17/15	Thu 9/17/15	90
92	Finalize	1 day	Fri 9/18/15	Fri 9/18/15	91
93	**CITA/SESA communications-September 4**	**6 days**	**Thu 9/17/15**	**Thu 9/24/15**	
94	Draft	4 days	Thu 9/17/15	Tue 9/22/15	90
95	Review	1 day	Wed 9/23/15	Wed 9/23/15	94
96	Finalize	1 day	Thu 9/24/15	Thu 9/24/15	95
97	**CITA/SESA communications-September 5**	**6 days**	**Wed 9/23/15**	**Wed 9/30/15**	
98	Draft	4 days	Wed 9/23/15	Mon 9/28/15	94
99	Review	1 day	Tue 9/29/15	Tue 9/29/15	98
100	Finalize	1 day	Wed 9/30/15	Wed 9/30/15	99
101	MILESTONE-CITA/SESA communications-September	0 days	Wed 9/30/15	Wed 9/30/15	80
102	**CITA/SESA communications-October**	**22 days**	**Thu 10/1/15**	**Fri 10/30/15**	
103	**CITA/SESA communications-October 1**	**6 days**	**Thu 10/1/15**	**Thu 10/8/15**	
104	Draft	4 days	Thu 10/1/15	Tue 10/6/15	80
105	Review	1 day	Wed 10/7/15	Wed 10/7/15	104
106	Finalize	1 day	Thu 10/8/15	Thu 10/8/15	105
107	**CITA/SESA communications-October 2**	**6 days**	**Wed 10/7/15**	**Wed 10/14/15**	
108	Draft	4 days	Wed 10/7/15	Mon 10/12/15	104
109	Review	1 day	Tue 10/13/15	Tue 10/13/15	108
110	Finalize	1 day	Wed 10/14/15	Wed 10/14/15	109
111	**CITA/SESA communications-October 3**	**6 days**	**Tue 10/13/15**	**Tue 10/20/15**	
112	Draft	4 days	Tue 10/13/15	Fri 10/16/15	108

CMT Workplan v1

ID	Task Name	Duration	Start	Finish	Predec
113	Review	1 day	Mon 10/19/15	Mon 10/19/15	112
114	Finalize	1 day	Tue 10/20/15	Tue 10/20/15	113
115	**CITA/SESA communications-October 4**	**6 days**	**Mon 10/19/15**	**Mon 10/26/15**	
116	Draft	4 days	Mon 10/19/15	Thu 10/22/15	112
117	Review	1 day	Fri 10/23/15	Fri 10/23/15	116
118	Finalize	1 day	Mon 10/26/15	Mon 10/26/15	117
119	**CITA/SESA communications-October 5**	**6 days**	**Fri 10/23/15**	**Fri 10/30/15**	
120	Draft	4 days	Fri 10/23/15	Wed 10/28/15	116
121	Review	1 day	Thu 10/29/15	Thu 10/29/15	120
122	Finalize	1 day	Fri 10/30/15	Fri 10/30/15	121
123	MILESTONE-CITA/SESA communications-October	0 days	Fri 10/30/15	Fri 10/30/15	102
124	**CITA/SESA communications-November**	**21 days**	**Mon 11/2/15**	**Mon 11/30/15**	
125	**CITA/SESA communications-November 1**	**6 days**	**Mon 11/2/15**	**Mon 11/9/15**	
126	Draft	4 days	Mon 11/2/15	Thu 11/5/15	102
127	Review	1 day	Fri 11/6/15	Fri 11/6/15	126
128	Finalize	1 day	Mon 11/9/15	Mon 11/9/15	127
129	**CITA/SESA communications-November 2**	**6 days**	**Fri 11/6/15**	**Fri 11/13/15**	
130	Draft	4 days	Fri 11/6/15	Wed 11/11/15	126
131	Review	1 day	Thu 11/12/15	Thu 11/12/15	130
132	Finalize	1 day	Fri 11/13/15	Fri 11/13/15	131
133	**CITA/SESA communications-November 3**	**6 days**	**Thu 11/12/15**	**Thu 11/19/15**	
134	Draft	4 days	Thu 11/12/15	Tue 11/17/15	130
135	Review	1 day	Wed 11/18/15	Wed 11/18/15	134
136	Finalize	1 day	Thu 11/19/15	Thu 11/19/15	135
137	**CITA/SESA communications-November 4**	**6 days**	**Wed 11/18/15**	**Wed 11/25/15**	
138	Draft	4 days	Wed 11/18/15	Mon 11/23/15	134
139	Review	1 day	Tue 11/24/15	Tue 11/24/15	138
140	Finalize	1 day	Wed 11/25/15	Wed 11/25/15	139

CMT Workplan v1

ID	Task Name	Duration	Start	Finish	Predec
141	**CITA/SESA communications-November 5**	**5 days**	**Tue 11/24/15**	**Mon 11/30/15**	
142	Draft	3 days	Tue 11/24/15	Thu 11/26/15	138
143	Review	1 day	Fri 11/27/15	Fri 11/27/15	142
144	Finalize	1 day	Mon 11/30/15	Mon 11/30/15	143
145	MILESTONE-CITA/SESA communications-November	0 days	Mon 11/30/15	Mon 11/30/15	124
146	**CITA/SESA communications-December**	**23 days**	**Tue 12/1/15**	**Thu 12/31/15**	
147	**CITA/SESA communications-December 1**	**6 days**	**Tue 12/1/15**	**Tue 12/8/15**	
148	Draft	4 days	Tue 12/1/15	Fri 12/4/15	124
149	Review	1 day	Mon 12/7/15	Mon 12/7/15	148
150	Finalize	1 day	Tue 12/8/15	Tue 12/8/15	149
151	**CITA/SESA communications-December 2**	**7 days**	**Mon 12/7/15**	**Tue 12/15/15**	
152	Draft	5 days	Mon 12/7/15	Fri 12/11/15	148
153	Review	1 day	Mon 12/14/15	Mon 12/14/15	152
154	Finalize	1 day	Tue 12/15/15	Tue 12/15/15	153
155	**CITA/SESA communications-December 3**	**6 days**	**Mon 12/14/15**	**Mon 12/21/15**	
156	Draft	4 days	Mon 12/14/15	Thu 12/17/15	152
157	Review	1 day	Fri 12/18/15	Fri 12/18/15	156
158	Finalize	1 day	Mon 12/21/15	Mon 12/21/15	157
159	**CITA/SESA communications-December 4**	**6 days**	**Fri 12/18/15**	**Fri 12/25/15**	
160	Draft	4 days	Fri 12/18/15	Wed 12/23/15	156
161	Review	1 day	Thu 12/24/15	Thu 12/24/15	160
162	Finalize	1 day	Fri 12/25/15	Fri 12/25/15	161
163	**CITA/SESA communications-December 5**	**6 days**	**Thu 12/24/15**	**Thu 12/31/15**	
164	Draft	4 days	Thu 12/24/15	Tue 12/29/15	160
165	Review	1 day	Wed 12/30/15	Wed 12/30/15	164
166	Finalize	1 day	Thu 12/31/15	Thu 12/31/15	165
167	MILESTONE-CITA/SESA communications-December	0 days	Thu 12/31/15	Thu 12/31/15	146
168	**Learning & Development Support**	**66 days**	**Mon 4/13/15**	**Mon 7/13/15**	

CMT Workplan v1

ID	Task Name	Duration	Start	Finish	Predec
169	**Treasury L&D CoP concept introduction briefing development**	**14 days**	**Mon 4/13/15**	**Thu 4/30/15**	
170	Draft	9 days	Mon 4/13/15	Thu 4/23/15	
171	Review	4 days	Fri 4/24/15	Wed 4/29/15	170
172	Finalize	1 day	Thu 4/30/15	Thu 4/30/15	171
173	MILESTONE-L&D CoP concept introduction briefing development	0 days	Thu 4/30/15	Thu 4/30/15	169
174	**L&D CoP charter development**	**21 days**	**Fri 5/1/15**	**Fri 5/29/15**	
175	Draft	16 days	Fri 5/1/15	Fri 5/22/15	169
176	Review	4 days	Mon 5/25/15	Thu 5/28/15	175
177	Finalize	1 day	Fri 5/29/15	Fri 5/29/15	176
178	MILESTONE-L&D CoP charter development	0 days	Fri 5/29/15	Fri 5/29/15	174
179	**High-level CoP member training curriculum development**	**20 days**	**Mon 5/25/15**	**Fri 6/19/15**	
180	Draft	15 days	Mon 5/25/15	Fri 6/12/15	175
181	Review	4 days	Mon 6/15/15	Thu 6/18/15	180
182	Finalize	1 day	Fri 6/19/15	Fri 6/19/15	181
183	MILESTONE-high-level CoP member training curriculum development	0 days	Fri 6/19/15	Fri 6/19/15	179
184	**Instructional design module development**	**16 days**	**Mon 6/22/15**	**Mon 7/13/15**	
185	**Module 1**	**11 days**	**Mon 6/22/15**	**Mon 7/6/15**	
186	Design	6 days	Mon 6/22/15	Mon 6/29/15	179
187	Review	4 days	Tue 6/30/15	Fri 7/3/15	186
188	Finalize	1 day	Mon 7/6/15	Mon 7/6/15	187
189	**Module 2**	**10 days**	**Tue 6/30/15**	**Mon 7/13/15**	
190	Design	5 days	Tue 6/30/15	Mon 7/6/15	186
191	Review	4 days	Tue 7/7/15	Fri 7/10/15	190
192	Finalize	1 day	Mon 7/13/15	Mon 7/13/15	191
193	MILESTONE-instructional design module development	0 days	Mon 7/13/15	Mon 7/13/15	184

Form No. DTMB-3521 (Rev. 2/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 16

to

CONTRACT NO. 071B8200018

Between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
333 Bridge St, NW, Suite 700	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
Grand Rapids. MI 49504	415-783-6791	4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	David Gilliland	517-636-5006	GillilandD@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: : **MBT/MIITAS**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2007	December 31, 2010	2 one year	**December 31, 2018**

PAYMENT TERMS	F.O.B.	SHIPPED TO
N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		**December 31, 2018**

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$71,384,656.00	$2,015,567.00	$73,400,223.00

DESCRIPTION:
Effective September 2, 2015, this contract is amended add $2,015,567.00 of funds previously approved by Ad Board for the attached Michigan Treasury Online Optimization Project statement of work. All other pricing, terms and conditions remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

Approved Ad Board Contract Value: $76,890,010.00

1.0 Business Terms and Conditions

This Change Notice, effective July 20, 2015, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting, dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. For the purposes of this Change Notice, the term "Parties" means the State and Deloitte Consulting. Where conflicts arise, this Change Notice shall govern.

The SAP software platform will provide the framework for the Michigan Integrated Tax Processing and Administration System (MIITAS) to which all mainframe Tax and Revenue systems will transition in future projects. This Change Notice defines the Services that Deloitte Consulting will provide related to MIITAS Michigan Treasury Online (MTO) Optimization ("MTO Optimization" or "Project"). MTO is a web-based application for business tax registration and online business tax return filing and payment utilizing the MIITAS SAP Tax and Revenue Management Solution as the back-end processing engine. As described in Article 1, Section 1.001 of the Agreement, the State elects to exercise its option to obtain a statement of work (SOW) for optional MIITAS Services.

2.0 Statement of Work

2.1 Project Background

The State has begun its process of moving all of its end-of-life core tax and revenue functions from its existing legacy systems to the new SAP software platform. The first MIITAS phase implemented the SAP software platform for the new Michigan Business Tax (MBT). Subsequently Corporate Income Tax (CIT) and Flow-through Withholding (FTW) have been implemented, as have Business Tax Registration and Sales, Use and Withholding Tax (SUW). The State is currently implementing the first release of a multiple-release implementation of the City Income Tax Act (CITA) project, enabling Michigan to process individual income tax returns for the City of Detroit. MTO was originally developed to work in conjunction with several legacy applications including Michigan Business One Stop (MiBOS), which provides single sign-on and user management functionality; e-Registration, which provides business registration functionality; and Pay Connexion, which is the State's online payment solution. This Change Notice defines the implementation of the MTO Optimization project, enabling Michigan to improve the online user experience for SUW taxpayers and streamline the integration across these solutions.

2.2 Project Methodology and Approach

2.2.1 Integration

The MTO Optimization project will bring several distinct organizations together to coordinate project and quality management. These organizations include Treasury/DTMB, Deloitte Advisory Services, and Deloitte Consulting. The State will provide overall management for the project as well as support for the methodology to be used.

2.2.1.1 Treasury/DTMB

These State departments will be the owner of the MTO/SAP system. Together, they will be responsible for providing overall management responsibility for the MTO Optimization project, validating requirements and approaches, approving deliverables, and assisting with the

implementation as described in the Agreement, including development of system forms and development objects. Treasury/DTMB will own the master project plan and report progress against objectives. Treasury/DTMB will also have responsibility for creating integration and user acceptance test scripts, executing these scripts and recording the results.

2.2.1.2 Deloitte Advisory Services

Deloitte Advisory Services will have responsibility for implementing the MILogin solution for single sign-on functionality. These responsibilities are detailed in a separate change notice to their agreement with DTMB.

2.2.1.3 Deloitte Consulting

Deloitte Consulting will be responsible for the implementation of MTO enhancements and improvements within the scope defined in this Statement of Work, and the creation of the related deliverables. Responsibility includes management of the planned MTO tasks.

2.2.2 Methodology

The project will utilize the Agile approach, Scrum methodology, to develop the product and plan its releases. With taxpayer feedback and the MTO Task Force's draft screen creation in hand, Scrum will permit us to proceed immediately into product development.

Product development will be comprised of multiple two-week "sprints" – dissecting a specific slice of requirements for collaborative development and business validation. A verified portion of the application will be completed and readied for later regression testing upon completion of each sprint.

The Scrum project team will be comprised of a closely-knit coalition of business representation and technical developers. The business representation will include Treasury personnel who come directly from the MTO Task Force; and will participate daily in all sprint activities. They will be providing constant and continuous feedback directly with developers throughout product development.

The first release will be comprised of five sprints – the maximum allowable to hit the targeted October regression testing window and the mid-December go-live. Release 2 will occur in rapid succession, covering any backlog from Release 1.

In addition, Deloitte Consulting will continue to leverage tools and approaches from our Enterprise Value Delivery for SAP methodology (EVD) for development and documentation where appropriate. During the MTO Optimization project Deloitte Consulting will only have responsibility for managing and executing unit testing and string testing. The State will have responsibility for managing and executing any additional testing, such as integration testing, end user acceptance testing, and performance testing, including test case development and any required training for testers. During any such integration testing, end user acceptance testing, and performance testing, Deloitte Consulting will have responsibility for addressing defects related to its design, configuration, and development work. Deloitte will have resources available to assist with production support for this functionality through January 29, 2016, at which time the State will assume full production support responsibility.

2.2.3 Documentation Management

Serena will continue to be the primary formal document repository for the project. Approved deliverables, including functional and technical specifications will be stored in Serena and accessed through authorized State personnel. Deloitte Consulting will also supplement Serena

with Deloitte Consulting's eRoom to store in-process documents and deliverables. The eRoom, which can also be accessed by non-Deloitte Consulting project team members, provides version control and workflow management. Data in the eRoom will be limited to design documents only – no taxpayer data will be stored. At the conclusion of the project, all documents in the eRoom will be provided in soft copy to the State for record-keeping purposes, and information in the eRoom will be permanently removed. Deloitte Consulting will be entitled to maintain copies for archive purposes. Deloitte will coordinate with designated security administrators within DTMB to manage user access to the eRoom.

To store business process information, Deloitte Consulting may build on the existing MBT/CIT/FTW/Registration/CITA Industry Print. Industry Print is a Deloitte business process modeling tool and has been used as the basis for maintaining traceability from requirements to process model to functional and technical designs and testing.

2.2.4 Quality Management

The project team will create all Project documentation, including specifications and design documents according to updated and agreed-upon document templates. Applying standard templates will help to create consistency across deliverables.

2.3 Scope of Services

Deloitte Consulting will assist in the design; development; unit testing; string testing; and defect resolution for integration, user acceptance, and performance testing (the "Services") for the Project. For MTO Optimization, Deloitte Consulting will also provide resources to assist with production support through January 29, 2016. Production support for previously implemented functionality, training and training development, security and controls design and development, and change management is specifically excluded from this Change Notice and will be the responsibility of the State. Updates to MiBOS, e-Registration, Pay Connexion, Siebel, STAR, and any other legacy applications are also out of scope for Deloitte Consulting.

For the Development Scope listed in section 2.3.1 of this Change Notice, Deloitte Consulting will be responsible for the following changes and updates to MIITAS and related documentation, including:

- Functional specification creation or updates
- Technical specification creation or updates
- Configuration documentation updates, if relevant
- System configuration, if relevant
- Programming
- Unit testing
- String testing
- Testing defect resolution

2.3.1 Development and Configuration Scope – Release 1

The following scope is included as the minimum requirements for Release 1:

- Modify MTO to support the establishment of a single set of user credentials across the entire user experience
    - Decouple MTO from MiBOS and integrate with MILogin for single sign-on
    - Provide seamless integration with Pay Connexion

- Provide streamlined business authentication
    - Provide role-based two-authentication process: full managed rights or file and pay only
    - Provide self-delegation through shared secrets
        - Permit real-time access to file and pay
        - Provide owner notification of newly established business relationships
        - Allow third party providers to serve multiple business by selecting from a set of active authenticated clients
- Provide improved user friendliness and look & feel
    - Eliminate pop-up blocker upon redirect to Pay Connexion
    - Address timeout issue via keystroke/mouse-click recognition

The following are stretch requirements for Release 1:

- View and print SUW returns before submission
- Rename/aid sales tax license navigation
- Improve return selection filters
- Improve application button labels and descriptions
- Provide ability to print a tax return confirmation page
- E-mail a confirmation that return was submitted
- Maximize browser compatibility
- Enhance user interfaces by unbundling existing functions

The following scope is included as the minimum requirements for Release 2:

- Support Release 1 go-live
- Implement remaining Release 1 backlog
- Provide ability to save a SUW return in progress and continue in a future session
- Disable ability to change a taxpayer filing frequency
- Implement mandated 2016 SUW tax changes.

2.3.2 Security Scope

The primary security, including single sign-on and user management, will be provided through the State's Agreement with Deloitte Advisory Services. Where appropriate, Deloitte Consulting will integrate those security services into MTO. The State will be responsible for all development and maintenance of security for the MIITAS system at both a hardware and software level. Deloitte Consulting will provide information on any new transactions to the State security team so that each transaction can be added to appropriate roles or new roles as necessary.

2.3.3 Technical Scope

The State will be responsible for the technical infrastructure, design, implementation, maintenance, and support for the Project. All hardware, software licensing, and network connectivity and bandwidth will be responsibility of the State.

2.3.4 Training and Change Management Scope

It is expected that the project will simplify MTO so that no formal training programs will be required for taxpayers. However, a communications program will be required to inform

taxpayers, state call center personnel, and other stakeholders of the planned changes, how the changes will impact and benefit them, and how to receive additional support if needed. Deloitte Consulting will provide one resource to assist the State with communication planning and support for internal and external stakeholders, including State website content support to assist with the communications program.

2.4 High Level Timeline

The planned timeline for the Project will begin on or about July 20, 2015 with a planned Release 1go-live on December 11, 2015. Release 2 will go live no later than January 29, 2016. The project will be shut down for one week during December for the holidays. Below are the estimated dates for major activities to be completed by the Parties:

MTO Optimization	Start Date	End Date
Initiation and Planning-Release 1	7/20/2015	8/28/2015
Sprints-Release 1	7/20/2015	10/2/2015
Regression/User Acceptance/Load Testing-Release 1	10/1/2015	12/18/2015
Go-Live-Release 1	12/18/2015	12/18/2015
Release/Sprint Planning-Release 2	8/17/2015	10/2/2015
Sprints-Release 2	10/5/2015	12/18/2015
Regression/User/Acceptance/Load Testing-Release 2	12/21/2015	1/29/2016
Go-Live-Release 2	1/29/2016	1/29/12016

2.6 Project Responsibilities

In the following chart, “Deloitte Consulting” includes State resources specifically allocated to this project, as defined in section 2.7 of this Change Notice.

Deliverable	Description	Responsibility	
		State	Deloitte Consulting
Project Workplan	The Project Work Plan is an execution plan showing the responsibilities, dependencies, schedule, and planned effort for Project tasks.	Primary	
Functional Specifications	Functional Specifications are created for each major functional component of MTO and define how each works from a business perspective. Functional specifications will also be developed or revised as needed for each interface.	Secondary	Primary
Technical Specifications	Technical Specifications are created for each technical object in the system and define the specific implementation approach for that object. There may be one or more technical specification for each functional specification, and multiple functional specifications may be consolidated into a single technical object and specification.	Secondary	Primary
Configuration Documentation	Configuration documentation shows the configuration values and locations within SAP where these values are set. Configuration documents will also indicate the reasoning for each configuration setting.	Secondary	Primary
Development Objects	The development required to realize the functional design of the Project implementation.	Secondary	Primary
Unit Test Documentation	Unit tests are completed for each technical object. The inputs and results of each unit test are reflected in the unit test documentation for that object.	Secondary	Primary
Go-Live Plan	The go-live plan indicates the required steps to bring the Project into production, including dependencies, time schedule and responsible party.	Primary	
Integration Test Scripts and Results	Integration test scripts define the test cases that will be run to test the integrated functionality of the Project, including regression test scripts. Results reporting shows the pass/fail status of each script.	Primary	
User Acceptance Test Scripts and Results	User Acceptance test scripts define the test cases that will be run to validate the integrated functionality of the Project, and assess go-live readiness. Results reporting shows the pass/fail status of each script.	Primary	
Communications and Website Content	Communications may include press releases, e-mails, and other communication channels. Website content includes updates to the Treasury website to communicate with taxpayers	Secondary/ Approval	Primary

2.7 Staffing Model

The following table describes the planned Deloitte Consulting staffing model. It includes only the core staff required for the Project. Additional staff from the State will be required to review Deliverables, provide subject matter expertise, manage and conduct testing, and manage the Project within the wider DTMB and Treasury enterprise project portfolio.

Role	Team	Number
Engagement Director	Project Management	1

Role	Team	Number
Project Manager	Project Management	1
Solution Architect	Development	1
MTO Lead	Development	1
MTO Developers	Development	2
Interface/Web Service Developer	Development	2
Change Management Lead	Change Management	1
Communications/Web Content	Change Management	1

The State will provide one qualified full-time resource for the duration of the project to assist with MTO development and assume production support responsibility upon project completion. This resource will be mutually agreed upon in writing by both Parties, will be co-located with the Deloitte Consulting resources and will continue to serve in a production support role after the MTO Optimization go-live. During their time on the Project, the resource will report to the Deloitte Consulting MTO Lead on a day-to-day basis, taking their direction and assignments from Deloitte Consulting. Deloitte Consulting will escalate any issues with State performance to David Gilliland, Project Director supporting Treasury, or his designee as notified in writing to Deloitte Consulting. Where Deloitte Consulting has responsibility for Deliverables as described in section 2.6, these resources will be considered as Deloitte Consulting resources for the purposes of this project. The State may assign these resources to various additional tasks as it deems necessary if they are not otherwise assigned to tasks by Deloitte Consulting under this Change Notice after communicating such additional assignments to Deloitte Consulting. These resources will not be removed by the State except upon replacement with qualified resources mutually agreed upon in writing by both Parties.

Deloitte Consulting and the State during the term of this Change Notice agree to maintain a Steering Committee to provide executive oversight and guidance to the members of the Implementation Team. The Steering Committee will be composed of senior management from the State and Deloitte Consulting. The Steering Committee will meet in person at least every quarter or as frequently as mutually agreed, and will discuss topics such as the following:

d) Overall management and oversight of the Services described in this Change Notice and any subsequent Change Notices.
e) Change Notices requiring additional funding.
f) Issues escalated to the Steering Committee, providing agreed-upon direction to the Implementation Team.

The State will also appoint one individual designated as the State Key Contact, and Deloitte Consulting will appoint one individual designated as the Deloitte Consulting Engagement Director and another designated as the Deloitte Consulting Project Manager. These individuals will be responsible for the performance of the following tasks:

The Deloitte Consulting Engagement Director will:

f) Have prime responsibility and final authority for the execution and delivery of Deloitte

Consulting responsibilities under this Change Notice.

g) Provide guidance to the State Key Contact and Deloitte Consulting Project Manager relative to design, support, budget, and contract management.

h) Escalate issues, change requests, and risks when necessary.

i) Work with the State Key Contact and Deloitte Consulting Project Manager to review support procedures and documentation standards, and approve Change Notices on behalf of Deloitte Consulting.

j) Participate in Steering Committee meetings as needed.

The Deloitte Consulting Project Manager will:

e) Manage the day-to-day delivery of Services, including managing work done by functional and technical resources.

f) Resolve issues and escalate issues as appropriate.

g) Participate in Steering Committee Meetings as needed.

The State Key Contact will:

h) Act as a single point of contact in the execution and delivery of the Services and responsibilities under this Change Notice.

i) Maintain and monitor the project workplan

j) Provide project management reporting as needed

k) Enforce agreed-upon processes and related controls among the State Implementation Team members.

l) Ensure clear and open lines of communication exist between the State and Deloitte Consulting Implementation Team members.
Assist the Deloitte Consulting Project Manager in the day-to-day management of the project and resolution of issues.

m) Approve Service Changes as needed.

n) Coordinate Steering Committee communications, meetings, and reporting, and participate in Steering Committee meetings, as needed.

o) Provide prompt notification to Deloitte Consulting of any issues, concerns or disputes with respect to the Services provided.

2.8 Deloitte Consulting Key Resources

The following individuals are considered Key Personnel from the beginning of the Services provided under this Change Notice to the Go-Live Date for the Project, as defined in section 4.0 of this Change Notice:

- Project Manager–Louis Panebianco
- Solution Architect–Vamshi Putta
- MTO Lead–Matt Roman

It is acknowledged that unauthorized removal of Key Personnel will interfere with the timely and proper completion of the Services, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result of any unauthorized removal. Therefore, Deloitte Consulting and the State agree that in the case of any unauthorized removal, the State may assess liquidated damages against Deloitte Consulting.

For the unauthorized removal of any of the Key Personnel listed above, the liquidated damages amount is $25,000.00 per individual if Deloitte Consulting identifies a

replacement approved by the State, which approval shall not be unreasonably withheld, and assigns the replacement to the Project to work with the Key Personnel who is leaving for a Transition Period of at least 30 calendar days before the Key Personnel's removal. It is understood that consultants may have valid reasons for leaving the project outside the control of Deloitte Consulting, including termination of their employment, serious illness, or other leaves of absence, and replacement of Key Personnel for such reasons shall not be considered an unauthorized removal.

If Deloitte Consulting fails to assign a replacement to work with the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 liquidated damages for an unauthorized removal, Deloitte Consulting must pay the amount of $833.33 per day for each day of the 30-day period that the replacement does not work with the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per unauthorized removal and failure to provide 30 days of transition must not exceed $50,000.00 per individual, and must not be assessed more than once for the same individual where that individual is providing services under multiple Change Notices to the Agreement.

In cases of authorized removal of resources, Deloitte Consulting will use diligent efforts to propose suitable replacement personnel. Where possible, replacement staff will overlap their role with their predecessor to ease knowledge transfer.

2.9 Business Requirements

The high-level business requirements that describe the functionality that will be implemented as part of the Project are included in Appendix 1.

3.0 Fees and Expenses

3.1 Fee Schedule

Deloitte Consulting will perform the Services described in this Change Notice on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $2,015,567, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following payment schedule:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	Initiation and Planning—Release1	$174,424	8/28/2015
2	Sprints-Release 1	$465,131	10/2/2015
3	Regression/User Acceptance Testing-Release 1	$348,848	11/20/2015
4	Go-Live-Release 1	$174,424	12/18/2015
5	Release/Sprint Planning-Release 2	$127,911	10/2/2015
6	Sprints-Release 2	$341,096	12/18/2015
7	Regression/User Acceptance Testing-Release 2	$255,822	1/15/2016
8	Go-Live Release 2	$127,911	1/29/2016
	Total	**$2,015,567**	

The State will conduct a user acceptance test of the Project Configuration and Development Objects in the Quality Assurance environment in accordance with the Project Workplan before approving such Configuration and Development Objects as ready for movement. Unless otherwise mutually agreed, the criteria for approval shall be:

- All user acceptance test scripts have been executed
- All high-severity defects identified during user acceptance testing have been reclassified as lower-severity defects or resolved. Severity levels will be as defined in Section 2.7.4 of Change Notice #7 to the Agreement.

3.2 Hourly Rates for Additional Services

From time to time the State may request additional changes to these Services. Any additional Services will be processed as described in Section 11.0 of Change Notice #7 to the Agreement, and payment will be based on an hourly rate basis and invoiced monthly in accordance with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Any changes to the Services that require work to be performed after the dates listed in the column headings below will be based on hourly rates to be established in a separate Change Notice to the Agreement. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	**Hourly Rate (through December 31, 2015)**	**Hourly Rate (through December 31, 2016)**

Position	Hourly Rate (through December 31, 2015)	Hourly Rate (through December 31, 2016)
Engagement Director	$345	$352
Project Manager	$318	$324
Solution Architect	$296	$302
MTO Lead	$296	$302
Senior MTO Developer	$239	$244
Senior Developer	$239	$244
Developer	$188	$192
Change Lead	$296	$302
Senior Change Consultant	$239	$244
Change Consultant	$188	$192

3.3 Deliverable Acceptance

Deliverable acceptance timeframes will be in accordance with Section 2.015 of the Agreement, with the following exceptions:

Deliverable	Initial Review	Deloitte Response	Final Review
Configuration Item	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

3.4 Change Management

Change Management will be conducted in accordance with section 11.0 of Change Notice #7 to the Agreement.

4.0 Warranty

For the Services included in this Change Notice, Deloitte Consulting will not provide any warranty.

5.0 General Provisions

5.1 Schedule and Project Management

- This project will observe the following holidays. State employees will observe all applicable State holidays.
    r. Labor Day – Monday, September 7, 2015
    s. Veterans Day – Wednesday, November 11, 2015
    t. Thanksgiving Day – Thursday, November 26, 2015
    u. Day after Thanksgiving – Friday, November 27, 2015
    v. Christmas Eve – Thursday, December 24, 2015
    w. Christmas Day – Friday, December 25, 2015
    x. New Year's Eve – Thursday, December 31, 2015
    y. New Year's Day – Friday, January 1, 2016
    z. Martin Luther King Day – Monday, January 18, 2016

- The project schedule calendar has blocked out the weeks of November 23, 2015 and December 28, 2015 with no new tasks planned to start or finish during this time.
- The project will start on or about July 20, 2015.
- Deloitte Consulting staff typically performs the Services on-site Monday through Thursday and work remotely on Friday.
- Any delays caused by any activity not a part of this Change Notice will result in a Service Change for any extended staff.
- Executive decisions will ensure that competing priorities are addressed across all related initiatives

5.2 Project Staffing

- State resources will be available on a timely basis to review and approve project Deliverables.
- The State will take primary responsibility, either utilizing its own personnel or other agreements for the following areas:
    - Modifications to MiBOS, e-Registration, and/or Pay Connexion
    - Legacy interface development (for any interfaces between MTO and any system other than SAP)
    - External communications and change management, including stakeholder management

- Management of communications and timely scheduling with external parties for all stages of testing
- Integration test
- User acceptance test
- Performance test
- Go-live planning
- Completion of all internal State approval processes

- The State will be responsible for all production support for the System unrelated to MTO, including registration, MBT, CIT/FTW, SUW, and CITA tax processes. For production support issues associated with the Services provided in this Change Notice, Deloitte Consulting will assist in their resolution prior to January 29, 2016 using the resources provided herein.
- State resources assigned to the Project and reporting to the Deloitte Consulting Project Manager as described in Section 2.7 of this Change Notice will be authorized for overtime if it is required to meet deliverable due dates listed in the project workplan.

5.3 Solution and Approach

- Updates to existing functional specification documents will be limited to content impacted by MTO Optimization. The base document will not be updated to address existing errors that are not directly associated with MTO Optimization content.
- Updates to the current MIITAS Blueprint document are not in scope for this project, except where aspects of the Blueprint are directly modified as a result of MTO Optimization.
- Testing and release opportunities will be successfully aligned with other high-priority, related projects.
- The State will be responsible for management and execution of integration, user acceptance, and performance testing. Testing will be performed within the timeframes listed in the project plan and will be tracked using HP Quality Center software to be provided by the State.
- Project configuration and development objects can be transported independently of year-end (Registration, MBT, CIT, FTW, SUW, CITA) configuration and development changes.

5.4 Security and Controls

- The State will be responsible for all aspects of system security and control, including transaction security design, and security configuration, development, testing, and implementation.

5.5 Technology and Infrastructure

- SAP software licenses and all hardware required for the Project will be provided by the State. The implementation will utilize SAP ECC 6.0 Enhancement Pack 5.
- The State will be responsible for all system infrastructure planning, procurement, installation and configuration, testing, implementation, maintenance, and support (commonly known as SAP Basis services). This responsibility will cover all SAP instances including SAP ECC, SAP BI, and SAP CRM. Any material delays caused by a disruption in the system landscape will result in a Service Change for any extended Deloitte Consulting Implementation Team members.
- The QA hardware will be used for Disaster Recovery. The State will be responsible for Back-Up and Disaster Recovery.
- The Deloitte Online Collaboration System (eRoom) will be used to store in-process documents and Deliverables. As documents and Deliverables are approved during the project, they will be moved to Serena. Deloitte Consulting will be responsible for the administration of the eRoom.
- The State will be responsible for application of SAP Notes.

5.6 Data

- The State will be responsible for data cleansing for conversions.

6.0 Other

The parties agree that this Change Notice shall be excluded from Section 2.306 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything to the contrary in Section 2.306 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice, regardless of the form of action, shall be limited to $2,000,000 or professional fees paid under this Change Notice whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice.

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

MTO Optimization Workplan v1

ID	Task Name	Duration	Start	Finish	Predecessors
1	**MTO optimization**	**140 days**	**Mon 7/20/15**	**Fri 1/29/16**	
2	**Release 1**	**110 days**	**Mon 7/20/15**	**Fri 12/18/15**	
3	**Initiation and planning**	**30 days**	**Mon 7/20/15**	**Fri 8/28/15**	
4	Draft	2 days	Mon 7/20/15	Tue 7/21/15	
5	Sprint 1 plan	1 day	Wed 7/22/15	Wed 7/22/15	4
6	Sprint 2 plan	1 day	Wed 8/5/15	Wed 8/5/15	12
7	Sprint 3 plan	1 day	Wed 8/19/15	Wed 8/19/15	15
8	Sprint 4 plan	3 days	Thu 8/20/15	Mon 8/24/15	7
9	Sprint 5 plan	4 days	Tue 8/25/15	Fri 8/28/15	8
10	MILESTONE-initiation & planning-release 1	0 days	Fri 8/28/15	Fri 8/28/15	3
11	**Sprints-Release 1**	**55 days**	**Mon 7/20/15**	**Fri 10/2/15**	
12	**Sprint 1**	**9 days**	**Thu 7/23/15**	**Tue 8/4/15**	
13	Develop & unit test	8 days	Thu 7/23/15	Mon 8/3/15	5
14	Playback	1 day	Tue 8/4/15	Tue 8/4/15	13
15	**Sprint 2**	**9 days**	**Thu 8/6/15**	**Tue 8/18/15**	
16	Develop & unit test	8 days	Thu 8/6/15	Mon 8/17/15	6
17	Playback	1 day	Tue 8/18/15	Tue 8/18/15	16
18	**Sprint 3**	**9 days**	**Thu 8/20/15**	**Tue 9/1/15**	
19	Develop & unit test	8 days	Thu 8/20/15	Mon 8/31/15	7
20	Playback	1 day	Tue 9/1/15	Tue 9/1/15	19
21	**Sprint 4**	**10 days**	**Wed 9/2/15**	**Tue 9/15/15**	
22	Develop & unit test	9 days	Wed 9/2/15	Mon 9/14/15	18
23	Playback	1 day	Tue 9/15/15	Tue 9/15/15	22
24	**Sprint 5**	**10 days**	**Wed 9/16/15**	**Tue 9/29/15**	
25	Develop & unit test	9 days	Wed 9/16/15	Mon 9/28/15	21
26	Playback	1 day	Tue 9/29/15	Tue 9/29/15	25
27	Development Finalization & QA migration	3 days	Wed 9/30/15	Fri 10/2/15	24
28	**Change management**	**55 days**	**Mon 7/20/15**	**Fri 10/2/15**	
29	Communications plan	10 days	Mon 7/20/15	Fri 7/31/15	
30	Website updates	45 days	Mon 8/3/15	Fri 10/2/15	29

MTO Optimization Workplan v1

ID	Task Name	Duration	Start	Finish	Predecessors
31	Communications	45 days	Mon 8/3/15	Fri 10/2/15	29
32	MILESTONE-sprints-release 1	0 days	Fri 10/2/15	Fri 10/2/15	11
33	**Testing**	**35 days**	**Mon 10/5/15**	**Fri 11/20/15**	
34	Regression/UAT	20 days	Mon 10/5/15	Fri 10/30/15	11
35	Load testing	15 days	Mon 11/2/15	Fri 11/20/15	34
36	Communications	35 days	Mon 10/5/15	Fri 11/20/15	11
37	MILESTONE-regression/UAT-release 1	0 days	Fri 11/20/15	Fri 11/20/15	33
38	**Go-live**	**20 days**	**Mon 11/23/15**	**Fri 12/18/15**	
39	System preparation	10 days	Mon 11/23/15	Fri 12/4/15	33
40	Conversion	5 days	Mon 12/7/15	Fri 12/11/15	39
41	Cutover	5 days	Mon 12/14/15	Fri 12/18/15	40
42	MILESTONE-go-live-release 1	0 days	Fri 12/18/15	Fri 12/18/15	38
43	**Release 2**	**90 days**	**Mon 9/28/15**	**Fri 1/29/16**	
44	**Initiation and planning**	**5 days**	**Mon 9/28/15**	**Fri 10/2/15**	
45	Draft	3 days	Mon 9/28/15	Wed 9/30/15	
46	Sprint plans	2 days	Thu 10/1/15	Fri 10/2/15	45
47	MILESTONE-initiation and planning-release 2	0 days	Fri 10/2/15	Fri 10/2/15	44
48	**Sprints**	**55 days**	**Mon 10/5/15**	**Fri 12/18/15**	
49	**Sprint 1**	**10 days**	**Mon 10/5/15**	**Fri 10/16/15**	
50	Develop & unit test	9 days	Mon 10/5/15	Thu 10/15/15	44
51	Playback	1 day	Fri 10/16/15	Fri 10/16/15	50
52	**Sprint 2**	**10 days**	**Mon 10/19/15**	**Fri 10/30/15**	
53	Develop & unit test	9 days	Mon 10/19/15	Thu 10/29/15	49
54	Playback	1 day	Fri 10/30/15	Fri 10/30/15	53
55	**Sprint 3**	**10 days**	**Mon 11/2/15**	**Fri 11/13/15**	
56	Develop & unit test	9 days	Mon 11/2/15	Thu 11/12/15	52
57	Playback	1 day	Fri 11/13/15	Fri 11/13/15	56
58	**Sprint 4**	**10 days**	**Mon 11/16/15**	**Fri 11/27/15**	
59	Develop & unit test	9 days	Mon 11/16/15	Thu 11/26/15	55
60	Playback	1 day	Fri 11/27/15	Fri 11/27/15	59

MTO Optimization Workplan v1

ID	Task Name	Duration	Start	Finish	Predecessors
61	**Sprint 5**	**10 days**	**Mon 11/30/15**	**Fri 12/11/15**	
62	Develop & unit test	9 days	Mon 11/30/15	Thu 12/10/15	58
63	Playback	1 day	Fri 12/11/15	Fri 12/11/15	62
64	Development finalization & QA migration	5 days	Mon 12/14/15	Fri 12/18/15	61
65	**Change management**	**55 days**	**Mon 10/5/15**	**Fri 12/18/15**	
66	Communications plan	10 days	Mon 10/5/15	Fri 10/16/15	11
67	Website updates	45 days	Mon 10/19/15	Fri 12/18/15	66
68	Communications	45 days	Mon 10/19/15	Fri 12/18/15	66
69	MILESTONE-sprints-release 2	0 days	Fri 12/18/15	Fri 12/18/15	48
70	**Testing**	**20 days**	**Mon 12/21/15**	**Fri 1/15/16**	
71	Regression/UAT	10 days	Mon 12/21/15	Fri 1/1/16	48
72	Load testing	10 days	Mon 1/4/16	Fri 1/15/16	71
73	Communications	20 days	Mon 12/21/15	Fri 1/15/16	48
74	MILESTONE-Regression/UAT-release 2	0 days	Fri 1/15/16	Fri 1/15/16	70
75	**Go-live**	**10 days**	**Mon 1/18/16**	**Fri 1/29/16**	
76	System preparation	5 days	Mon 1/18/16	Fri 1/22/16	70
77	Cutover	5 days	Mon 1/25/16	Fri 1/29/16	76
78	MILESTONE-golive- release 2	0 days	Fri 1/29/16	Fri 1/29/16	75

Form No. DTMB-3521 (Rev. 2/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 15

to

CONTRACT NO. 071B8200018

Between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
333 Bridge St, NW, Suite 700	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
Grand Rapids. MI 49504	415-783-6791	4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	John Karlik	(517) 335-4062	KarlikJ@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	(517) 284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: : **MBT/MIITAS**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2007	December 31, 2010	2 one year	**December 31, 2018**
PAYMENT TERMS	**F.O.B.**	**SHIPPED TO**	
N/A	N/A	N/A	

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$66,809,842.00	$1,121,970.00	$71,384,656.00

DESCRIPTION:

Effective July 6, 2015, this contract is amended add $1,121,970.00 of funds previously approved by Ad Board as follows:

1. $132,266.00 for the first milestone only of the attached 6-7% Project statement of work. This SOW was put in place to implement the legislation passed by the legislature that also required a vote of the electorate on May 5, 2015. However because the effective date for the new tax increase was to be October 1, 2015, implementation work needed to commence before May 5, to ensure that if it passed, the new tax could begin on that date. The parties ensured that only the minimum amount of work necessary was done by Deloitte prior to May 5 so that once it was rejected they quickly brought the project to a stop. The cost from Deloitte was limited to the first deliverable costing $132,266.00.
2. $989,704.00 for the attached SB 156 Project statement of work.

All other pricing, terms and conditions remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

Approved Ad Board Contract Value: $76,890,010.00

FOR THE CONTRACTOR:

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Name & Title

Agency

Date

1.0 Business Terms and Conditions

This Change Notice, effective April 20, 2015, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. For the purposes of this Change Notice, the term "Parties" means the State and Deloitte Consulting. Where conflicts arise, this Change Notice shall govern.

The SAP software platform will provide the framework for the Michigan Integrated Tax Processing and Administration System (MIITAS) to which all mainframe Tax and Revenue systems will transition in future projects. This Change Notice defines the Services that Deloitte Consulting will provide related to MIITAS tax rate changes associated with increased Michigan roads funding ("6/7%" or "Project"). As described in Article 1, Section 1.001 of the Agreement, the State elects to exercise its option to obtain a statement of work (SOW) for optional MIITAS Services.

2.0 Statement of Work

2.1 Project Background

The State has begun its process of moving all of its end-of-life core tax and revenue functions from its existing legacy systems to the new SAP software platform. The first MIITAS phase implemented the SAP software platform for the new Michigan Business Tax (MBT). Subsequently Corporate Income Tax (CIT) and Flow-through Withholding (FTW) have been implemented, as have Business Tax Registration and Sales, Use and Withholding Tax (SUW). The State is currently implementing the first release of a multiple-release implementation of the City Income Tax Act (CITA) project, enabling Michigan to process individual income tax returns for the City of Detroit. During this project Deloitte will implement system changes necessary to accommodate the tax rate increase and provide back-end support for the legacy system through staff augmentation. The specific changes associated with the tax rate change are described in the requirements included in Appendix 1 of this Change Notice.

2.2 Project Methodology and Approach

2.2.1 Integration

The 6/7% implementation will bring four distinct organizations together to coordinate project and quality management. As part of the project planning process, a comprehensive plan will be developed to help align the objectives and outputs from each organization. Below is a partial list of responsibilities for Treasury/DTMB, Deloitte Consulting, Dewpoint/Project Control Office (PCO), and SAP:

2.2.1.1 Treasury/DTMB

These State departments will be the users and the owner of the MIITAS system. Together, they will be responsible for validating requirements and approaches, approving deliverables, and assisting with the implementation as described in the Agreement, including development of system forms and development objects. Treasury/DTMB will also have responsibility for creating integration and user acceptance test scripts, executing these scripts and recording the results, and production support.

2.2.1.2 Dewpoint/PCO

The PCO will retain responsibility for overall program management and alignment of the Project with other agency initiatives. While Deloitte Consulting will have responsibility for initial planning and updates to the Project workplan for tasks under the Deloitte Consulting scope, the PCO will own the master plan and report progress against objectives.

2.2.1.3 Deloitte Consulting

Deloitte Consulting will be responsible for the implementation of 6/7% functionality within the scope defined in this Change Notice, and the creation of specified deliverables, staff augmentation, and legacy system replacement work where agreed. Responsibility includes management of the planned Project tasks.

2.2.1.4 SAP

SAP will assist in assessing the quality of functional and technical designs and provide guidance during Blueprinting and Realization. Specific areas of involvement, as specified in more detail in SAP's contract and Statement of Work with the State, will include:

- Review of business process documentation
- Review of functional specifications and Blueprint narrative
- Review of technical specifications
- Review of high-level design

The final duties and responsibilities of SAP will be defined in a separate agreement directly between SAP and the State.

2.2.2 Methodology

Deloitte Consulting will continue to leverage tools and approaches from our Enterprise Value Delivery for SAP methodology (EVD). Deloitte will use standards defined in EVD in planning, estimating and scheduling tasks to implement the scope defined in this Change Notice.

The detailed project schedule, phases, gateways, and project milestones will be defined in collaboration with the State and the PCO. The PCO will monitor and control the project.

The EVD method consists of the EVD phases described below. The Parties' roles and responsibilities with respect to the deliverables covered by this Change Notice are described in Section 2.6 of this Change Notice.

2.2.2.1 Phase 1 - Project Preparation

Project Preparation is the Project's start-up phase, during which the Parties will plan and prepare for subsequent phases of the Project. Project Preparation activities may include assisting the Project Control Office in the development of a project charter, project and quality management processes, and work plan. During this phase, the Parties establish the Project organization structure and assign resources.

2.2.2.2 Phase 2 - Blueprint

During the Blueprint phase, the Parties establish a common understanding of how SAP will be used at the State for 6/7% processing. Workshops may be conducted to design business processes and business roles. Fit/gap analysis is performed in order to determine options for gap resolution. Configuration design and functional specifications are documented. Traceability documentation is established.

2.2.2.3 Phase 3a - Realization - Build

The Realization - Build phase focuses on SAP configuration and documentation, security role configuration, technical specifications, and software development. Report and form layouts are created. The State will develop end user training materials and configure security roles, including role-to-position mapping. Go-live plans are developed. Unit and string testing are conducted.

2.2.2.4 Phase 3b - Realization - Test

The Realization - Test phase focuses on various types of testing to confirm that the business and technical requirements have been addressed. This consists of developing test cases and conducting testing and defect

resolution. Test types in this phase may include integration, user acceptance, regression, performance, stress, and batch schedule testing, and go-live dress rehearsal. During this phase, end user training schedules are finalized and go/no-go criteria is defined. Deloitte Consulting will only have responsibility for managing and executing unit testing and string testing. The State will have responsibility for managing and executing any additional testing, such as integration testing, end user acceptance testing, and performance testing, including test case development and any required training for testers. During any such integration testing, end user acceptance testing, and performance testing, Deloitte Consulting will have responsibility for addressing defects related to its design, configuration, and development work.

The table below includes the scope of testing to be performed during the Project, some of which may occur sequentially. Responsibilities are as described above.

Test type	# of cycles	# of weeks per cycle	Data/Comments
Unit	N/A	N/A	Mock
String	1	2	Mock
Integration	2	2	Includes bank test data
User Acceptance Testing	1	2	Includes bank test data

2.2.2.5 Phase 4 - Final Preparation

During the Final Preparation phase, the production SAP system and end users are prepared for go-live. This consists of end user training, go-live execution, and mobilization of the production support organization and procedures. The go-live is executed, which includes loading data into the production systems, confirming that the data is loaded, managing transports, validating traceability documentation completeness, and creating end user system access.

2.2.2.6 Phase 5 - Go Live & Support

The Go-live and Support phase is the transition from the readiness activities of a pre-production environment to conducting business operations in the production system. Production support is provided, system transactions are monitored, support is transitioned to the production support organization, and the Project is closed. The State will have responsibility for all activities in this phase.

2.2.3 Documentation Management

Serena will continue to be the primary formal document repository for the project. Approved deliverables, including functional and technical specifications will be stored in Serena and accessed through authorized State personnel. Deloitte Consulting will also supplement Serena with Deloitte Consulting's eRoom to store in-process documents and deliverables. The eRoom, which can also be accessed by non-Deloitte Consulting project team members, provides version control and workflow management. Data in the eRoom will be limited to design documents only – no taxpayer data will be stored. At the conclusion of the project, all documents in the eRoom will be provided in soft copy to the State for record-keeping purposes, and information in the eRoom will be permanently removed. Deloitte Consulting will be entitled to maintain copies for archive purposes. Deloitte will coordinate with designated security administrators within DTMB to manage user access to the eRoom.

To store business process information, Deloitte Consulting will build on the existing Tax Processing Industry Print. Industry Print is a Deloitte business process modeling tool and has been used as the basis for maintaining traceability from requirements to process model to functional and technical designs and testing.

2.2.4 Quality Management

The project team will create all 6/7% documentation, including specifications and design documents according to updated and agreed-upon document templates. Applying standard templates will help to create consistency across deliverables.

While templates standardize deliverable creation, checklists act as a standardized tool used during the deliverable quality review process. These checklists help to maintain a consistent level of review across reviewers. Checklists will be coordinated with SAP, who will be acting in a Quality Review capacity throughout the project.

A repository of checklists will be maintained in the project eRoom.

2.2.5 Software Reviews

Software reviews are a quality aspect of the software engineering process. Deloitte Consulting will conduct software reviews at various points during the development process to help identify any defects. The software reviews will help to:

- Identify needed improvements in the product of a single person or team
- Confirm those parts of the solution in which improvement is not necessary
- Achieve technical work of more uniform quality than can be achieved without reviews, to make technical work more manageable

Software review sessions will be conducted by a combination of senior Deloitte Consulting staff, DTMB staff, and SAP and will be focused in the most complex areas of the solution. Each review session will include a code walkthrough and follow an established checklist to maintain consistency through the reviews. In addition, the Deloitte Consulting Project Manager will conduct reviews of checklists and other process artifacts to provide additional validation that defined processes are being maintained.

2.2.6 Workplan Management

Deloitte Consulting will plan the activities necessary for the implementation of the proposed solution using MS Project as the primary tool. MS Project allows for the management of task dependencies, and resources assigned to those tasks. It also facilitates the definition of the critical path, which assists the project management team in prioritizing the activities that, if delayed, may impact the timeline or resources for the project, and adjustments to the schedule can then be evaluated and alternatives considered for addressing those constraints.

Once the initial schedule has been baselined, the PCO will integrate the tasks into their overall program management structure. Individuals will record their time against tasks in the plan, and the PCO will maintain weekly Earned Value reporting to show project progress. This reporting will allow for comparison of actual task completion dates against the plan so that any predicted slippage can be managed.

The PCO will coordinate weekly project review meetings to review the project status jointly with the project management team, identifying project tasks coming due in the short term, project tasks completed since the last review, and tasks underway. As progress is compared to the baseline plan, Deloitte Consulting will identify any potential problem areas or opportunities to accelerate the schedule, and will work with the State's project manager to resolve issues that may arise. Additionally as each methodology phase of the project is completed the schedule will be reviewed and updated to reflect any necessary time or resource updates required based on the details uncovered during the previous phase.

2.3 Scope of Services

Deloitte Consulting will assist in the design; development; unit testing; string testing; and integration, user acceptance, and performance testing defect resolution (the "Services") for the 6/7% Project. In addition, Deloitte Consulting will provide 2 resources for 10 net weeks of production support services to the MIITAS Program beginning on or around November 2, 2015, when returns using the new tax rates are beginning to be expected from taxpayers. Training and training development, security and controls design and development, and change management are specifically excluded from this Change Notice and will be the responsibility of the State. Updates to Siebel, STAR and any other legacy applications are also out of scope for Deloitte.

For the Development and Configuration Scope listed in section 2.3.1 of this Change Notice, Deloitte Consulting will be responsible for the following changes and updates to MIITAS and related documentation, including:

- Functional specification creation or updates
- Technical specification creation or updates
- Configuration documentation updates, if relevant
- System configuration, if relevant
- Programming
- Unit testing
- String testing
- Testing defect resolution

2.3.1 Development and Configuration Scope

The following configuration and development objects are planned to meet the functional requirements included in Appendix 1.

Number	Development Object
1	5081/5082 Annual Return SPRO Definition
2	5081/5082 Annual Return Web Dynpro Changes
3	5081/5082 Annual Return BRF+ Rules
4	5091/5093 4% and 6% Annual Return SPRO Definition
5	5091/5093 4% and 6% Annual Return Web Dynpro Changes
6	5091/5093 4% and 6% Annual Return BRF+ Rules
7	5086 - Vehicle Dealer Supplemental Schedule
8	TBOR Letters
9	E-file Image
10	MTO UI Changes
11	MTO Java Changes
12	MTO Backend Changes
13	BRF+ Functions (Money Movement)
14	E-file Rejection Rules
15	XI Bulk/Rejection Rules
16	INT 4P (7% payments)
17	INT 5B (New Agency Code/Revenue Split)
18	BW BI Updates
19	BW ECC Changes
20	2016 BRF+ Rules
21	2016 Web Dynpro
22	2016 ECC changes (eFile,TBOR)
23	2016 MTO Changes

2.3.2 Security Scope

The State will be responsible for all development and maintenance of security for the MIITAS system at both a hardware and software level. Deloitte Consulting will provide information on any new transactions to the State security team so that each transaction can be added to appropriate roles or new roles as necessary. Transactions and roles as well as any unique security requirements will be documented in the relevant Functional Specifications.

2.3.3 Technical Scope

The State will be responsible for the technical infrastructure, design, implementation, maintenance, and support for the Project. All hardware, software licensing, and network connectivity and bandwidth will be responsibility of the State.

2.3.4 End User Training Scope

All training material development and training delivery will be the responsibility of the State.

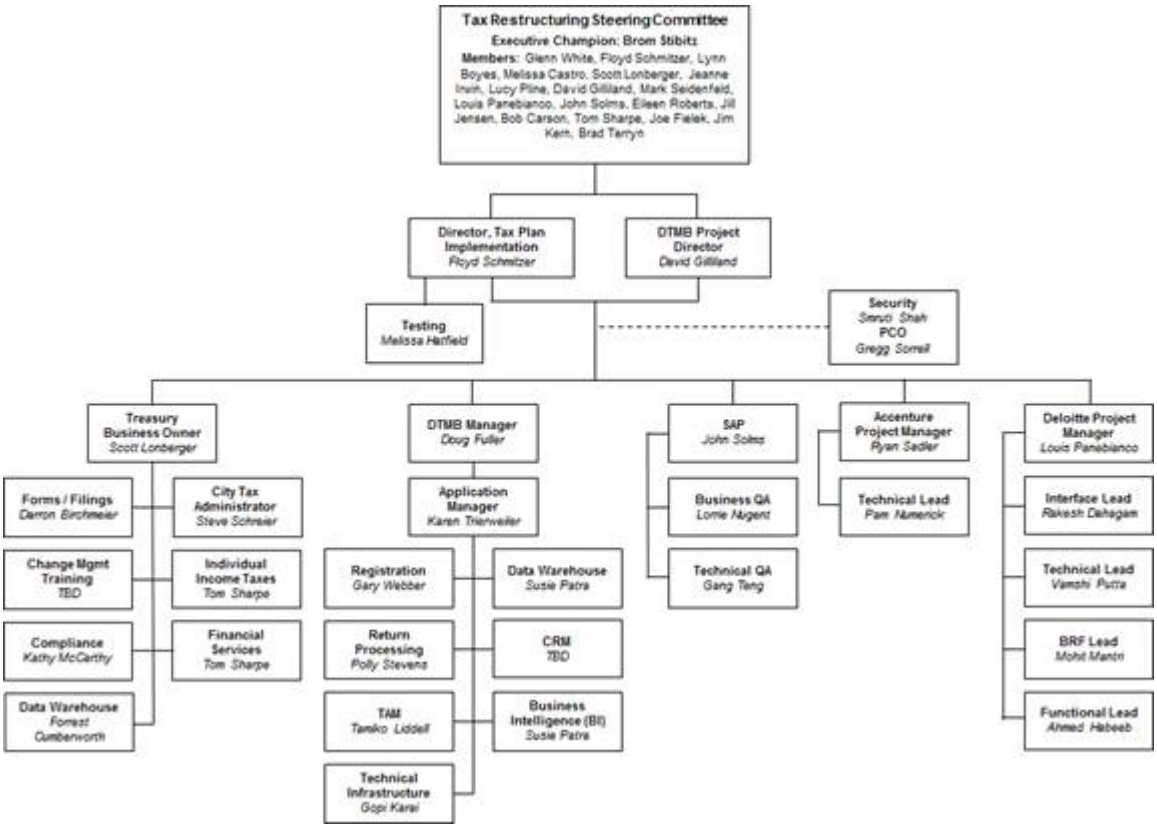
2.4 High Level Timeline

The planned timeline for the 6/7% project will begin on or about April 20, 2015 with a planned go-live on September 11, 2015. Below are the planned dates for major activities to be completed by the Parties:

Activity	Start Date	End Date
Functional Specifications Update	4/20/2015	5/4/2015
Technical Design	5/5/2015	6/19/2015
Code and Unit Test	5/7/2015	7/15/2015
String Test	7/16/2015	7/22/2015
Integration Test	7/23/2015	8/25/2015
User Acceptance Test	8/26/2015	9/10/2015
Implementation	9/10/2015	9/11/2015
Go Live	9/11/2015	9/11/2015
Production Support	11/2/15	1/29/16

2.5 Project Organization

The following Organization Chart illustrates Deloitte Consulting's planned leadership and its organization relative to the State's overall Tax Restructuring project:



2.6 Project Responsibilities

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Project Workplan	The Project Work Plan is a deliverables-based execution plan showing the responsibilities, dependencies, schedule, and planned effort for Project tasks.	Secondary	Secondary	Primary
Functional Specifications	Functional Specifications are created for each functional object and define how each object will work.	Secondary	Primary	
Technical Specifications	Technical Specifications are created for each technical object in the system and defines the specific implementation approach for that object. There may be one or more technical specification for each functional specification, and multiple functional specifications may be consolidated into a single technical object and specification.	Secondary	Primary	
Configuration Documentation	Configuration documentation shows the configuration values and locations within SAP where these values are set. Configuration documents will also indicate the reasoning for each configuration setting.	Secondary	Primary	
Development Objects	The development required to realize the functional design of the Project implementation.	Secondary	Primary	
Unit Test Documentation	Unit tests are completed for each technical object. The inputs and results of each unit test are reflected in the unit test documentation for that object.	Secondary	Primary	
Go-Live Plan	The go-live plan indicates the required steps to bring the Project into production, including dependencies, time schedule and responsible party.	Primary	Secondary	

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Integration Test Scripts and Results	Integration test scripts define the test cases that will be run to test the integrated functionality of the Project, including regression test scripts. Results reporting shows the pass/fail status of each script.	Primary		Secondary
User Acceptance Test Scripts and Results	User Acceptance test scripts define the test cases that will be run to validate the integrated functionality of the Project, and assess go-live readiness. Results reporting shows the pass/fail status of each script.	Primary		
Training Materials and End-User Training	Training materials include any new materials and updates to existing materials to prepare Treasury staff to operate the system, including end user procedures, training course slides, course exercises, and training environments.	Primary		

2.7 Staffing Model

The following table describes the planned staffing model. It includes only the core staff required for the implementation. Additional staff from the State and the Project Control Office will be required to review Deliverables, provide subject matter expertise, manage and conduct testing, manage and conduct training and change management, and manage the Project within the wider DTMB and Treasury enterprise project portfolio.

Role	Team	Number	Resource Source
Engagement Director	Project management	1	Deloitte Consulting
Project Manager	Project management	1	Deloitte Consulting
Solution Architect	Project management	1	Deloitte Consulting
BRF Lead	Technical	1	Deloitte Consulting
Development Lead	Technical	1	Deloitte Consulting
Functional Lead (PSCD)	Functional	2	Deloitte Consulting
MTO Lead	Technical	1	Deloitte Consulting
Production Support	Technical	2	Deloitte Consulting

Deloitte Consulting and the State during the term of this Change Notice agree to maintain a Steering Committee to provide executive oversight and guidance to the members of the Implementation Team. The Steering Committee will be composed of senior management from the State, Deloitte Consulting, and SAP, along with PCO representatives. The Steering Committee will meet in person at least every quarter or as frequently as mutually agreed, and will discuss topics such as the following:

g) Overall management and oversight of the Services described in this Change Notice and any subsequent Change Notices.
h) Change Notices requiring additional funding.
i) Issues escalated to the Steering Committee, providing agreed-upon direction to the Implementation Team.

The State will also appoint one individual designated as the State Key Contact, and Deloitte Consulting will appoint one individual designated as the Deloitte Consulting Engagement Director and another designated as the Deloitte Consulting Project Manager. The State will also staff and maintain a PCO. These individuals will be responsible for the performance of the following tasks:

The Deloitte Consulting Engagement Director will:

k) Have prime responsibility and final authority for the execution and delivery of Deloitte Consulting responsibilities under this Change Notice.
l) Provide guidance to the State Key Contact and Deloitte Consulting Project Manager relative to design, support, budget, and contract management.
m) Escalate issues, change requests, and risks when necessary.
n) Work with the State Key Contact and Deloitte Consulting Project Manager to review support procedures and documentation standards, and approve Change Notices on behalf of Deloitte Consulting.
o) Participate in Steering Committee meetings as needed.

The Deloitte Consulting Project Manager will:

h) Manage the day-to-day delivery of Services, including managing work done by functional and technical resources.
i) Conduct weekly status meetings with the State Key Contact to review project status and issues.
j) Resolve issues and escalate issues as appropriate.
k) Participate in Steering Committee Meetings as needed.

The State Key Contact will:

p) Act as a single point of contact in the execution and delivery of the Services and responsibilities under this Change Notice.
q) Enforce agreed-upon processes and related controls among the State Implementation Team members.
r) Ensure clear and open lines of communication exist between the State and Deloitte Consulting Implementation Team members.
s) Assist the Deloitte Consulting Project Manager in the day-to-day management of the project and resolution of issues.
t) Approve Service Changes as needed.
u) Participate in Steering Committee meetings as needed.
v) Provide prompt notification to Deloitte Consulting of any issues, concerns or disputes with respect to the Services provided.

The PCO will, at minimum:

d) Maintain and monitor the project workplan as provided by Deloitte Consulting.
e) Provide project management reporting as needed.
f) Coordinate Steering Committee communications, meetings, and reporting.

2.8 Deloitte Consulting Key Resources

The following individuals are considered Key Personnel from the beginning of the Services provided under this Change Notice to the Go-Live Date for the Project, as defined in section 4.0 of this Change Notice:

- Project Manager–Louis Panebianco
- Solution Architect–Vamshi Putta
- Development Lead–Rakesh Dahagam
- BRF Lead–Mohit Mantri
- Functional Lead-Ahmed Habeeb

It is acknowledged that unauthorized removal of Key Personnel will interfere with the timely and proper completion of the Services, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result of any unauthorized removal. Therefore, Deloitte Consulting and the State agree that in the case of any unauthorized removal, the State may assess liquidated damages against Deloitte Consulting.

For the unauthorized removal of any of the Key Personnel listed above, the liquidated damages amount is $25,000.00 per individual if Deloitte Consulting identifies a replacement approved by the State, which approval shall not be unreasonably withheld, and assigns the replacement to the Project to work with the Key Personnel who is leaving for a Transition Period of at least 30 calendar days before the Key Personnel's removal. It is understood that consultants may have valid reasons for leaving the project outside the control of Deloitte Consulting, including termination of their employment, serious illness, or other leaves of absence, and replacement of Key Personnel for such reasons shall not be considered an unauthorized removal.

If Deloitte Consulting fails to assign a replacement to work with the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 liquidated damages for an unauthorized removal, Deloitte Consulting must pay the amount of $833.33 per day for each day of the 30-day period that the replacement does not work with the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per unauthorized removal and failure to provide 30 days of transition must not exceed $50,000.00 per individual.

In cases of authorized removal of resources, Deloitte Consulting will use diligent efforts to propose suitable replacement personnel. Where possible, replacement staff will overlap their role with their predecessor to ease knowledge transfer.

2.9 Business Requirements

The high-level business requirements that describe the functionality that will be implemented as part of the Project are included in Appendix 1.

3.0 Fees and Expenses

3.1 Fee Schedule

Deloitte Consulting will perform the Services described in this Change Notice on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $944,421, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following payment schedule:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	Functional Specifications Developed	$132,266	5/4//2015
2	Technical Specifications Developed	$149,752	6/19/2015
3	Configuration and Development Objects Ready for Movement to QA Environment	$149,752	7/22/2015
4	Integration Testing Completed	$149,752	8/25/2015
4	Configuration and Development Objects Ready for Movement to Production Environment	$149,752	9/11/2015

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
5	Production Support Services (to be paid in 2 installments)	$213,147 ($71/049 each)	Beginning 11/30/2015 through 1/31/2016
	Total	**$944,421**	

The State will conduct a user acceptance test of the Configuration and Development Objects in the Quality Assurance environment in accordance with the Project Workplan before approving such Configuration and Development Objects as ready for movement. Unless otherwise mutually agreed, the criteria for approval shall be:

- All user acceptance test scripts have been executed
- All high-severity defects identified during user acceptance testing have been reclassified as lower-severity defects or resolved. Severity levels will be as defined in Section 2.7.4 of Change Notice #7 to the Agreement.

3.2 Hourly Rates for Additional Services

From time to time the State may request additional changes to these Services. Any additional Services will be processed as described in Section 11.0 of Change Notice #7 to the Agreement, and payment will be based on an hourly rate basis and invoiced monthly in accordance with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Any changes to the Services that require work to be performed after the dates listed in the column headings below will be based on hourly rates to be established in a separate Change Notice to the Agreement. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	**Hourly Rate (through December 31, 2015)**
Account Manager	$345
Project Manager	$318
Solution Architect	$296
Senior PS-CD Specialist	$296
PS-CD Specialist	$239
Senior BRF Specialist	$239
BRF Specialist	$188
Senior Developer	$239
Developer	$188

3.3 Deliverable Acceptance

Deliverable acceptance timeframes will be in accordance with Section 2.015 of the Agreement, with the following exceptions:

Deliverable	Initial Review	Deloitte Response	Final Review
Configuration Item	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

3.4 Change Management

Change Management will be conducted in accordance with section 11.0 of Change Notice #7 to the Agreement.

4.0 Warranty

Deloitte Consulting will not provide any warranty for the Services provided in this Change Notice.

5.0 General Provisions

5.1 Schedule and Project Management

- This project will observe the following holidays. State employees will observe all applicable State holidays.
    aa. Memorial Day – Monday, May 25, 2015
    bb. Independence Day – Friday, July 3, 2015
    cc. Labor Day – Monday, September 7, 2015
    dd. Veterans Day – Wednesday, November 11, 2015
    ee. Thanksgiving Day – Thursday, November 26, 2015
    ff. Day after Thanksgiving – Friday, November 27, 2015
    gg. Christmas Eve – Thursday, December 24, 2015
    hh. Christmas Day – Friday, December 25, 2015
    ii. New Year's Eve – Thursday, December 31, 2015
    jj. New Year's Day – Friday, January 1, 2016
    kk. Martin Luther King Day – Monday, January 18, 2016
- The project schedule calendar has blocked out the weeks of April 6, 2015; June 29, 2015; November 23, 2015; December 21, 2015; and December 28, 2015 with no new tasks planned to start or finish during this time.
    - The project will start on or about April 20, 2015.
    - Deloitte Consulting staff typically performs the Services on-site Monday through Thursday and work remotely on Friday.
    - Any delays caused by any activity not a part of this Change Notice will result in a Service Change for any extended staff.

5.2 Project Staffing

- State resources will be available on a timely basis to review and approve project Deliverables.
- The State will take primary responsibility for the following areas:
    - Legacy interface development
    - Role-to-position mapping for new SAP users
    - External communications and change management, including stakeholder management
    - Management of communications and timely scheduling with external parties for all stages of testing
    - Integration test
    - User acceptance test
    - Performance test
    - Go-live planning
    - All aspects of end user training including curriculum development and training schedules, business process procedures/end user procedures, course materials, and instruction
    - Production support
    - Completion of all internal State approval processes

5.3 Solution and Approach

- Updates to existing functional specification documents will be limited to content impacted by 6/7%. The base document will not be updated to address existing errors that are not directly associated with 6/7% content.
- The PCO will coordinate the functional specification review and approval process. If multiple approvers have been identified for a given functional specification, comments will be held by the PCO until all approvers have responded.
- Functional specification and configuration documents will identify transaction codes being utilized to support business processes.
- Updates to the current MIITAS Blueprint document are not in scope for this project, except where aspects of the Blueprint are directly modified as a result of 6/7%.
- The State will be responsible for management and execution of integration, acceptance, and performance testing. Testing will be performed within the timeframes listed in the project plan and will be tracked using HP Quality Center software to be provided by the State.

5.4 Security and Controls

- The State will be responsible for all aspects of system security and control including transaction security design, and security configuration, development, testing, and implementation.

5.5 Technology and Infrastructure

- SAP software licenses and all hardware required for the Project will be provided by the State. The implementation will utilize SAP ECC 6.0 Enhancement Pack 5.
- The State will be responsible for all system infrastructure planning, procurement, installation and configuration, testing, implementation, maintenance, and support (commonly known as SAP Basis services). This responsibility will cover all SAP instances including SAP ECC and SAP BI. Any material delays caused by a disruption in the system landscape will result in a Service Change for any extended Deloitte Consulting Implementation Team members.
- The QA hardware will be used for Disaster Recovery. The State will be responsible for Back-Up and Disaster Recovery.
- The Deloitte Online Collaboration System (eRoom) will be used to store in-process documents and Deliverables. As documents and Deliverables are approved during the project, they will be moved to Serena. Deloitte Consulting will be responsible for the administration of the eRoom.
- The State will be responsible for application of SAP Notes.

5.6 Data

- The State will be responsible for data cleansing for conversions.

6.0 Other

The parties agree that this Change Notice shall be excluded from Section 2.306 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything to the contrary in Section 2.306 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice, regardless of the form of action, shall be limited to $944,421 or professional fees paid under this Change Notice whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice.

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

7.0 Acceptance

Accepted by:

State of Michigan

_____
Signature

_____
Name

_____
Title

_____
Signature

_____
Name

_____
Title

Accepted by:

Deloitte Consulting LLP

_____
Signature

Mark Seidenfeld.
Name

Director
Title

Appendix 1—Functional Requirements

Number	Requirement Description	Functional Area	Comments
1	The SAP system will support a sales, use rental, and use purchase rate of 6% for periods of September 2015 and prior. Impacted forms include the following. - 5080 - 5081 - 5082 - 5086 - 5091 - 5092 - 5093	Return Processing	MTO, e-file and paper channels and business rules were appropriate
2	The SAP system will support a sales, use rental, and use purchase rate of 7% for periods of October 2015 and beyond. Impacted forms include the following. - 5080 - 5081 - 5082 - 5086 - 5091 - 5092 - 5093	Return Processing	MTO, e-file and paper channels and business rules were appropriate
3	The SAP system will support separate rate tables for each of the three taxes; sales, use purchase and use rental. Tables will include filing period begin and end dates of when rate is effective.	Return Processing	Three separate configuration tables in SAP based on tax type.
4	The SAP system will support a multiplier of 0.6667 (2/3rds) to drive other computation for the 4% and 2% split/designations (discount eligibility) for periods of September 2015 and prior.	Return Processing	
5	The SAP system will support a multiplier of 0.7143 (5/7ths) to drive other computation for the 5% and 2% split/designations (discount eligibility) for periods of October 2015 and beyond.	Return Processing	
6	The SAP system will support separate discount multiplier tables for each of the three taxes; sales, use purchase and use rental. Tables will include filing period begin and end dates of when value is effective.	Return Processing	Three separate configuration tables in SAP based on tax type. Example, there is currently a discrepancy in the law with sales and use tax rates being different.
8	The SAP system will support rules and tax rate calculations at 6% for periods of September 2015 and prior on forms received from the SER system.	Return Processing	
10	The SAP system will support rules and tax rate calculations at 7% for periods of October 2015 and beyond on forms received from the SER system.	Return Processing	
11	The SAP system will support additional form lines to support both a 6% tax rate (for periods of September 2015 and prior) and 7% tax rate (for periods of October	Return Processing	

Number	Requirement Description	Functional Area	Comments
	2015 and beyond).		
12	The SAP system will extract additional form fields in the data warehouse extract file.	Return Processing	
13	The Teradata data warehouse will load additional form fields from the SAP extract file.	Return Processing	
14	The SAP system rules for the annual and amended annual returns will be updated to accept the as filed values for applicable fields in which the system currently calculates using a 6% rate.	Return Processing	Example: Form 5081 lines 13 and 14 must be accepted as filed as taxpayer is performing rate calculation.
15	The SAP system will support rule changes to be defined and executed by filing period so that the appropriate rules are executed January through September 2015 and October through December 2015.	Return Processing	
16	The SAP system will provide a configurable 4% tax rate. The table will include filing period begin and end dates of when rate is effective.	Return Processing	
17	The SAP system will support changes to the annual form letter due to additional form lines.	Return Processing	
18	The SAP system will appropriately transfer payments based on file period.	Return Processing	This is an extension of current functionality to include multiple rates.
19	The SAP system reports will support multiple tax rates based on file period.	Return Processing	
20	The SAP system will support separate sales and use tax minimum and maximum discount values. Tables will include filing period begin and end dates of when minimum and maximum values are effective.	Return Processing	
21	The SAP system will disable display and filing of gas credit forms (5083 and 5085) in MTO for periods of October 2015 and beyond.	Return Processing	
22	The SAP system will continue to display and support filing of gas credit forms (5083 and 5085) in MTO for periods of September 2015 and prior.	Return Processing	
23	The SAP system will disable processing of e-filed gas credit forms (5083 and 5085) for periods of October 2015 and beyond.	Return Processing	
24	The SAP system will continue processing of e-filed gas credit forms (5083 and 5085) for periods of September 2015 and prior.	Return Processing	
25	The SAP system will support a split of revenue between more than one agency. Split definitions must include percentage, start tax period date and end tax period date values.	Accounting	
26	The SAP system will support sending of revenue to more than one agency. This change requires revenue to be sent to current Treasury agency code and a new agency code for MDOT based on revenue split definitions.	Accounting	

Number	Requirement Description	Functional Area	Comments
27	The SAP system will support the ability to transfer money between periods and generate appropriate financial transactions including adjustment of split and sending to MDOT if necessary.	Accounting	Example: Transfer payment from a September 2015 period to a December 2015 period will need to adjust split for MAIN and send to MDOT as the payment is moving from a 6% period to a 7% period.
28	The SAP system bank file layout and XSD will support applicable forms changes.	Interface	
29	The SAP system e-file schema will support applicable forms changes.	Interface	

Description	Complexity
1.5081/5082 - SUW Annual Return	
a. 5081/5082 Annual Return	High
b. 5091/5093 4% and 6% Annual Return	High
4. 5086 -Vehicle Dealer Supplemental Schedule	Low
6. TBOR Letters (M/Q/Annual)	Medium
7. Efile Image (5081/5082/5091/5093/5080/5092)	Medium
8. 5B Interface (Assume separate tracking for added 1%)	Complex
9. MTO Changes	
a. MTO UI Changes - M/Q/Annual	Complex
b. MTO Java Changes -M/Q/Annual	Medium
11. Efile Rejection rules	Medium
12. 2016 Changes	
a. BRF+ Rules	Medium
b. Web Dynpro	Medium
c. ECC changes (eFile,TBOR)	Medium
d. MTO Changes	Medium
13. BRF+ Functions	Medium

Sales Tax Rate Change - DeloittePlan - Worksheet v9

ID	Task Name	Duration	Start	Finish	Predec
0	**Sales Tax Rate Change - DeloittePlan - Worksheet v9**	**1620 hrs**	**Mon 4/20/15**	**Fri 1/29/16**	
1	Project Planning	11 days	Mon 4/20/15	Mon 5/4/15	
2	**Blueprint**	**11 days**	**Mon 4/20/15**	**Mon 5/4/15**	
3	**Blueprint Session**	**10 days**	**Mon 4/20/15**	**Fri 5/1/15**	
4	Accounting (validate reconciliation approach, MAIN interface)	5 days	Mon 4/20/15	Fri 4/24/15	
5	Return Load/Return Processing/Reports	5 days	Mon 4/27/15	Fri 5/1/15	4
6	**Functional Spec Development**	**10 days**	**Mon 4/20/15**	**Mon 5/4/15**	**3**
7	B--5081/5082 Annual Return BRF+ Rules (FS)	10 days	Mon 4/20/15	Mon 5/4/15	
12	B--5091/5093 4% and 6% Annual Return BRF+ Rules (FS)	8 days	Wed 4/22/15	Mon 5/4/15	
17	B--5086 Vehicle Dealer Supplemental Schedule (FS)	5 days	Mon 4/27/15	Fri 5/1/15	
22	I--5B Interface (New Agency Code/Revenue Split) (FS)	10 days	Mon 4/20/15	Mon 5/4/15	
27	MILESTONE-Functional Specifications Developed	0 days	Mon 5/4/15	Mon 5/4/15	
28	**Technical Design**	**35 days**	**Fri 4/24/15**	**Fri 6/12/15**	
29	B--5081/5082 Annual Return BRF+ Rules (TS)	4 days	Mon 5/4/15	Fri 5/8/15	11
30	B--5091/5093 4% and 6% Annual Return BRF+ Rules (TS)	2 days	Wed 5/6/15	Fri 5/8/15	16
31	B--5086 Vehicle Dealer Supplemental Schedule (TS)	2 days	Fri 5/29/15	Tue 6/2/15	21
32	I--5B Interface (New Agency Code/Revenue Split) (TS)	1 day	Fri 5/22/15	Fri 5/22/15	26
33	F--TBOR Letters (M/Q/Annual) (TS)	9 days	Mon 5/18/15	Fri 5/29/15	
38	M--MTO UI Changes (M/Q/Annual) (TS)	10 days	Thu 5/28/15	Wed 6/10/15	
43	B--BRF+ Functions (Money Movement) (TS)	10 days	Tue 5/26/15	Mon 6/8/15	
48	M--E-File Rejection Rules (TS)	9 days	Mon 6/1/15	Thu 6/11/15	
53	I--XI Bulk/Rejection Rules (TS)	5 days	Fri 5/22/15	Fri 5/29/15	
58	I--4P Interface (7% Payments) (TS)	8 days	Fri 5/22/15	Wed 6/3/15	
63	BI--Business Warehouse Changes (TS)	10 days	Mon 6/1/15	Fri 6/12/15	
68	B--BRF+ Rules (2016)(TS)	10 days	Fri 4/24/15	Fri 5/8/15	
73	MILESTONE-Technical Specifications Developed	0 days	Fri 6/12/15	Fri 6/12/15	
74	**Construction**	**39 days**	**Fri 5/8/15**	**Fri 7/10/15**	
75	B--5081/5082 Annual Return SPRO Definition (CNST)	1 day	Thu 5/21/15	Thu 5/21/15	29
76	B--5081/5082 Annual Return Web Dynpro Changes (CNST)	1 day	Tue 5/19/15	Tue 5/19/15	75
77	B--5081/5082 Annual Return BRF+ Rules (CNST)	4 days	Wed 5/20/15	Mon 6/15/15	76
78	B--5091/5093 4% and 6% Annual Return SPRO Definition (CNST)	2 days	Fri 5/8/15	Tue 5/12/15	30
79	B--5091/5093 4% and 6%Annual Return Web Dynpro Changes (CNST)	2 days	Fri 6/5/15	Mon 6/8/15	78
80	B--5091/5093 4% and 6% Annual Return BRF+ Rules (CNST)	4 days	Tue 6/2/15	Fri 6/19/15	79
81	B--5086 Vehicle Dealer Supplemental Schedule (CNST)	2 days	Wed 6/3/15	Wed 6/10/15	31
82	F--e-File Image (5081/5082/5091/5093/5086) (CNST)	3 days	Fri 5/22/15	Wed 7/8/15	
83	I--5B Interface (New Agency Code/Revenue Split) (CNST)	3 days	Mon 6/8/15	Wed 6/10/15	32
84	F--TBOR Letters (M/Q/Annual) (CNST)	2 days	Fri 6/19/15	Tue 6/23/15	33
85	M--MTO UI Changes (M/Q/Annual) (CNST)	4 days	Fri 6/12/15	Wed 6/17/15	38

Sales Tax Rate Change - DeloittePlan - Worksheet v9

ID	Task Name	Duration	Start	Finish	Predec
86	M--MTO Java Changes-M/Q/Annual (CNST)	2 days	Thu 6/18/15	Fri 6/19/15	85
87	M--Backend Changes (CNST)	2 days	Mon 6/22/15	Tue 6/23/15	86
88	M--MTO Changes (2016) (CNST)	2 days	Fri 6/26/15	Tue 7/7/15	85
89	B--BRF+ Functions (Money Movement) (CNST)	3 days	Wed 6/10/15	Fri 6/12/15	
90	M--E-File Rejection Rules (CNST)	2 days	Fri 6/12/15	Fri 7/10/15	48
91	I--XI Bulk/Rejection Rules (CNST)	2 days	Wed 6/3/15	Fri 6/12/15	53
92	I--4P Interface (7% Payments) (CNST)	2 days	Fri 6/5/15	Mon 6/15/15	58
93	BI--Business Warehouse Changes (CNST)	9 days	Mon 6/15/15	Thu 6/25/15	63
94	BI--ECC Changes (CNST)	4 days	Mon 6/15/15	Thu 6/18/15	
95	B--BRF+ Rules (2016) (CNST)	4 days	Mon 5/11/15	Fri 5/15/15	68
96	B--Web Dynpro (2016)(CNST)	2 days	Fri 5/15/15	Tue 6/23/15	95
97	O--ECC Changes (eFile/TBOR) (2016) (CNST)	2 days	Mon 5/11/15	Wed 5/13/15	
98	**Unit Test**	**20 days**	**Wed 6/10/15**	**Wed 7/15/15**	
99	B--5081/5082 Annual Return BRF+ Rules (UT)	2 days	Tue 6/16/15	Wed 6/17/15	77
100	B--5091/5093 4% and 6% Annual Return BRF+ Rules (UT)	2 days	Fri 6/19/15	Fri 6/26/15	80
101	B--5086 Vehicle Dealer Supplemental Schedule (UT)	2 days	Wed 6/10/15	Fri 7/10/15	81
102	I--5B Interface (New Agency Code/Revenue Split) (UT)	4 days	Thu 6/11/15	Wed 7/8/15	83
103	F--TBOR Letters (M/Q/Annual) (UT)	1 day	Tue 6/23/15	Wed 6/24/15	84
104	M--MTO UI Changes (M/Q/Annual) (UT)	3 days	Fri 7/10/15	Wed 7/15/15	85
105	M--Backend Changes (UT)	2 days	Wed 6/24/15	Thu 6/25/15	87
106	M--MTO Changes (2016) (UT)	1 day	Wed 7/8/15	Wed 7/8/15	88
107	B--BRF+ Functions (Money Movement) (UT)	3 days	Wed 6/24/15	Thu 7/9/15	89
108	M--E-File Rejection Rules (UT)	3 days	Fri 7/10/15	Wed 7/15/15	90
109	I--XI Bulk/Rejection Rules (UT)	3 days	Wed 6/24/15	Mon 7/13/15	91
110	I--4P Interface (7% Payments) (UT)	3 days	Tue 6/16/15	Wed 7/8/15	92
111	BI--Business Warehouse Changes (CNST)	5 days	Fri 6/26/15	Fri 7/10/15	93
112	B--BRF+ Rules (UT)	2 days	Mon 6/22/15	Tue 6/23/15	95
113	B--Web Dynpro (UT)	1 day	Tue 6/23/15	Wed 6/24/15	96
114	O--ECC Changes (eFile/TBOR) (UT)	1 day	Wed 6/10/15	Wed 6/10/15	97
115	**String Test**	**5 days**	**Wed 7/15/15**	**Wed 7/22/15**	
116	Perform String Test	5 days	Wed 7/15/15	Wed 7/22/15	98
117	MILESTONE-Movement to QA Environment	0 days	Wed 7/22/15	Wed 7/22/15	
118	**Integration Test**	**24 days**	**Wed 7/22/15**	**Tue 8/25/15**	
119	**Integration Test - Cycle 1**	**12 days**	**Wed 7/22/15**	**Fri 8/7/15**	
120	Integration Test - Cycle 1 Set-Up	2 days	Wed 7/22/15	Fri 7/24/15	116
121	Integration Test - Cycle 1 Execution	8 days	Fri 7/24/15	Wed 8/5/15	120
122	Integration Test - Cycle 1 Defect Resolution	10 days	Fri 7/24/15	Fri 8/7/15	121SS
123	Integration Test - Cycle 1 Exit Approval	0 days	Fri 8/7/15	Fri 8/7/15	122
124	**Integration Test - Cycle 2**	**12 days**	**Fri 8/7/15**	**Tue 8/25/15**	

ID	Task Name	Duration	Start	Finish	Predec
125	Integration Test - Cycle 2 Set-Up	2 days	Fri 8/7/15	Tue 8/11/15	123
126	Integration Test - Cycle 2 Execution	8 days	Tue 8/11/15	Fri 8/21/15	125
127	Integration Test - Cycle 2 Defect Resolution	10 days	Tue 8/11/15	Tue 8/25/15	126SS
128	Integration Test - Cycle 2 Exit Approval	0 days	Tue 8/25/15	Tue 8/25/15	127
129	Integration Test Exit Approval	0 days	Tue 8/25/15	Tue 8/25/15	128
130	MILESTONE-Integration Testing Completed	0 days	Tue 8/25/15	Tue 8/25/15	
131	**User Acceptance Test**	**10 days**	**Tue 8/25/15**	**Thu 9/10/15**	
132	UAT Set-Up	2 days	Tue 8/25/15	Thu 8/27/15	129
133	UAT Execution	8 days	Thu 8/27/15	Thu 9/10/15	132
134	UAT Defect Resolution	8 days	Thu 8/27/15	Thu 9/10/15	133SS
135	UAT Exit Approval	0 days	Thu 9/10/15	Thu 9/10/15	134
136	MILESTONE-Ready for Movement to Production Environment	0 days	Thu 9/10/15	Thu 9/10/15	
137	Go-Live Prep	1 day	Thu 9/10/15	Fri 9/11/15	131
138	Go-Live	0 days	Fri 9/11/15	Fri 9/11/15	137
139	**Production Support**	**60 days**	**Fri 10/16/15**	**Fri 1/29/16**	
140	Production Support	60 days	Fri 10/16/15	Fri 1/29/16	138

1.0 Business Terms and Conditions

This Change Notice, effective March 2, 2015, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. For the purposes of this Change Notice, the term "Parties" means the State and Deloitte Consulting. Where conflicts arise, this Change Notice shall govern.

The SAP software platform will provide the framework for the Michigan Integrated Tax Processing and Administration System (MIITAS) to which all mainframe Tax and Revenue systems will transition in future projects. This Change Notice defines the Services that Deloitte Consulting will provide related to MIITAS MBT Renaissance Zone Processing ("SB156" or "Project"). As described in Article 1, Section 1.001 of the Agreement, the State elects to exercise its option to obtain a statement of work (SOW) for optional MIITAS Services.

2.0 Statement of Work

2.1 Project Background

The State has begun its process of moving all of its end-of-life core tax and revenue functions from its existing legacy systems to the new SAP software platform. The first MIITAS phase implemented the SAP software platform for the new Michigan Business Tax (MBT). Subsequently Corporate Income Tax (CIT) and Flow-through Withholding (FTW) have been implemented, as have Business Tax Registration and Sales, Use and Withholding Tax (SUW). The State is currently implementing the first release of a multiple-release implementation of the City Income Tax Act (CITA) project, enabling Michigan to process individual income tax returns for the City of Detroit. This Project will implement the provisions of SB156 as described in the requirement included in Appendix 1 of this Change Notice.

2.2 Project Methodology and Approach

2.2.1 Integration

The SB156 implementation will bring four distinct organizations together to coordinate project and quality management. As part of the project planning process, a comprehensive plan will be developed to help align the objectives and outputs from each organization. Below is a partial list of responsibilities for Treasury/DTMB, Deloitte Consulting, Dewpoint/Project Control Office (PCO), and SAP:

2.2.1.1 Treasury/DTMB

These State departments will be the users and the owner of the MIITAS system. Together, they will be responsible for validating requirements and approaches, approving deliverables, and assisting with the implementation as described in the Agreement, including development of system forms and development objects. Treasury/DTMB will also have responsibility for creating integration and user acceptance test scripts, executing these scripts and recording the results, and production support.

2.2.1.2 Dewpoint/PCO

The PCO will retain responsibility for overall program management and alignment of SB156 with other agency initiatives. While Deloitte Consulting will have responsibility for initial planning and updates to the SB156 workplan for tasks under the Deloitte Consulting scope, the PCO will own the master plan and report progress against objectives.

2.2.1.3 Deloitte Consulting

Deloitte Consulting will be responsible for the implementation of SB156 functionality within the scope defined in this Change Notice, and the creation of the specified deliverables. Responsibility includes management of the planned SB156 tasks.

2.2.1.4 SAP

SAP will assist in assessing the quality of functional and technical designs and provide guidance during Blueprinting and Realization. Specific areas of involvement, as specified in more detail in SAP's contract and Statement of Work with the State, will include:

- Review of business process documentation
- Review of functional specifications and Blueprint narrative
- Review of technical specifications
- Review of high-level design

The final duties and responsibilities of SAP will be defined in a separate agreement directly between SAP and the State.

2.2.2 Methodology

Deloitte Consulting will continue to leverage tools and approaches from our Enterprise Value Delivery for SAP methodology (EVD). Deloitte will use standards defined in EVD in planning, estimating and scheduling tasks to implement the scope defined in this Change Notice.

The detailed project schedule, phases, gateways, and project milestones will be defined in collaboration with the State and the PCO. The PCO will monitor and control the project.

The EVD method consists of the EVD phases described below. The Parties' roles and responsibilities with respect to the deliverables covered by this Change Notice are described in Section 2.6 of this Change Notice.

2.2.2.1 Phase 1 - Project Preparation

Project Preparation is the Project's start-up phase, during which the Parties will plan and prepare for subsequent phases of the Project. Project Preparation activities may include assisting the Project Control Office in the development of a project charter, project and quality management processes, and work plan. During this phase, the Parties establish the Project organization structure and assign resources.

2.2.2.2 Phase 2 - Blueprint

During the Blueprint phase, the Parties establish a common understanding of how SAP will be used at the State for SB156. Workshops may be conducted to design business processes and business roles. Fit/gap analysis is performed in order to determine options for gap resolution. Configuration design and functional specifications are documented. Traceability documentation is established.

2.2.2.3 Phase 3a - Realization - Build

The Realization - Build phase focuses on SAP configuration and documentation, security role configuration, technical specifications, and software development. Report and form layouts are created. The State will develop end user training materials and configure security roles, including role-to-position mapping. Go-live plans are developed. Unit and string testing are conducted.

2.2.2.4 Phase 3b - Realization - Test

The Realization - Test phase focuses on various types of testing to confirm that the business and technical requirements have been addressed. This consists of developing test cases and conducting testing and defect resolution. Test types in this phase may include integration, user acceptance, regression, performance, stress, and batch schedule testing, and go-live dress rehearsal. During this phase, end user training schedules are finalized and go/no-go criteria is defined. Deloitte Consulting will only have responsibility for managing and executing unit testing and string testing. The State will have responsibility for managing and executing any

additional testing, such as integration testing, end user acceptance testing, and performance testing, including test case development and any required training for testers. During any such integration testing, end user acceptance testing, and performance testing, Deloitte Consulting will have responsibility for addressing defects related to its design, configuration, and development work.

The table below includes the scope of testing to be performed during the Project, some of which may occur sequentially. Responsibilities are as described above.

Test type	# of cycles	# of weeks per cycle	Data/Comments
Unit	N/A	N/A	Mock
String	1	2	Mock
Integration	4	2	Includes bank test data
User Acceptance Testing	1	2	Includes bank test data

2.2.2.5 Phase 4 - Final Preparation

During the Final Preparation phase, the production SAP system and end users are prepared for go-live. This consists of end user training, go-live execution, and mobilization of the production support organization and procedures. The go-live is executed, which includes loading data into the production systems, confirming that the data is loaded, managing transports, validating traceability documentation completeness, and creating end user system access.

2.2.2.6 Phase 5 - Go Live & Support

The Go-live and Support phase is the transition from the readiness activities of a pre-production environment to conducting business operations in the production system. Production support is provided, system transactions are monitored, support is transitioned to the production support organization, and the Project is closed. The State will have responsibility for all activities in this phase.

2.2.3 Documentation Management

Serena will continue to be the primary formal document repository for the project. Approved deliverables, including functional and technical specifications will be stored in Serena and accessed through authorized State personnel. Deloitte Consulting will also supplement Serena with Deloitte Consulting's eRoom to store in-process documents and deliverables. The eRoom, which can also be accessed by non-Deloitte Consulting project team members, provides version control and workflow management. Data in the eRoom will be limited to design documents only – no taxpayer data will be stored. At the conclusion of the project, all documents in the eRoom will be provided in soft copy to the State for record-keeping purposes, and information in the eRoom will be permanently removed. Deloitte Consulting will be entitled to maintain copies for archive purposes. Deloitte will coordinate with designated security administrators within DTMB to manage user access to the eRoom.

To store business process information, Deloitte Consulting will build on the existing Tax Processing Industry Print. Industry Print is a Deloitte business process modeling tool and has been used as the basis for maintaining traceability from requirements to process model to functional and technical designs and testing.

2.2.4 Quality Management

The project team will create all SB156 documentation, including specifications and design documents according to updated and agreed-upon document templates. Applying standard templates will help to create consistency across deliverables.

While templates standardize deliverable creation, checklists act as a standardized tool used during the deliverable quality review process. These checklists help to maintain a consistent level of review across reviewers. Checklists will be coordinated with SAP, who will be acting in a Quality Review capacity throughout the project.

A repository of checklists will be maintained in the project eRoom.

2.2.5 Software Reviews

Software reviews are a quality aspect of the software engineering process. Deloitte Consulting will conduct software reviews at various points during the development process to help identify any defects. The software reviews will help to:

- Identify needed improvements in the product of a single person or team
- Confirm those parts of the solution in which improvement is not necessary
- Achieve technical work of more uniform quality than can be achieved without reviews, to make technical work more manageable

Software review sessions will be conducted by a combination of senior Deloitte Consulting staff, DTMB staff, and SAP and will be focused in the most complex areas of the solution. Each review session will include a code walkthrough and follow an established checklist to maintain consistency through the reviews. In addition, the Deloitte Consulting Project Manager will conduct reviews of checklists and other process artifacts to provide additional validation that defined processes are being maintained.

2.2.6 Workplan Management

Deloitte Consulting will plan the activities necessary for the implementation of the proposed solution using MS Project as the primary tool. MS Project allows for the management of task dependencies, and resources assigned to those tasks. It also facilitates the definition of the critical path, which assists the project management team in prioritizing the activities that, if delayed, may impact the timeline or resources for the project, and adjustments to the schedule can then be evaluated and alternatives considered for addressing those constraints.

Once the initial schedule has been baselined, the PCO will integrate the tasks into their overall program management structure. Individuals will record their time against tasks in the plan, and the PCO will maintain weekly Earned Value reporting to show project progress. This reporting will allow for comparison of actual task completion dates against the plan so that any predicted slippage can be managed.

The PCO will coordinate weekly project review meetings to review the project status jointly with the project management team, identifying project tasks coming due in the short term, project tasks completed since the last review, and tasks underway. As progress is compared to the baseline plan, Deloitte Consulting will identify any potential problem areas or opportunities to accelerate the schedule, and will work with the State's project manager to resolve issues that may arise. Additionally as each methodology phase of the project is completed the schedule will be reviewed and updated to reflect any necessary time or resource updates required based on the details uncovered during the previous phase.

2.3 Scope of Services

Deloitte Consulting will assist in the design; development; unit testing; string testing; and integration, user acceptance, and performance testing defect resolution (the "Services") for the SB156 Project. In addition, Deloitte Consulting will provide one resource for 12 net weeks of production support services to the MIITAS Program. Training and training development, security and controls design and development, and change management are specifically excluded from this Change Notice and will be the responsibility of the State. Updates to Siebel, STAR and any other legacy applications are also out of scope for Deloitte.

For the Development and Configuration Scope listed in section 2.3.1 of this Change Notice, Deloitte Consulting will be responsible for the following changes and updates to MIITAS and related documentation, including:

- Functional specification creation or updates

- Technical specification creation or updates
- Configuration documentation updates, if relevant
- System configuration, if relevant
- Programming
- Unit testing
- String testing
- Testing defect resolution

2.3.1 Development and Configuration Scope

The following configuration and development objects are planned to meet the functional requirements included in Appendix 1.

Number	Development Object
1	Eligibility Check for SB156
2	WebDynpro Checkbox
3	Refund Generation Program
4	Refund Generation Table
5	Change in BRF rules - All Lead forms
6	Billing Action Changes
7	Clearing Rules (New Main/Sub -Total Credit)
8	Reopen Updates
9	Workflow Changes

2.3.2 Security Scope

The State will be responsible for all development and maintenance of security for the MIITAS system at both a hardware and software level. Deloitte Consulting will provide information on any new transactions to the State security team so that each transaction can be added to appropriate roles or new roles as necessary. Transactions and roles as well as any unique security requirements will be documented in the relevant Functional Specifications.

2.3.3 Technical Scope

The State will be responsible for the technical infrastructure, design, implementation, maintenance, and support for the SB156 project. All hardware, software licensing, and network connectivity and bandwidth will be responsibility of the State.

2.3.4 End User Training Scope

All training material development and training delivery will be the responsibility of the State.

2.4 High Level Timeline

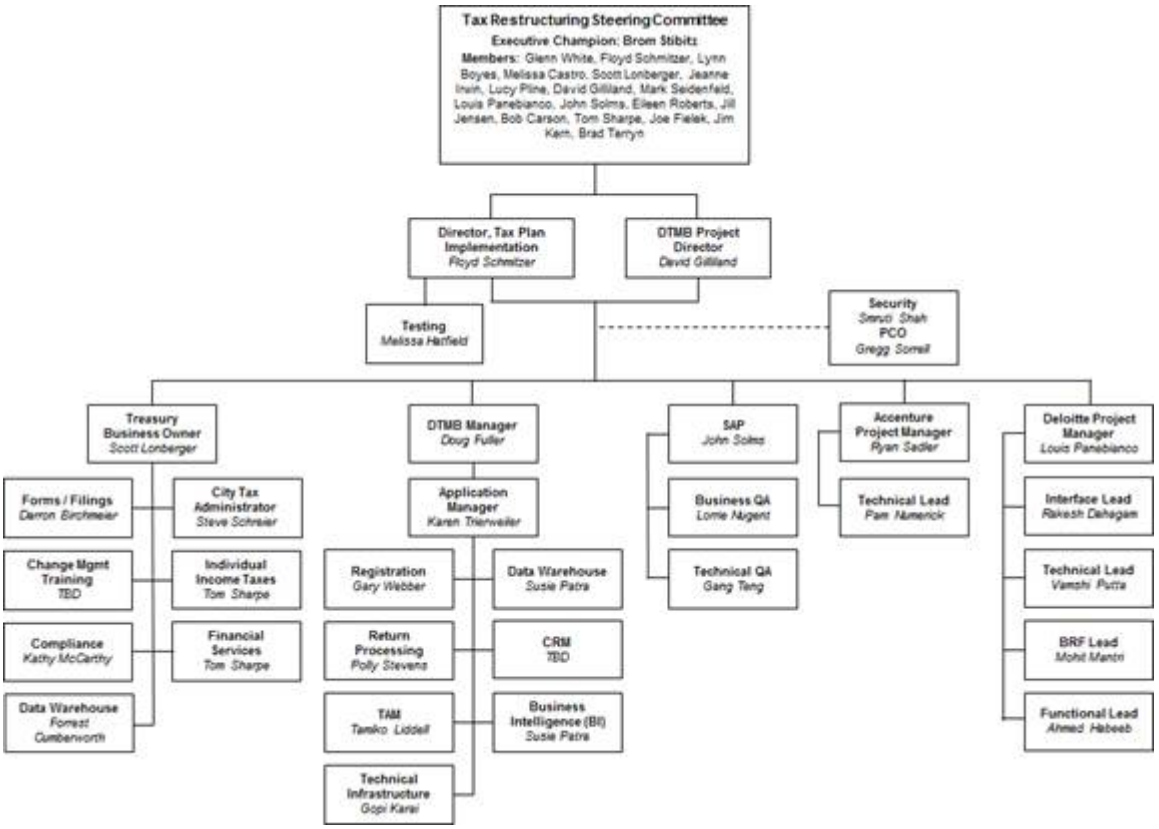
The planned timeline for the SB156 project will begin on or about March 2, 2015 with a planned go-live on June 22, 2015. Below are the planned dates for major activities to be completed by the Parties:

SB156	Start Date	End Date
Functional Specifications Update	3/2/2015	3/27/2015
Technical Design	3/13/2015	3/30/2015

SB156	Start Date	End Date
Code and Unit Test	3/23/2015	4/22/2015
String Test	4/23/2015	4/29/2015
Integration Test	4/30/2015	6/3/2015
User Acceptance Test	6/4/2015	6/18/2015
Implementation	6/19/2015	6/22/2015
Go Live	6/22/2015	6/22/2015
Production Support	6/22/15	9/18/15

2.5 Project Organization

The following Organization Chart illustrates Deloitte Consulting's planned leadership and its organization relative to the State's overall Tax Restructuring project:



2.6 Project Responsibilities

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Project Workplan	The Project Work Plan is a deliverables-based execution plan showing the responsibilities, dependencies, schedule, and planned effort for SB156 tasks.	Secondary	Secondary	Primary
Functional Specifications	Functional Specifications are created for each functional object and define how each object will work.	Secondary	Primary	

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Technical Specifications	Technical Specifications are created for each technical object in the system and defines the specific implementation approach for that object. There may be one or more technical specification for each functional specification, and multiple functional specifications may be consolidated into a single technical object and specification.	Secondary	Primary	
Configuration Documentation	Configuration documentation shows the configuration values and locations within SAP where these values are set. Configuration documents will also indicate the reasoning for each configuration setting.	Secondary	Primary	
Development Objects	The development required to realize the functional design of the SB156 implementation.	Secondary	Primary	
Unit Test Documentation	Unit tests are completed for each technical object. The inputs and results of each unit test are reflected in the unit test documentation for that object.	Secondary	Primary	
Go-Live Plan	The go-live plan indicates the required steps to bring SB156 into production, including dependencies, time schedule and responsible party.	Primary	Secondary	
Integration Test Scripts and Results	Integration test scripts define the test cases that will be run to test the integrated functionality of SB156, including regression test scripts. Results reporting shows the pass/fail status of each script.	Primary		Secondary
User Acceptance Test Scripts and Results	User Acceptance test scripts define the test cases that will be run to validate the integrated functionality of SB156, and assess go-live readiness. Results reporting shows the pass/fail status of each script.	Primary		
Training Materials and End-User Training	Training materials include any new materials and updates to existing materials to prepare Treasury staff to operate the system, including end user procedures, training course slides, course exercises, and training environments.	Primary		

2.7 Staffing Model

The following table describes the planned staffing model. It includes only the core staff required for the SB156 implementation. Additional staff from the State and the Project Control Office will be required to review Deliverables, provide subject matter expertise, manage and conduct testing, manage and conduct training and change management, and manage the SB156 project within the wider DTMB and Treasury enterprise project portfolio.

Role	Team	Number	Resource Source
Engagement Director	Project management	1	Deloitte Consulting
Project Manager	Project management	1	Deloitte Consulting
Solution Architect	Project management	1	Deloitte Consulting
BRF Lead	Technical	1	Deloitte Consulting
Development Lead	Technical	1	Deloitte Consulting
Functional Lead (PSCD)	Functional	2	Deloitte Consulting
Development/BRF Team	Technical	4	Deloitte Consulting
Production Support	Technical	1	Deloitte Consulting

Deloitte Consulting and the State during the term of this Change Notice agree to maintain a Steering Committee to provide executive oversight and guidance to the members of the Implementation Team. The Steering Committee will be composed of senior management from the State, Deloitte Consulting, and SAP, along with PCO representatives. The Steering Committee will meet in person at least every quarter or as frequently as mutually agreed, and will discuss topics such as the following:

j) Overall management and oversight of the Services described in this Change Notice and any subsequent Change Notices.
k) Change Notices requiring additional funding.
l) Issues escalated to the Steering Committee, providing agreed-upon direction to the Implementation Team.

The State will also appoint one individual designated as the State Key Contact, and Deloitte Consulting will appoint one individual designated as the Deloitte Consulting Engagement Director and another designated as the Deloitte Consulting Project Manager. The State will also staff and maintain a PCO. These individuals will be responsible for the performance of the following tasks:

The Deloitte Consulting Engagement Director will:

p) Have prime responsibility and final authority for the execution and delivery of Deloitte Consulting responsibilities under this Change Notice.
q) Provide guidance to the State Key Contact and Deloitte Consulting Project Manager relative to design, support, budget, and contract management.
r) Escalate issues, change requests, and risks when necessary.
s) Work with the State Key Contact and Deloitte Consulting Project Manager to review support procedures and documentation standards, and approve Change Notices on behalf of Deloitte Consulting.
t) Participate in Steering Committee meetings as needed.

The Deloitte Consulting Project Manager will:

l) Manage the day-to-day delivery of Services, including managing work done by functional and technical resources.
m) Conduct weekly status meetings with the State Key Contact to review project status and issues.
n) Resolve issues and escalate issues as appropriate.
o) Participate in Steering Committee Meetings as needed.

The State Key Contact will:

w) Act as a single point of contact in the execution and delivery of the Services and responsibilities under this Change Notice.
x) Enforce agreed-upon processes and related controls among the State Implementation Team members.
y) Ensure clear and open lines of communication exist between the State and Deloitte Consulting Implementation Team members.
z) Assist the Deloitte Consulting Project Manager in the day-to-day management of the project and resolution of issues.
aa) Approve Service Changes as needed.
bb) Participate in Steering Committee meetings as needed.
cc) Provide prompt notification to Deloitte Consulting of any issues, concerns or disputes with respect to the Services provided.

The PCO will, at minimum:

g) Maintain and monitor the project workplan as provided by Deloitte Consulting.
h) Provide project management reporting as needed.
i) Coordinate Steering Committee communications, meetings, and reporting.

2.8 Deloitte Consulting Key Resources

The following individuals are considered Key Personnel from the beginning of the Services provided under this Change Notice to the Go-Live Date for SB156, as defined in section 4.0 of this Change Notice:

- Project Manager–Louis Panebianco
- Solution Architect–Vamshi Putta
- Development Lead–Rakesh Dahagam
- BRF Lead–Mohit Mantri
- Functional Lead-Ahmed Habeeb

It is acknowledged that unauthorized removal of Key Personnel will interfere with the timely and proper completion of the Services, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result of any unauthorized removal. Therefore, Deloitte Consulting and the State agree that in the case of any unauthorized removal, the State may assess liquidated damages against Deloitte Consulting.

For the unauthorized removal of any of the Key Personnel listed above, the liquidated damages amount is $25,000.00 per individual if Deloitte Consulting identifies a replacement approved by the State, which approval shall not be unreasonably withheld, and assigns the replacement to the Project to work with the Key Personnel who is leaving for a Transition Period of at least 30 calendar days before the Key Personnel's removal. It is understood that consultants may have valid reasons for leaving the project outside the control of Deloitte Consulting, including termination of their employment, serious illness, or other leaves of absence, and replacement of Key Personnel for such reasons shall not be considered an unauthorized removal.

If Deloitte Consulting fails to assign a replacement to work with the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 liquidated damages for an unauthorized removal, Deloitte Consulting must pay the amount of $833.33 per day for each day of the 30-day period that the replacement does not work with the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per unauthorized removal and failure to provide 30 days of transition must not exceed $50,000.00 per individual.

In cases of authorized removal of resources, Deloitte Consulting will use diligent efforts to propose suitable replacement personnel. Where possible, replacement staff will overlap their role with their predecessor to ease knowledge transfer.

2.9 Business Requirements

The high-level business requirements that describe the functionality that will be implemented as part of the SB156 project are included in Appendix 1.

3.0 Fees and Expenses

3.1 Fee Schedule

Deloitte Consulting will perform the Services described in this Change Notice on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $989,704, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following payment schedule:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	Functional Specifications Developed	$215,161	3/27/2015
2	Technical Specifications Developed	$215,161	3/30/2015

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
3	Configuration and Development Objects Ready for Movement to QA Environment	$215,161	4/29/2015
4	Configuration and Development Objects Ready for Movement to Production Environment	$215,161	6/18/2015
5	Production Support Services (to be paid in 3 monthly installments)	$129,060 ($43,020 each)	Beginning 7/20/2015 through 9/20/2015
	Total	**$989,704**	

The State will conduct a user acceptance test of the SB156 Configuration and Development Objects in the Quality Assurance environment in accordance with the SB156 Project Workplan before approving such Configuration and Development Objects as ready for movement. Unless otherwise mutually agreed, the criteria for approval shall be:

- All user acceptance test scripts have been executed
- All high-severity defects identified during user acceptance testing have been reclassified as lower-severity defects or resolved. Severity levels will be as defined in Section 2.7.4 of Change Notice #7 to the Agreement.

3.2 Hourly Rates for Additional Services

From time to time the State may request additional changes to these Services. Any additional Services will be processed as described in Section 11.0 of Change Notice #7 to the Agreement, and payment will be based on an hourly rate basis and invoiced monthly in accordance with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Any changes to the Services that require work to be performed after the dates listed in the column headings below will be based on hourly rates to be established in a separate Change Notice to the Agreement. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	**Hourly Rate (through December 31, 2015)**
Account Manager	$345
Project Manager	$318
Solution Architect	$296
Senior PS-CD Specialist	$296
PS-CD Specialist	$239
Senior BRF Specialist	$239
BRF Specialist	$188
Senior Developer	$239
Developer	$188

3.3 Deliverable Acceptance

Deliverable acceptance timeframes will be in accordance with Section 2.015 of the Agreement, with the following exceptions:

Deliverable	Initial Review	Deloitte Response	Final Review

Deliverable	Initial Review	Deloitte Response	Final Review
Configuration Item	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

3.4 Change Management

Change Management will be conducted in accordance with section 11.0 of Change Notice #7 to the Agreement.

4.0 Warranty

Deloitte Consulting will not provide any warranty for the Services provided in this Change Notice.

5.0 General Provisions

5.1 Schedule and Project Management

- This project will observe the following holidays. State employees will observe all applicable State holidays.

  ll. Memorial Day – Monday, May 25, 2015

  mm. Independence Day – Friday, July 3, 2015

  nn. Labor Day – Monday, September 7, 2015

- The project schedule calendar has blocked out the weeks of April 6, 2015 and June 29, 2015 with no new tasks planned to start or finish during this time.
  - The project will start on or about March 2, 2015.
  - Deloitte Consulting staff typically performs the Services on-site Monday through Thursday and work remotely on Friday.
  - Any delays caused by any activity not a part of this Change Notice will result in a Service Change for any extended staff.

5.2 Project Staffing

- State resources will be available on a timely basis to review and approve project Deliverables.
- The State will take primary responsibility for the following areas:
  - Legacy interface development
  - Role-to-position mapping for new SAP users
  - External communications and change management, including stakeholder management
  - Management of communications and timely scheduling with external parties for all stages of testing
  - Integration test
  - User acceptance test

- Performance test
- Go-live planning
- All aspects of end user training including curriculum development and training schedules, business process procedures/end user procedures, course materials, and instruction
- Production support
- Completion of all internal State approval processes

5.3 Solution and Approach

- Updates to existing functional specification documents will be limited to content impacted by SB156. The base document will not be updated to address existing errors that are not directly associated with SB156 content.
- The PCO will coordinate the functional specification review and approval process. If multiple approvers have been identified for a given functional specification, comments will be held by the PCO until all approvers have responded.
- Functional specification and configuration documents will identify transaction codes being utilized to support business processes.
- Updates to the current MIITAS Blueprint document are not in scope for this project, except where aspects of the Blueprint are directly modified as a result of SB156.
- The State will be responsible for management and execution of integration, acceptance, and performance testing. Testing will be performed within the timeframes listed in the project plan and will be tracked using HP Quality Center software to be provided by the State.

5.4 Security and Controls

- The State will be responsible for all aspects of system security and control including transaction security design, and security configuration, development, testing, and implementation.

5.5 Technology and Infrastructure

- SAP software licenses and all hardware required for the SB156 project will be provided by the State. The implementation will utilize SAP ECC 6.0 Enhancement Pack 5.
- The State will be responsible for all system infrastructure planning, procurement, installation and configuration, testing, implementation, maintenance, and support (commonly known as SAP Basis services). This responsibility will cover all SAP instances including SAP ECC and SAP BI. Any material delays caused by a disruption in the system landscape will result in a Service Change for any extended Deloitte Consulting Implementation Team members.
- The QA hardware will be used for Disaster Recovery. The State will be responsible for Back-Up and Disaster Recovery.
- The Deloitte Online Collaboration System (eRoom) will be used to store in-process documents and Deliverables. As documents and Deliverables are approved during the project, they will be moved to Serena. Deloitte Consulting will be responsible for the administration of the eRoom.

- The State will be responsible for application of SAP Notes.

5.6 Data

- The State will be responsible for data cleansing for conversions.

6.0 Other

The parties agree that this Change Notice shall be excluded from Section 2.306 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything to the contrary in Section 2.306 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice, regardless of the form of action, shall be limited to $989,704 or professional fees paid under this Change Notice whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice.

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

7.0 Acceptance

Accepted by:

State of Michigan

_____
Signature

_____
Name

_____
Title

_____
Signature

_____
Name

_____
Title

Accepted by:

Deloitte Consulting LLP

_____
Signature

Mark Seidenfeld.
Name

Director
Title

Appendix 1—Functional Requirements

Requirement Number	Requirement Description
1	The system shall pay out refunds over six years for amended returns filed for the reasons outlined below on tax years 2010 to 2014 inclusive and filed between January 1, 2015 and December 31, 2015. a. CODI or Gross Receipts after subtracting CODI. b. Adjustment to ITC (as supported by the schedule in item 2 below). c. Adjustment to Ren Zone credit.
2	The system shall identify three triggers, one for each of the above reasons.
3	The system shall allow amended returns to be filed between January 1, 2015 and December 31, 2015 taking into account grace periods as they currently exist in MBT.
4	The system shall trigger refunds for Ren Zone credits based on changes to line 24 of form 4595.
5	The system shall trigger refunds for Adjustment to ITC based on changes to line 16 of form 4570 and changes for Cancellation of Debt Income (CODI) or Gross Receipts after subtracting CODI will be identified based on a reduction to line 12 on form 4567 and no changes to business income line 28 of form 4567 or any changes to sales in line 11 a or b form 4567.
6	The system shall pay the refund in six equal annual payments beginning January 2016 and ending January 2021.
7	The system shall require any overpayment be taken as a refund and is not available as a credit forward.

Requirement Number	Requirement Description
8	The system shall apply a refund first to existing MBT debt and any refund excess of the debt will be paid out in equal installments over a six year period beginning January 2016 and ending January 2021.
9	When a taxpayer has an assessment on original return being amended from such things as filing a return without payment that was modified for one of the three reasons above, the system shall correct the return and if there was any excess refund it will be paid out in equal installments over a six year period beginning January 2016 and ending January 2021.
10	If the taxpayer subsequently amended the return and increased the overpayment the system shall pay out the balance of the refund in equal installments over a six year period beginning January 2016 and ending January 2021.
11	If for some reason the taxpayer subsequently amended the return and decreased the remaining balance of the refund the system shall pay refunds to the taxpayer in equal installments over a six year period beginning January 2016 and ending January 2021.
12	If the taxpayer combines a SB 156 refund with any other refunds on an amended return, the system shall pay refund from the amended return to the taxpayer in equal installments over a six year period beginning 2016 and ending January 2021.
13	The system shall load and process an updated amended return form in a format as prescribed by the Department.
14	The system shall calculate interest in accordance with the Revenue Act as is currently being done for MBT returns.
15	The system shall calculate interest through the date the payment is made for example on a return paid out over six years you would have six different interest amounts, one for each payment.

No.	Object	Complexity
1	Eligibility Check for SB156	High
2	WebDynpro Checkbox	Low
3	Refund Generation Program	Complex
4	Refund Generation Table	Low
5	Change in BRF rules - All Lead forms (Refund Postings)	Complex
6	Billing Action Changes	High
7	Clearing Rules (New Main/Sub -Total Credit)	Medium
8	Reopen Updates	Medium
9	Workflow Changes	Medium

SB156 v6

ID	Task Name	Duration	Start	Finish	Predecessors
1	**SB156 - DeloittePlan - Worksheet v6**	**1260 hrs**	**Mon 3/2/15**	**Fri 9/18/15**	
2	Project Planning	135 hrs	Mon 3/2/15	Fri 3/20/15	
3	**Blueprint**	**175 hrs**	**Mon 3/2/15**	**Fri 3/27/15**	
4	**Functional Spec Development**	**175 hrs**	**Mon 3/2/15**	**Fri 3/27/15**	
5	**B-Eligibility Check for SB156 (FS)**	**47 hrs**	**Mon 3/2/15**	**Mon 3/9/15**	
10	**Refund Generation Program**	**137 hrs**	**Wed 3/4/15**	**Wed 3/25/15**	
15	**Change in BRF rules - All Lead forms**	**88 hrs**	**Fri 3/13/15**	**Fri 3/27/15**	
20	**Billing Action Changes**	**102 hrs**	**Tue 3/10/15**	**Wed 3/25/15**	
25	**Reopen Updates**	**30 hrs**	**Fri 3/6/15**	**Wed 3/11/15**	
30	**Workflow Changes**	**27 hrs**	**Mon 3/9/15**	**Thu 3/12/15**	
35	MILESTONE-Functional Specifications Developed	0 hrs	Fri 3/27/15	Fri 3/27/15	
36	**Technical Design**	**178 hrs**	**Mon 3/9/15**	**Fri 4/10/15**	
37	Eligibility Check for SB156	9 hrs	Mon 3/9/15	Tue 3/10/15	5
38	Refund Generation Program	45 hrs	Wed 3/25/15	Fri 4/10/15	10
39	Change in BRF rules - All Lead forms	18 hrs	Fri 3/27/15	Wed 4/8/15	15
40	Billing Action Changes	9 hrs	Thu 3/26/15	Thu 3/26/15	20
41	Reopen Updates	4 hrs	Thu 3/12/15	Thu 3/12/15	25
42	Workflow Changes	4 hrs	Mon 3/16/15	Mon 3/16/15	30
43	MILESTONE-Technical Specifications Developed	0 hrs	Fri 4/10/15	Fri 4/10/15	
44	**Construction**	**198 hrs**	**Mon 3/16/15**	**Tue 4/21/15**	
45	Eligibility Check for SB156	36 hrs	Mon 3/16/15	Thu 3/19/15	37
46	WebDynpro Checkbox	18 hrs	Fri 4/10/15	Tue 4/14/15	38
47	Refund Generation Program	63 hrs	Fri 4/10/15	Tue 4/21/15	38
48	Refund Generation Table	18 hrs	Mon 4/6/15	Tue 4/7/15	46
49	Change in BRF rules - All Lead forms	135 hrs	Mon 3/23/15	Fri 4/17/15	47
50	Billing Action Changes	18 hrs	Mon 4/6/15	Tue 4/7/15	49
51	Clearing Rules (New Main/Sub -Total Credit)	27 hrs	Mon 3/16/15	Thu 3/19/15	37
52	Reopen Updates	18 hrs	Mon 4/6/15	Tue 4/14/15	48
53	Workflow Changes	18 hrs	Wed 4/15/15	Thu 4/16/15	52

SB156 v6

ID	Task Name	Duration	Start	Finish	Predecessors
54	**Unit Test**	**201 hrs**	**Thu 3/19/15**	**Mon 4/27/15**	
55	Eligibility Check for SB156	18 hrs	Fri 4/17/15	Mon 4/20/15	53
56	Refund Generation Program	27 hrs	Tue 4/21/15	Thu 4/23/15	55
57	Change in BRF rules - All Lead forms	45 hrs	Wed 4/8/15	Fri 4/17/15	
58	Billing Action Changes	81 hrs	Mon 4/13/15	Fri 4/24/15	57
59	Clearing Rules (New Main/Sub -Total Credit)	18 hrs	Thu 3/19/15	Mon 3/23/15	51
60	Reopen Updates	9 hrs	Fri 4/24/15	Fri 4/24/15	56
61	Workflow Changes	9 hrs	Mon 4/27/15	Mon 4/27/15	60
62	**String Test**	**45 hrs**	**Tue 4/28/15**	**Mon 5/4/15**	
63	Execute String Test	45 hrs	Tue 4/28/15	Mon 5/4/15	54
64	MILESTONE-Ready for Movement to QA Environment	0 hrs	Mon 5/4/15	Mon 5/4/15	
65	**Integration Test**	**234 hrs**	**Mon 5/4/15**	**Mon 6/8/15**	
66	**Integration Test - Cycle 1**	**135 hrs**	**Mon 5/4/15**	**Fri 5/22/15**	
67	Integration Test - Cycle 1 Set-Up	45 hrs	Mon 5/4/15	Fri 5/8/15	63
68	Integration Test - Cycle 1 Execution	90 hrs	Mon 5/11/15	Fri 5/22/15	67
69	Integration Test - Cycle 1 Defect Resolution	90 hrs	Mon 5/11/15	Fri 5/22/15	67
70	Integration Test - Cycle 1 Exit Approval	0 hrs	Fri 5/22/15	Fri 5/22/15	68
71	**Integration Test - Cycle 2**	**99 hrs**	**Mon 5/25/15**	**Mon 6/8/15**	
72	Integration Test - Cycle 2 Set-Up	9 hrs	Mon 5/25/15	Mon 5/25/15	70
73	Integration Test - Cycle 2 Execution	90 hrs	Tue 5/26/15	Mon 6/8/15	72
74	Integration Test - Cycle 2 Defect Resolution	90 hrs	Tue 5/26/15	Mon 6/8/15	72
75	Integration Test - Cycle 2 Exit Approval	0 hrs	Mon 6/8/15	Mon 6/8/15	73
76	Integration Test Exit Approval	0 hrs	Mon 6/8/15	Mon 6/8/15	75
77	**User Acceptance Test**	**135 hrs**	**Tue 6/9/15**	**Mon 6/29/15**	
78	User Acceptance Test Set-Up	45 hrs	Tue 6/9/15	Mon 6/15/15	76
79	User Acceptance Test Execution	90 hrs	Tue 6/16/15	Mon 6/29/15	78
80	User Acceptance Test Defect Resolution	90 hrs	Tue 6/16/15	Mon 6/29/15	78
81	User Acceptance Test Exit Approval	0 hrs	Mon 6/29/15	Mon 6/29/15	79
82	User Acceptance Test Exit Approval	0 hrs	Mon 6/29/15	Mon 6/29/15	81

SB156 v6

ID	Task Name	Duration	Start	Finish	Predecessors
83	MILESTONE-Ready for Movement to Production Environment	0 hrs	Mon 6/29/15	Mon 6/29/15	
84	Go-Live	0 hrs	Mon 6/29/15	Mon 6/29/15	82
85	Production Support	540 hrs	Mon 6/29/15	Fri 9/18/15	

Form No. DTMB-3521 (Rev. 2/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 13

to

CONTRACT NO. 071B8200018

Between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
333 Bridge St, NW, Suite 700	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
Grand Rapids. MI 49504	415-783-6791	4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	John Karlik	(517) 335-4062	KarlikJ@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	(517) 284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: : **MBT/MIITAS**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 15, 2007	December 31, 2010	2 one year	**December 31, 2018**

PAYMENT TERMS	F.O.B.	SHIPPED TO
N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$62,671,849.00	$4,137,993.00	$66,809,842.00

DESCRIPTION:
Effective April 16, 2015, this contract is amended to use $138,492.00 existing funds and add $4,137,993 and the services in the attached $4,276,485.00 statement of work for the CITA Release 1 (Detroit Individual Income Tax Processing).
All other pricing, terms and conditions remain the same. Per contractor and agency agreement, and DTMB Procurement approval.
Approved Ad Board Contract Value: $76,890,010.00

1.0 Business Terms and Conditions

This Change Notice, effective February 2, 2015, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. For the purposes of this Change Notice, the term "Parties" means the State and Deloitte Consulting. Where conflicts arise, this Change Notice shall govern.

The SAP software platform will provide the framework for the Michigan Integrated Tax Processing and Administration System (MIITAS) to which all mainframe Tax and Revenue systems will transition in future projects. This Change Notice defines the Services that Deloitte Consulting will provide related to MIITAS City Income Tax Act Release 1 – Detroit Individual Income Tax Processing ("CITA Release 1" or "Project"). CITA Release 1 is the first release of the overall MIITAS CITA Phase that will eventually also include business income tax with a design that will allow for future use by other cities beyond Detroit. As described in Article 1, Section 1.001 of the Agreement, the State elects to exercise its option to obtain a statement of work (SOW) for optional MIITAS Services.

2.0 Statement of Work

2.1 Project Background

The State has begun its process of moving all of its end-of-life core tax and revenue functions from its existing legacy systems to the new SAP software platform. The first MIITAS phase implemented the SAP software platform for the new Michigan Business Tax (MBT). Subsequently Corporate Income Tax (CIT) and Flow-through Withholding (FTW) have been implemented, as have Business Tax Registration and Sales, Use and Withholding Tax (SUW). This Change Notice defines the first release of a multiple-release implementation of the CITA project, enabling Michigan to process individual income tax returns for the City of Detroit.

Currently, Detroit individual income tax is administered by the City of Detroit. CITA Release 1 will implement tax year 2015 individual income tax for the City of Detroit with a design that can be extended to allow for future use by other cities. The State will establish new policies, procedures, and organizational units to process Detroit income taxes.

Processing of individual city tax forms will begin in January 2016 for the tax year 2015. Paper individual city tax returns filed with or without a Michigan income tax return will be sent to the bank for imaging and data capture. The bank will image the return and split the State and City returns before sending the image and City return to the state. The Michigan file will be processed in the legacy system while the City return, in a Remit 1 (R1) format, will be processed in SAP.

Electronic individual city income tax forms will be received using the same channel as the Michigan Individual Income Tax electronically filed returns. The files will be split by Michigan Treasury when they arrive. Michigan Treasury will issue a combined acknowledgement through MeF for both Michigan and City returns when submitted as a combined return.

A set of business rules will be applied to the return to determine the tax liability. The focus will be on automatic corrections needing no human interaction. Rules will be uniform across cities, but will be configurable to accommodate each city's tax rate and exemption amount. The completed processing of a tax return will result in acceptance as filed, an adjustment, or a request

for additional information. Refund warrant requests will be generated by the SAP system and sent to the State's accounting system. Where adjustments have been made, a letter will accompany the refund.

Where appropriate, the tax due amount will be subject to an appeals process that will be implemented with standard MIITAS functionality. After all appeals have expired, the amount due on a final assessment will be passed to a third party collection agency to perform any additional collection activity.

2.2 Project Methodology and Approach

2.2.1 Integration

The CITA Release 1 implementation will bring four distinct organizations together to coordinate project and quality management. As part of the project planning process, a comprehensive plan will be developed to help align the objectives and outputs from each organization. Below is a partial list of responsibilities for Treasury/DTMB, Deloitte Consulting, Dewpoint/Project Control Office (PCO), and SAP:

2.2.1.1 Treasury/DTMB

These State departments will be the users and the owner of the CITA Release 1 system. Together, they will be responsible for validating requirements and approaches, approving deliverables, and assisting with the implementation as described in the Agreement, including development of system forms and development objects. Treasury/DTMB will also have responsibility for creating integration and user acceptance test scripts, executing these scripts and recording the results.

2.2.1.2 Dewpoint/PCO

The PCO will retain responsibility for overall program management and alignment of CITA Release 1 with other agency initiatives. While Deloitte Consulting will have responsibility for initial planning and updates to the CITA Release 1 workplan for tasks under the Deloitte Consulting scope, the PCO will own the master plan and report progress against objectives.

2.2.1.3 Deloitte Consulting

Deloitte Consulting will be responsible for the implementation of CITA Release 1 functionality within the scope defined in this Statement of Work, and the creation of the specified deliverables. Responsibility includes management of the planned CITA Release 1 tasks.

2.2.1.4 SAP

SAP will assist in assessing the quality of functional and technical designs and provide guidance during Blueprinting and Realization. Specific areas of involvement, as specified in more detail in SAP's contract and Statement of Work with the State, will include:

- Review of business process documentation
- Review of functional specifications and Blueprint narrative
- Review of technical specifications
- Review of high-level design

The final duties and responsibilities of SAP will be defined in a separate agreement directly between SAP and the State.

2.2.2 Methodology

Deloitte Consulting will continue to leverage tools and approaches from our Enterprise Value Delivery for SAP methodology (EVD). Deloitte will use standards defined in EVD in planning, estimating and scheduling tasks to implement the scope defined in this Change Notice.

The detailed project schedule, phases, gateways, and project milestones will be defined in collaboration with the State and the PCO. The PCO will monitor and control the project.

The EVD method consists of the EVD phases described below. The Parties' roles and responsibilities with respect to the deliverables covered by this Change Notice are described in Section 2.6 of this Change Notice.

2.2.2.1 Phase 1 - Project Preparation

Project Preparation is the Project's start-up phase, during which the Parties will plan and prepare for subsequent phases of the Project. Project Preparation activities include assisting the Project Control Office in the development of a project charter, project and quality management processes, and work plan. During this phase, the Parties establish the Project organization structure and assign resources.

2.2.2.2 Phase 2 - Blueprint

During the Blueprint phase, the Parties establish a common understanding of how SAP will be used at the State for CITA Release 1. Workshops are conducted to design business processes and business roles. Fit/gap analysis is performed in order to determine options for gap resolution. Configuration design and functional specifications are documented. Traceability documentation is established.

2.2.2.3 Phase 3a - Realization - Build

The Realization - Build phase focuses on SAP configuration and documentation, security role configuration, technical specifications, and software development. Report and form layouts are created. The State will develop end user training materials and configure security roles, including role-to-position mapping. Go-live plans are developed. Unit and string testing are conducted.

2.2.2.4 Phase 3b - Realization - Test

The Realization - Test phase focuses on various types of testing to confirm that the business and technical requirements have been addressed. This consists of developing test cases and conducting testing and defect resolution. Test types in this phase may include integration, user acceptance, regression, performance, stress, and batch schedule testing, and go-live dress rehearsal. During this phase, end user training schedules are finalized and go/no-go criteria is defined. Deloitte Consulting will only have responsibility for managing and executing unit testing and string testing. The State will have responsibility for managing and executing any additional testing, such as integration testing, end user acceptance testing, and performance testing, including test case development and any required training for testers. During any such integration testing, end user acceptance testing, and performance testing, Deloitte Consulting will have responsibility for addressing defects related to its design, configuration, and development work.

The table below includes the scope of testing to be performed during the Project, some of which may occur sequentially. Responsibilities are as described above.

Test type	# of cycles	# of weeks per cycle	Data/Comments
Unit	N/A	N/A	Mock
String	1	2	Mock
Integration	4	2	Bank test data
User Acceptance Testing	1	2	Bank test data

2.2.2.5 Phase 4 - Final Preparation

During the Final Preparation phase, the production SAP system and end users are prepared for go-live. This consists of end user training, go-live execution, and mobilization of the production support organization and procedures. The go-live is executed, which includes loading data into the production systems, confirming that the data is loaded, managing transports, validating traceability documentation completeness, and creating end user system access.

2.2.2.6 Phase 5 - Go Live & Support

The Go-live and Support phase is the transition from the readiness activities of a pre-production environment to conducting business operations in the production system. Production support is provided, system transactions are monitored, support is transitioned to the production support organization, and the Project is closed.

2.2.3 Documentation Management

Serena will continue to be the primary formal document repository for the project. Approved deliverables, including functional and technical specifications will be stored in Serena and accessed through authorized State personnel. Deloitte Consulting will also supplement Serena with Deloitte Consulting's eRoom to store in-process documents and deliverables. The eRoom, which can also be accessed by non-Deloitte Consulting project team members, provides version control and workflow management. Data in the eRoom will be limited to design documents only – no taxpayer data will be stored. At the conclusion of the project, all documents in the eRoom will be provided in soft copy to the State for record-keeping purposes, and information in the eRoom will be permanently removed. Deloitte Consulting will be entitled to maintain copies for archive purposes. Deloitte will coordinate with designated security administrators within DTMB to manage user access to the eRoom.

To store business process information, Deloitte Consulting will build on the existing MBT/CIT/FTW/Registration Industry Print. Industry Print is a Deloitte business process modeling tool and has been used as the basis for maintaining traceability from requirements to process model to functional and technical designs and testing.

2.2.4 Quality Management

The project team will create all CITA Release 1 documentation, including specifications and design documents according to updated and agreed-upon document templates. Applying standard templates will help to create consistency across deliverables.

While templates standardize deliverable creation, checklists act as a standardized tool used during the deliverable quality review process. These checklists help to maintain a consistent level of review across reviewers. Checklists will be coordinated with SAP, who will be acting in a Quality Review capacity throughout the project.

A repository of checklists will be maintained in the project eRoom.

2.2.5 Software Reviews

Software reviews are a quality aspect of the software engineering process. Deloitte Consulting will conduct software reviews at various points during the development process to help identify any defects. The software reviews will help to:

- Identify needed improvements in the product of a single person or team
- Confirm those parts of the solution in which improvement is not necessary
- Achieve technical work of more uniform quality than can be achieved without reviews, to make technical work more manageable

Software review sessions will be conducted by a combination of senior Deloitte Consulting staff, DTMB staff, and SAP and will be focused in the most complex areas of the solution. Each review session will include a code walkthrough and follow an established checklist to maintain consistency through the reviews. In addition, the Deloitte Consulting Project Manager will conduct reviews of checklists and other process artifacts to provide additional validation that defined processes are being maintained.

2.2.6 Workplan Management

Deloitte Consulting will manage the activities necessary for the implementation of the proposed solution using MS Project as the primary tool. MS Project allows for the management of task dependencies, and resources assigned to those tasks. It also facilitates the definition of the critical path, which assists the project management team in prioritizing the activities that, if delayed, may impact the timeline or resources for the project, and adjustments to the schedule can then be evaluated and alternatives considered for addressing those constraints.

Once the initial schedule has been baselined, the PCO will integrate the tasks into their overall program management structure. Individuals will record their time against tasks in the plan, and the PCO will maintain weekly Earned Value reporting to show project progress. This reporting will allow for comparison of actual task completion dates against the plan so that any predicted slippage can be managed.

The PCO will coordinate weekly project review meetings to review the project status jointly with the project management team, identifying project tasks coming due in the short term, project tasks completed since the last review, and tasks underway. As progress is compared to the baseline plan, Deloitte Consulting will identify any potential problem areas or opportunities to accelerate the schedule, and will work with the State’s project manager to resolve issues that may arise. Additionally as each methodology phase of the project is completed the schedule will be reviewed and updated to reflect any necessary time or resource updates required based on the details uncovered during the previous phase.

2.3 Scope of Services

Deloitte Consulting will assist in the design; development; unit testing; string testing; and integration, user acceptance, and performance testing defect resolution (the "Services") for the CITA Release 1 Project. For CITA Release 1, Deloitte Consulting will also provide production support and a 12-week warranty as described in section 4.0 of this Change Notice. Production support for previously implemented functionality, training and training development, security and controls design and development, and change management are specifically excluded from this Change Notice and will be the responsibility of the State. Updates to Siebel, STAR and any other legacy applications are also out of scope for Deloitte.

For the Development and Configuration Scope listed in section 2.3.1 of this Change Notice, Deloitte Consulting will be responsible for the following changes and updates to MIITAS and related documentation, including:

- Functional specification creation or updates
- Technical specification creation or updates
- Configuration documentation updates, if relevant
- System configuration, if relevant
- Programming
- Unit testing
- String testing
- Testing defect resolution
- Production support and warranty for 12 weeks from the go-live date.

2.3.1 Development and Configuration Scope

The following configuration and development objects are planned to meet the functional requirements included in Appendix 1.

2.3.1.1 Forms (BRF)

RICEFW ID	Description
B7101	BRF General Rule across forms
B7102	5118 - City Resident Income Tax Return
B7103	5119 - City Non-Resident Income Tax Return
B7104	5120 - City Part Year Resident Income Tax Return
B7105	P&I Calculations
B7106	Schedule -W (Table Form)
B7107	Non Obligated Spouse form
B7108	BRF Functions
B7109	Billing Actions
B7110	Out of Statute Rules
B7111	Stipulated Agreement Rules
B7113	Application for Michigan Net Operating Loss Refund

2.3.1.2 Reports and Correspondence

RICEFW ID	Description
FRM 1050	TBOR PDF Letter
FRM 1051	Additional Information Letter
FRM 1052	Small Balance Adjustment Letter
FRM 1053	Notice of Intent to Assess
FRM 1054	Notice of Intent to Final
FRM 1055	Corrected Notice of Final Assessment
FRM 1056	Notice of Adjustment to Refund or Credit(offset for Debts)
FRM 1057	Non-obligated Spouse Notice
FRM 1058	Notice of Proposed Tax due
FRM 1059	Notice of Bad Check
FRM 1060	e-File Images
FRM 1061	TCB Explanation Letter
FRM 1062	Pre-Processing Letter
R2050	Report for Extensions Approved/Rejected
R2051	Report of Intent to Assess
R2052	Assessment Report by Project Code
R2053	DW Statistics
TAM RPT 25	Refunds Paid
TAM RPT 26	Refunds in Approval Queue
TAM RPT 27	Refunds Pending Processing
TAM RPT 28	Year-end Receivables
TAM RPT 29	Pending Debts
TAM RPT 37	Refund Revenue
TAM RPT 38	Revenue Reporting
BI Payment Extractor	BI Payment Extractor
BI Return Extractor	BI Return Extractor
BW 2051	BW 2051
BW 2052	BW 2052
BW 2053	BW 2053
BW 2054	BW 2054
BW Credit Forward	BW Credit Forward
BW Exception Report	BW Exception Report
BW Holds on Account Report	BW Holds on Account Report
BW Production Proficiency Report	BW Production Proficiency Report
BW Return Backlog Report	BW Return Backlog Report
BW Return Counts	BW Return Counts
BW Return Staff Analysis Report	BW Return Staff Analysis Report
BW Return Status Report	BW Return Status Report
BW Returns Backlog Report	BW Returns Backlog Report

2.3.1.3 Interfaces

RICEFW ID	Description
INT 10	FileNet
INT 12	Data warehouse
INT 13	Siebel Outbound Web service
INT 13A	Siebel Inbound Web service
INT 2	Siebel Registration Outbound
INT 3050	Quarterly Estimates File to Print Vendor
INT 3051	Deceased Taxpayers load to SAP
INT 3052	Load Outstanding Debts file
INT 3053	Incarcerated Taxpayers load to SAP
INT 3054	Debt file to Third-party vendor
INT 3055	UIA Taxpayers Load to SAP
INT 3056	Renaissance Zones load to SAP
INT 3057	Non-itemizer load to SAP
INT 4D	Paper Return Load
INT 4D - TCB	TCB Return Load
INT 7A	e-File Return Load
INT 4P	Payment Load
INT 5A	Warrant Feedback
INT 5B	Payments to MAIN
INT 5C	Outbound Warrants

2.3.1.4 Configuration

RICEFW ID	Description
Configuration - Account	Master Data Configuration
Configuration - Clearing	Clearing Configuration
Configuration - GL	GL Configuration

2.3.1.5 Conversion

RICEFW ID	Description
C4050	Convert Master Data
C4051	Convert Estimate Payments

2.3.1.6 Workflow

RICEFW ID	Description
WRF 001	Refund Workflow
WRF 6050	Write-Off Workflow

2.3.1.7 Enhancements

RICEFW ID	Description
ENH 155	UWL
ENH 156	Merge
ENH 158	Reopen
ENH 226	Stop Action Extension
ENH 254	Discovery load to Stop Action table
ENH 5050	Maintain Profile table
ENH 5051	Release Stop Action
ENH 5052	TBOR Enhancement
ENH 5053	Automatic Refund from Overpayment of Assessment
ENH 5054	Collection Process Enhancement
ENH 5055	1099G Enhancement
ENH 5056	All Webdynpro Forms
ENH 5057	Garnishment Debts
ZPIRECLASS	P&I Reclassification

2.3.2 Security Scope

The State will be responsible for all development and maintenance of security for the MIITAS system at both a hardware and software level. Deloitte Consulting will provide information on any new transactions to the State security team so that each transaction can be added to appropriate roles or new roles as necessary. Transactions and roles as well as any unique security requirements will be documented in the relevant Functional Specifications.

2.3.3 Technical Scope

The State will be responsible for the technical infrastructure, design, implementation, maintenance, and support for the CITA Release 1 project. All hardware, software licensing, and network connectivity and bandwidth will be responsibility of the State.

2.3.4 End User Training Scope

All training material development and training delivery will be the responsibility of the State.

2.4 High Level Timeline

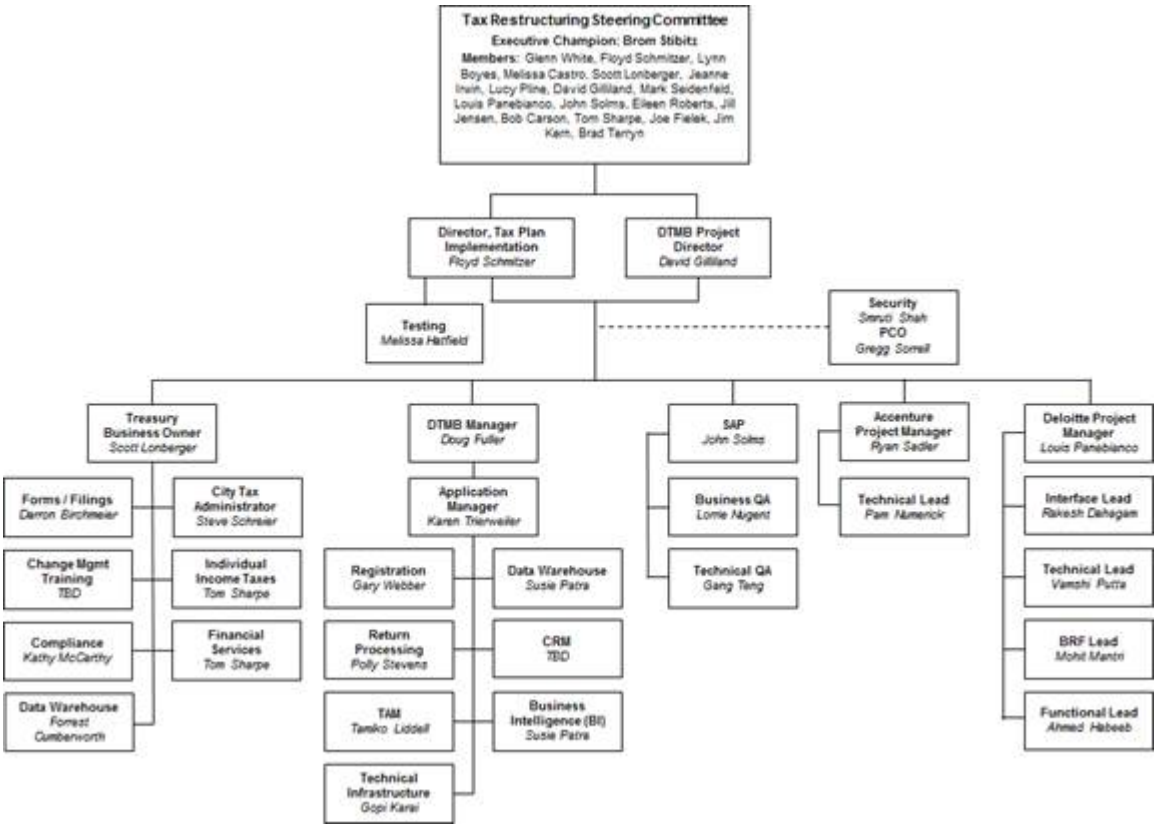
The planned timeline for the CITA Release 1 project will begin on or about February 2, 2015 with a planned go-live on January 4, 2016. The project will be shut down for one week during November and for two weeks during December and January for the holidays. Below are the planned dates for major activities to be completed by the Parties:

CITA Release 1	Start Date	End Date
Blueprint Sessions	2/2/2015	4/16/2015
Blueprint Document	2/2/2015	8/14/2015
CRM Blueprint Update	5/11/2015	7/27/2015
Technical Design	4/21/2015	8/5/2015
Code and Unit Test	5/4/2015	9/4/2015

CITA Release 1	Start Date	End Date
String Test	9/7/2015	9/18/2015
Integration Test	9/21/2015	11/20/2015
User Acceptance Test	11/30/2015	12/11/2015
Implementation	12/14/2015	12/18/2015
Go Live	1/4/2016	1/4/2016

2.5 Project Organization

The following Organization Chart illustrates Deloitte Consulting's planned leadership and its organization relative to the State's overall Tax Restructuring project:



2.6 Project Responsibilities

In the following chart, "Deloitte Consulting" includes State resources specifically allocated to this project, as defined in section 2.7 of this Change Notice.

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Project Workplan	The Project Work Plan is a deliverables-based execution plan showing the responsibilities, dependencies, schedule, and planned effort for CITA Release 1 tasks.	Secondary	Secondary	Primary
Blueprint	The Blueprint consists of the business process descriptions, process flow models, gap analysis, configuration inventory for the relevant functional scope described in section 2.3.1 and Appendix 1 of this Change Notice. It will also include any required Chart of Account revisions and provide traceability for all functional requirements as described in Appendix 1.	Secondary	Primary	
Functional Specifications	Functional Specifications are created for each functional object and define how each object will work.	Secondary	Primary	
Technical Specifications	Technical Specifications are created for each technical object in the system and defines the specific implementation approach for that object. There may be one or more technical specification for each functional specification, and multiple functional specifications may be consolidated into a single technical object and specification.	Secondary	Primary	
Configuration Documentation	Configuration documentation shows the configuration values and locations within SAP where these values are set. Configuration documents will also indicate the reasoning for each configuration setting.	Secondary	Primary	
Development Objects	The development required to realize the functional design of the CITA Release 1 implementation.	Secondary	Primary	
Unit Test Documentation	Unit tests are completed for each technical object. The inputs and results of each unit test are reflected in the unit test documentation for that object.	Secondary	Primary	
Go-Live Plan	The go-live plan indicates the required steps to bring CITA Release 1 into production, including dependencies, time schedule and responsible party.	Primary	Secondary	
Integration Test Scripts and Results	Integration test scripts define the test cases that will be run to test the integrated functionality of CITA Release 1, including regression test scripts. Results reporting shows the pass/fail status of each script.	Primary		Secondary
User Acceptance Test Scripts and Results	User Acceptance test scripts define the test cases that will be run to validate the integrated functionality of CITA Release 1, and assess go-live readiness. Results reporting shows the pass/fail status of each script.	Primary		
Training Materials and End-User Training	Training materials include any new materials and updates to existing materials to prepare Treasury staff to operate the system, including end user procedures, training course slides, course exercises, and training environments.	Primary		

2.7 Staffing Model

The following table describes the planned staffing model. It includes only the core staff required for the CITA Release 1 implementation. Additional staff from the State and the Project Control

Office will be required to review Deliverables, provide subject matter expertise, manage and conduct testing, manage and conduct training and change management, and manage the CITA Release 1 project within the wider DTMB and Treasury enterprise project portfolio.

Role	Team	Number	Resource Source
Engagement Director	Project management	1	Deloitte Consulting
Project Manager	Project management	1	Deloitte Consulting
Solution Architect	Project management	1	Deloitte Consulting
BRF Lead	Technical	1	Deloitte Consulting
Development Lead	Technical	1	Deloitte Consulting
Functional Leads (PSCD and CRM)	Functional	2	Deloitte Consulting
Development/BRF Team	Technical	15	7 Deloitte Consulting, 8 State
BI Team	Technical	3	1 Deloitte Consulting, 2 State

The State will provide qualified full-time resources as listed in the following table:

Period	Planned Dates	Number of State Resources
Project Start into functional specification development	February 2 to April 15, 2015	6
Continued Functional Specification Development	April 16 to June 1, 2015	10
Continued functional specification development to go-live	June 2 to January 4, 2016	8
Production Support	January 4 to March 28, 2016	2

These resources will be mutually agreed upon in writing by both Parties, they will be co-located with the Deloitte Consulting resources and will continue in a production support role after the CITA Release 1 go-live. During their time on the CITA Release 1 Project, these resources will report to the Deloitte Consulting Project Manager on a day-to-day basis, taking their direction and assignments from Deloitte Consulting. Deloitte Consulting will escalate any issues with State performance to David Gilliland, Project Director supporting Treasury, or his designee as notified in writing to Deloitte Consulting. Where Deloitte Consulting has responsibility for Deliverables as described in section 2.6, these resources will be considered as Deloitte Consulting resources for the purposes of this project. The State may assign these resources to various additional tasks as it deems necessary if they are not otherwise assigned to tasks by Deloitte Consulting under this Change Notice after communicating such additional assignments to Deloitte Consulting. These resources will not be removed by the State except upon replacement with qualified resources mutually agreed upon in writing by both Parties. The State resources will be scheduled for a minimum of 6.5 hours per day.

Deloitte Consulting and the State during the term of this Change Notice agree to maintain a Steering Committee to provide executive oversight and guidance to the members of the Implementation Team. The Steering Committee will be composed of senior management from the State, Deloitte Consulting, and SAP, along with PCO representatives. The Steering Committee will meet in person at least every quarter or as frequently as mutually agreed, and will discuss topics such as the following:

m) Overall management and oversight of the Services described in this Change Notice and any subsequent Change Notices.
n) Change Notices requiring additional funding.
o) Issues escalated to the Steering Committee, providing agreed-upon direction to the Implementation Team.

The State will also appoint one individual designated as the State Key Contact, and Deloitte Consulting will appoint one individual designated as the Deloitte Consulting Engagement Director and another designated as the Deloitte Consulting Project Manager. The State will also staff and maintain a PCO. These individuals will be responsible for the performance of the following tasks:

The Deloitte Consulting Engagement Director will:

u) Have prime responsibility and final authority for the execution and delivery of Deloitte Consulting responsibilities under this Change Notice.
v) Provide guidance to the State Key Contact and Deloitte Consulting Project Manager relative to design, support, budget, and contract management.
w) Escalate issues, change requests, and risks when necessary.
x) Work with the State Key Contact and Deloitte Consulting Project Manager to review support procedures and documentation standards, and approve Change Notices on behalf of Deloitte Consulting.
y) Participate in Steering Committee meetings as needed.

The Deloitte Consulting Project Manager will:

p) Manage the day-to-day delivery of Services, including managing work done by functional and technical resources.
q) Conduct weekly status meetings with the State Key Contact to review project status and issues.
r) Resolve issues and escalate issues as appropriate.
s) Participate in Steering Committee Meetings as needed.

The State Key Contact will:

dd) Act as a single point of contact in the execution and delivery of the Services and responsibilities under this Change Notice.
ee) Enforce agreed-upon processes and related controls among the State Implementation Team members.
ff) Ensure clear and open lines of communication exist between the State and Deloitte Consulting Implementation Team members.

gg) Assist the Deloitte Consulting Project Manager in the day-to-day management of the project and resolution of issues.
hh) Approve Service Changes as needed.
ii) Participate in Steering Committee meetings as needed.
jj) Provide prompt notification to Deloitte Consulting of any issues, concerns or disputes with respect to the Services provided.

The PCO will, at minimum:

j) Maintain and monitor the project workplan as provided by Deloitte Consulting.
k) Provide project management reporting as needed.
l) Coordinate Steering Committee communications, meetings, and reporting.

2.8 Deloitte Consulting Key Resources

The following individuals are considered Key Personnel from the beginning of the Services provided under this Change Notice to the Go-Live Date for CITA Release 1, as defined in section 4.0 of this Change Notice:

- Project Manager–Louis Panebianco
- Solution Architect–Vamshi Putta
- Development Lead–Rakesh Dahagam
- BRF Lead–Mohit Mantri
- Functional Lead-Ahmed Habeeb

It is acknowledged that unauthorized removal of Key Personnel will interfere with the timely and proper completion of the Services, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result of any unauthorized removal. Therefore, Deloitte Consulting and the State agree that in the case of any unauthorized removal, the State may assess liquidated damages against Deloitte Consulting.

For the unauthorized removal of any of the Key Personnel listed above, the liquidated damages amount is $25,000.00 per individual if Deloitte Consulting identifies a replacement approved by the State, which approval shall not be unreasonably withheld, and assigns the replacement to the Project to work with the Key Personnel who is leaving for a Transition Period of at least 30 calendar days before the Key Personnel's removal. It is understood that consultants may have valid reasons for leaving the project outside the control of Deloitte Consulting, including termination of their employment, serious illness, or other leaves of absence, and replacement of Key Personnel for such reasons shall not be considered an unauthorized removal.

If Deloitte Consulting fails to assign a replacement to work with the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 liquidated damages for an unauthorized removal, Deloitte Consulting must pay the amount of $833.33 per day for each day of the 30-day period that the replacement does not work with the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per unauthorized removal and failure to provide 30 days of transition must not exceed $50,000.00 per individual.

In cases of authorized removal of resources, Deloitte Consulting will use diligent efforts to propose suitable replacement personnel. Where possible, replacement staff will overlap their role with their predecessor to ease knowledge transfer.

2.9 Business Requirements

The high-level business requirements that describe the functionality that will be implemented as part of the CITA Release 1 project are included in Appendix 1.

3.0 Fees and Expenses

3.1 Fee Schedule

Deloitte Consulting will perform the Services described in this Change Notice on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $4,276,485, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following payment schedule:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	Deloitte Leveled Project Schedule	$215,998	2/13/2015
2	Blueprint Workshops Completed (excluding CRM update)	$215,998	3/26/2015
3	First 20 Functional Specifications Developed	$215,998	4/30/2015
4	Second 20 Functional Specifications Developed	$215,998	5/31/2015
5	Third 20 Functional Specifications Developed	$215,998	6/30/2015
6	Business Blueprint (excluding CRM update)	$431,996	7/28/2015
7	First 20 Technical Specifications Developed	$215,998	5/31/2015
8	Second 20 Technical Specifications Developed	$215,998	6/30/2015
9	Configuration and Development Objects Ready for String Testing	$863,992	9/4/2015
10	Configuration and Development Objects Ready for Movement to QA Environment	$215,998	9/18/2015
11	Configuration and Development Objects Ready for Acceptance Testing	$215,998	11/20/2015
12	Configuration and Development Objects Ready for Movement to Production Environment	$216,003	12/11/2015

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
13	Warranty, as described in Section 4.0	$820,512	3/28/2016
	Total	**$4,276,485**	

The State will conduct a user acceptance test of the CITA Release 1 Configuration and Development Objects in the Quality Assurance environment in accordance with the CITA Release 1 Project Workplan before approving such Configuration and Development Objects as ready for movement. Unless otherwise mutually agreed, the criteria for approval shall be:

- All user acceptance test scripts have been executed
- All high-severity defects identified during user acceptance testing have been reclassified as lower-severity defects or resolved. Severity levels will be as defined in Section 2.7.4 of Change Notice #7 to the Agreement.

3.2 Hourly Rates for Additional Services

From time to time the State may request additional changes to these Services. Any additional Services will be processed as described in Section 11.0 of Change Notice #7 to the Agreement, and payment will be based on an hourly rate basis and invoiced monthly in accordance with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Any changes to the Services that require work to be performed after the dates listed in the column headings below will be based on hourly rates to be established in a separate Change Notice to the Agreement. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	**Hourly Rate (through December 31, 2015)**
Account Manager	$345
Project Manager	$318
Solution Architect	$296
Senior PS-CD Specialist	$296
PS-CD Specialist	$239
Senior BRF Specialist	$239
BRF Specialist	$188
Senior Developer	$239
Developer	$188

3.3 Deliverable Acceptance

Deliverable acceptance timeframes will be in accordance with Section 2.015 of the Agreement, with the following exceptions:

Deliverable	Initial Review	Deloitte Response	Final Review
Configuration Item	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

3.4 Change Management

Change Management will be conducted in accordance with section 11.0 of Change Notice #7 to the Agreement.

4.0 Warranty

For the purposes of this Change Notice, Deloitte Consulting will warrant for a period of 12 weeks following the Go-Live Date of the CITA Release 1 project that the System will conform in all material respects to the requirements of the System as set out in this Change Notice and the accepted deliverables. The definition of "Go-Live Date" as used in this section shall be the date on which the configuration and development objects ready for movement to the production environment (Deliverable 17 in section 3.1 of this Change Notice) are moved to the production environment. The definition of "System" as used in this section and in Section 2.507 of the Agreement shall be all custom configuration and application code developed by Deloitte Consulting and delivered to the State with respect to this Change Notice.

5.0 General Provisions

5.1 Schedule and Project Management

- This project will observe the following holidays. State employees will observe all applicable State holidays.

  oo. President's Day – Monday, February 16, 2015

  pp. Memorial Day – Monday, May 25, 2015

  qq. Independence Day – Friday, July 3, 2015

  rr. Labor Day – Monday, September 7, 2015

  ss. Veterans Day – Wednesday, November 11, 2015

  tt. Thanksgiving Day – Thursday, November 26, 2015

  uu. Day after Thanksgiving – Friday, November 27, 2015

vv. Christmas Eve – Thursday, December 24, 2015

ww. Christmas Day – Friday, December 25, 2015

xx. New Year's Eve – Thursday, December 31, 2015

yy. New Year's Day – Friday, January 1, 2016

zz. Martin Luther King Day – Monday, January 18, 2016

aaa. President's Day – Monday, February, 15, 2016

- The project schedule calendar has blocked out the weeks of April 6, 2015; June 29, 2015; November 23, 2015; December 21, 2015; and December 28, 2015 with no new tasks planned to start or finish during this time.
  - The project will start on or about February 2, 2015.
  - Deloitte Consulting staff typically performs the Services on-site Monday through Thursday and work remotely on Friday.
  - Any delays caused by any activity not a part of this Change Notice will result in a Service Change for any extended staff.

5.2 Project Staffing

- State resources will be available on a timely basis to review and approve project Deliverables.
- The State will take primary responsibility for the following areas:
  - Legacy interface development
  - Role-to-position mapping for new SAP users
  - External communications and change management, including stakeholder management
  - Management of communications and timely scheduling with external parties for all stages of testing
  - Integration test
  - User acceptance test
  - Performance test
  - Go-live planning
  - All aspects of end user training including curriculum development and training schedules, business process procedures/end user procedures, course materials, and instruction
  - Completion of all internal State approval processes

- The State will be responsible for all production support for the System unrelated to CITA Release 1, including registration, MBT, CIT/FTW, and SUW tax processes.
- State resources assigned to the Project and reporting to the Deloitte Consulting Project Manager as described in Section 2.7 of this Change Notice will be authorized for overtime if it is required to meet deliverable due dates listed in the project workplan.

5.3 Solution and Approach

- Detroit and any additional cities for which Treasury may process tax returns will utilize the State's existing organizational structure within SAP, i.e. the State will continue to use a single company code for all tax processing.
- CRM will be utilized for collections case management only.
- The GL interface will be built to interface to MAIN, and not SIGMA.
- Updates to existing functional specification documents will be limited to content impacted by CITA Release 1. The base document will not be updated to address existing errors that are not directly associated with CITA Release 1 content.
- The PCO will coordinate the functional specification review and approval process. If multiple approvers have been identified for a given functional specification, comments will be held by the PCO until all approvers have responded.
- Functional specification and configuration documents will identify transaction codes being utilized to support business processes.
- Updates to the current MIITAS Blueprint document are not in scope for this project, except where aspects of the Blueprint are directly modified as a result of CITA Release 1.
- The State will be responsible for management and execution of integration, acceptance, and performance testing. Testing will be performed within the timeframes listed in the project plan and will be tracked using HP Quality Center software to be provided by the State.
- CITA Release 1 configuration and development objects can be transported independently of year-end (Registration, MBT, CIT, FTW, SUW) configuration and development changes.

5.4 Security and Controls

- The State will be responsible for all aspects of system security and control including transaction security design, and security configuration, development, testing, and implementation.

5.5 Technology and Infrastructure

- SAP software licenses and all hardware required for the CITA Release 1 project will be provided by the State. The implementation will utilize SAP ECC 6.0 Enhancement Pack 5, and SAP CRM 7.0.
- The State will install and prepare the CRM environment for configuration by the beginning of the configuration and development phase
- The State will be responsible for all system infrastructure planning, procurement, installation and configuration, testing, implementation, maintenance, and support (commonly known as SAP Basis services). This responsibility will cover all SAP instances including SAP ECC, SAP BI, and SAP CRM. Any material delays caused by a disruption in the system landscape will result in a Service Change for any extended Deloitte Consulting Implementation Team members.
- The QA hardware will be used for Disaster Recovery. The State will be responsible for Back-Up and Disaster Recovery.
- The Deloitte Online Collaboration System (eRoom) will be used to store in-process documents and Deliverables. As documents and Deliverables are approved during the project, they will be moved to Serena. Deloitte Consulting will be responsible for the administration of the eRoom.
- The State will be responsible for application of SAP Notes.

5.6 Data

- The State will be responsible for data cleansing for conversions.

6.0 Other

The parties agree that this Change Notice shall be excluded from Section 2.306 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything to the contrary in Section 2.306 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice, regardless of the form of action, shall be limited to $5,807,000 or professional fees paid under this Change Notice, whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice.

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

7.0 Acceptance

Accepted by:	**Accepted by:**
State of Michigan	**Deloitte Consulting LLP**
_____	_____
Signature	Signature
_____	Mark Seidenfeld.
Name	Name
_____	Director
Title	Title
_____	
Signature	
_____	
Name	
_____	
Title	

Appendix 1—Functional Requirements

Reqt Number	Requirement Description	Functional Area	Comments
3	The SAP system will apply debt payment in interest, penalty and tax order.	Accounting	
5	The SAP system will provide a method for an authorized user to reissue a warrant that was initially undeliverable after verifying that the original warrant has been canceled.	Accounting	This functionality is available with MBT and CIT currently.
6	The SAP system will provide a method for an authorized user to reissue a warrant that was not cashed after verifying that the original warrant has been canceled.	Accounting	This functionality is available with MBT and CIT currently.
8	The SAP system will provide the capability to process mass reversals of financial postings which originated from interfaces (duplicates / wrong file, stale data)	Accounting	This functionality is available with CIT requirement 185.
9	The SAP system will provide the capability to transfer monies received to other reporting periods within the same tax type for the same taxpayer, and generate the proper transactions.	Accounting	This functionality is available with CIT requirement 192.
10	The SAP system will provide the capability to transfer monies received to other reporting periods within the same tax type for a different taxpayer, and generate the proper transactions.	Accounting	This functionality is available with CIT requirement 193.
11	The SAP system will provide the capability to transfer monies received to the same or other reporting periods of other tax types for the same taxpayer, and generate the proper transactions to the State's financial accounting system (e.g. from City to IIT).	Accounting	Manual IDA for taxes outside of SAP
12	The SAP system will provide the capability to transfer monies received to the same or other reporting periods of other tax types for a different taxpayer, and generate the proper transactions to the State's financial accounting system (e.g. IIT to City).	Accounting	Manual IDA for taxes outside of SAP
13	The SAP system will provide the capability to perform payment transfers and/or return transfers (taxpayer to taxpayer account).	Accounting	This functionality is available with CIT requirement 202.
14	The SAP system will provide the capability to reconcile to the State's financial accounting system by providing the following information: - City Payments (# and $) - Refunds (# and $) - City Transfers to the State's financial accounting system (# and $)	Accounting	This functionality is available with CIT requirement 203.

Reqt Number	Requirement Description	Functional Area	Comments
15	The SAP system will provide the capability to match payments received through Electronic Funds Transfer with the return data received in various forms allowed by the Treasury.	Accounting	This functionality is available with CIT requirement 306.
16	The SAP system will provide the capability for a user to validate financial deposits by comparing deposit totals by tax type to Taxpayer Account summary totals by tax type and to Revenue Accounting summary totals by tax type.	Accounting	This functionality is available with CIT requirement 340.
17	The SAP system will provide the capability for users to make adjustments in order to correct out-of-balance conditions and deposit adjustment errors as defined by bank reconciliation.	Accounting	This functionality is available with CIT requirement 341.
18	The SAP system will provide the capability to systematically translate financial transactions that were posted to a taxpayers account into cash received journal items that are then posted to Revenue Accounting summaries.	Accounting	This functionality is available with CIT requirement 342.
19	The SAP system will provide the capability to track money received that cannot immediately be associated to a particular taxpayer until it is properly associated with a taxpayer and credited to that taxpayer’s account, and generates the proper accounting transactions.	Accounting	This functionality is available with CIT requirement 343.
20	The SAP system will provide the capability to identify and reissue refund checks that have been returned and canceled.	Accounting	This functionality is available with CIT requirement 344.
21	The SAP system will provide the capability to produce a list with a summary of payment by tax type that is still pending which has not yet interfaced with the State's financial accounting system.	Accounting	This functionality is available with CIT requirement 345.
22	The SAP system will provide the conformance with Generally Accepted Accounting Principles (GAAP).	Accounting	This functionality is available with CIT requirement 346.
23	The SAP system will provide the capability to tie deposits to accounting periods and fiscal years.	Accounting	This functionality is available with CIT requirement 347.
25	The SAP system will provide the capability to electronically transmit refund and accounting entries to the State’s financial accounting system.	Accounting	This functionality is available with CIT requirement 349.
26	The SAP system will provide the capability to recognize the State’s accounting system as the official book of record.	Accounting	This functionality is available with CIT requirement 350.
27	The SAP system will provide a General Ledger structure that equates to the State's financial accounting system's General Ledger structure.	Accounting	This functionality is available with CIT requirement 351.

Reqt Number	Requirement Description	Functional Area	Comments
28	The SAP system will provide the capability to reconcile to the State's financial accounting system.	Accounting	This functionality is available with CIT requirement 352.
29	The SAP system will provide the capability to utilize the existing SAP General Ledger structure for City Income Tax. City summarized posting in the General Ledger will carry unique identifiers to differentiate between cities and tax types.	Accounting	
31	The SAP system will provide the capability to manually transfer monies between taxes within SAP and generate appropriate accounting entries. (i.e. from one city to another)	Accounting	This functionality is available with CIT requirement 194.
32	The SAP system will provide the capability for an authorized user to write-off debt based on business rules.	Accounting	11/18 - Manual and automatic based on business rules, workflow element included. Use standard SAP bad debt provisions within Dunning process.
33	The SAP system will provide the capability to re-calculate penalty and interest based on final approval date to display on letter and post to General Ledger.	Accounting	This functionality is available with CIT requirement 460.
35	The SAP system will provide the capability to ensure financial postings occur to the appropriate open period on General Ledger based on defined business rules.	Accounting	This functionality is available with CIT requirement 513.
36	The SAP system will provide the capability to prevent financial postings to General Ledger in closed periods.	Accounting	
37	The SAP system will record dollars and cash as non-State revenue.	Accounting	
38	The SAP system will use a unique batch agency for City Income Tax.	Accounting	
39	The SAP system will use a unique business code for City Income Tax.	Accounting	This functionality is available with SUW.
41	The SAP system will use unique General Ledger values for City Income Tax unique for each city.	Accounting	
42	The SAP system will provide the ability to transfer payments from one period to another within the same account or to a different account within SAP and generate the appropriate transactions to the State's financial accounting system.	Accounting	This functionality is available with MBT and CIT currently.
43	The SAP system will store the deposit document ID and reclass document ID with each tax type/filing period.	Accounting	This functionality is available with SUW.
44	The SAP system will provide the capability to generate a listing of manual journal entries. These are accounting entries directly to SAP GLs by accounting.	Accounting	This functionality is available with CIT requirement 232.

Reqt Number	Requirement Description	Functional Area	Comments
45	The SAP system will provide capability to automatically, on a daily basis, calculate reclass of tax revenue to penalty and interest.	Accounting	This functionality is available with CIT requirement 261.
46	The SAP system will provide capability to reclass/change posted payment types based on manual input. Update the appropriate the State's financial accounting system interface to reclass revenue. Restrict contract object transfer to allowed doc types for target account. Restrict security.	Accounting	This functionality is available with SUW requirement 1210.
47	The SAP system will provide one unique file for IDAs of all tax types by city going to the State's financial accounting system.	Accounting	This functionality is available with SUW requirement 1213. 11/18 - Replicate the SUW 5B design, separate file for IDA.
49	The SAP system will provide the capability to close SAP fiscal years. Any entry for a prior year will post in the current fiscal year. Prevent sub-ledger and General Ledger posting dates to prior fiscal years with 4-5 day grace (table ZMAIN in SAP). Any entry (manual, automated, interfaced, etc.) with prior fiscal year posting date receives a RED error and defaults or requires user to input a posting date within the current fiscal year. All posting dates consider grace period then reflect a date within the current fiscal year including and not limited to Reopens, interfaces to/from other systems (STAR/SBT/SUW TACS/uploads), deposits, reversals, manual entries, transfers, IDAs, tax returns, credits, liabilities.	Accounting	This functionality is available with SUW requirement 1231.
50	The SAP system will provide the capability to Open New Fiscal Years in SAP.	Accounting	
51	The SAP system will provide the ability to add revenue types to ZRFDP report but we need unique parameters (using parameters: None, Date - single or range, Revenue Types - single or multiple, BP - single or multiple) to execute by revenue type. Confirm GL accounts that we expect to zero: examples: 020015 Refund re-class, 020016 Credit Forward Re-class.	Accounting	This functionality is available with SUW requirement 1233.
52	The SAP system will require multiple returned items to process in one reconciliation key. Accurately post to SAP account and General Ledger. Accurately assess in SAP. Accurately send to the State's financial accounting system.	Accounting	This functionality is available with SUW requirement 1235.
53	The SAP system will provide the ability to reconcile SAP General Ledgers daily.	Accounting	This functionality is available with SUW requirement 1237.
55	The SAP system will provide the capability to timely and accurately report all cash receipts and disbursements to the State's financial	Accounting	This functionality is available with SUW requirement 1244.

Reqt Number	Requirement Description	Functional Area	Comments
	accounting system.		
512	The SAP system will generate separate refund checks for Michigan Income Tax and each City Income Tax.	Accounting	
57	The SAP system will provide the ability for Discovery to load return stops into the Stop Action table.	Audit	This functionality is available with SUW.
58	The SAP system will provide the same Discovery matching rules as used with the Michigan Income Tax return for placing errors and stopping returns based on business rules.	Audit	
60	The SAP system will record stops identified by Discovery into the existing SAP Stop Action table.	Audit	This functionality is available with SUW.
62	The SAP system will work list returns stopped by an audit entry in the Stop Action table based on appropriate business rules.	Audit	This functionality is available with SUW.
63	The SAP system will generate a letter for returns stopped by an audit entry in the Stop Action table based on appropriate business rules such as date or on demand.	Audit	This functionality is available with SUW.
64	The SAP system will allow staff with appropriate security to choose custom letter content for returns stopped by an audit entry in the Stop Action table based on appropriate business rules.	Audit	This functionality is available with SUW.
68	The SAP system will provide a profile table that can be maintained by a user with appropriate security for audit purposes. Table will include, at a minimum, the following attributes for audit purposes. • Name • Address • SSN • Refund Amount • Adjusted Gross Income (AGI) • Withholding Amount • Total City Wages	Audit	
69	The SAP system will perform a lookup against the profile table as returns are loaded and stop a return if a match occurs based on business rules.	Audit	
70	The SAP system will provide a residency table that can be maintained by a user with appropriate security for audit purposes. Table will include, at a minimum, the following attributes. • Refund Amount • Residency Status • Filing Status	Audit	

Reqt Number	Requirement Description	Functional Area	Comments
71	The SAP system will perform a lookup against the residency table as returns are loaded and stop a return if a match occurs based on business rules.	Audit	
72	The SAP system will provide the ability to load return updates in batch. Data that has changed on return will be captured in the as audited column and merged with return of record data that has not changed.	Audit	This functionality is available with SUW.
73	The SAP system will provide a method to identify project codes with associated phone number and taxing division identification. Project codes will be maintainable by users with appropriate security.	Audit	This functionality is available with SUW.
75	The SAP system will provide the capability to track and search for returns subject to audit and discovery projects.	Audit	Using the Stop Action table.
77	The SAP system will provide the capability to workflow a return to Tax Compliance based on defined business rules.	Audit	This functionality is available with SUW requirement 1428.
79	The SAP system will provide the capability to match programs to identify persons who do not file a city return or understated their AGI.	Audit	
81	The SAP system will provide the capability to accept audit returns electronically from Tax Compliance. The process must identify returns as Tax Compliance as well as any payments generated. Functionality is for both Audit and Discovery Divisions.	Audit	This functionality is available with SUW requirement 1431.
82	The SAP system will provide the capability for Tax Compliance to make adjustments to audited fields on a city return and identify these changes as a result of an audit. If there is an assessment for the original return, this would generate a new assessment for the audited return.	Audit	This functionality is available with SUW requirement 1432.
83	The SAP system will provide return channels "Audit Returns" and “Discovery Returns” for both paper and e-File.	Audit	This functionality is available with SUW requirement 1434.
85	The SAP system will provide the capability for assessments generated from Tax Compliance to be created with Tax Compliance current STAR PAR codes for revenue tracking.	Audit	This functionality is available with SUW requirement 1440.
86	The SAP system will provide the capability for monies posted as Audit payments to only be applied to returns identified as Audit returns.	Audit	This functionality is available with SUW requirement 1441.
87	The SAP system will generate a Notice of Proposed Income Tax Adjustments letter based on business rules (RAR).	Audit	

Reqt Number	Requirement Description	Functional Area	Comments
88	The SAP system will generate a Notice of Proposed Income Tax Adjustment letter based on business rules (CP2000).	Audit	
91	The SAP system will provide the capability for a report to be generated and sent to Tax Compliance with specific accounts loaded to the system.	Audit	This functionality is available with SUW requirement 1408.
93	The SAP system will provide the ability to specify penalty types and amounts including negligence, intentional disregard, fraud (discretionary penalties).	Audit	This functionality is available with SUW requirement 1420.
94	The SAP system will provide the ability for Tax Compliance staff to send an explanation letter while an account\period is on the Stop Action table.	Audit	This functionality is available with SUW requirement 1422.
95	The SAP system will provide the ability for Tax Compliance staff to suppress an explanation letter while an account\period is on the Stop Action table.	Audit	This functionality is available with SUW requirement 1423.
96	The SAP system will provide the ability to upload multiple assessments per tax period to the system (for all staff not just Tax Compliance).	Audit	This functionality is available with SUW requirement 1424.
137	The SAP system will provide the ability to flag an account for hearings on the Stop Action table.	Collections	
138	The SAP system will move an account in Intent to Assessment status to Final Assessment or Final Demand status based on business rules within a configurable number of days (currently 70 days) if the account is not flagged for hearings in the Stop Action table.	Collections	Use SAP Dunning process.11/18 - Specific return, not the entire account.
139	The SAP system will provide the ability to remove a flag on an account for hearings. • Hearings decision of cancelation of debt in full – taxing unit removes hold, reopens return, adjusts debt to zero, rebills return • Hearings decision to uphold assessment amount in full – taxing unit removes hold, system moves straight to final assessment • Hearings decision to partially adjust assessment amount – taxing unit removes hold, reopens return, adjusts per hearing decision, system moves straight to final assessment	Collections	Flags will be manually placed and removed from the Stop Action table.

Reqt Number	Requirement Description	Functional Area	Comments
143	The SAP system will provide a configurable number of business days (currently 7) grace period for the posting date of a Final Assessment Notice to allow for mailing. When calculating the posting date, the system will account for holidays and weekends. The Final Assessment notice date is separate from the Intent to Assess date and should not overwrite the intent date.	Collections	Need same grace period functionality that exists for CIT.
144	The SAP system will maintain collections process timing when voluntary payments are received from the taxpayer.	Collections	No timer should be reset in the system for a voluntary payment that is less than the full amount of tax, penalty and interest due.
145	The SAP system will reflect any voluntary payments received between Letter of Inquiry and Final Assessment when the Final Assessment Notice is generated.	Collections	The system must take into consideration any payments received after Letter of Inquiry is issued when determining the amount of assessment.
146	The SAP system must be able to process multiple assessments concurrently for the same taxpayer and same tax period for one or multiple cities.	Collections	This functionality is available with SUW requirement 1424.
147	The SAP system will continue to accrue penalty and interest on an agreed upon interval including after the account goes to the Final Demand phase.	Collections	SAP will continue to own the debt during final demand phase.
148	The SAP system will allow staff with appropriate security to put a STOP status on a City Income Tax debt Intent to Assess if an informal conference is requested within a configurable number of days (currently 60 days plus a grace period) of Letter of Intent. The system will create an error for any amended returns filed for the same tax and period as a return with an appeal flag.	Collections	Flags will be manually placed and removed from the Stop Action table.
149	The SAP system will allow staff with appropriate security to remove the STOP status when an Informal Hearing decision is made.	Collections	Flags will be manually placed and removed from the Stop Action table.
150	The SAP system will issue a Final Assessment Notice after a configurable number of days (currently 60 days plus a grace period) have elapsed from date of Notice of Intent was sent or a Hearings decision confirms debt and debt is not fully paid. Correspondence associated with issuance of the Final Assessment Notice will be sent to the taxpayer.	Collections	Duplicate of requirement 138.
153	The SAP system will transfer debt to a Third Party Collection Agency after a configurable number of days (currently 35 days plus a grace period) have elapsed from date Final Demand was sent, there is no litigation hold in place, and the debt is not fully paid (known as Final	Collections	Use SAP Dunning process. 11/18 - Changed Final Assessment Notice to Final Demand, Deloitte to provide a recommendation based on Florida best practice.

Reqt Number	Requirement Description	Functional Area	Comments
	Demand status). Process for transmitting the account to the third party is under review.		
154	The SAP system will automatically generate a refund from overpayment of an Intent to Assess or Final Assessment Notice.	Collections	
156	The SAP system will allow a user with appropriate security the capability to adjust an account in the Intent to Assess or Final Assessment Notice status to zero balance due.	Collections	This is stipulated agreement functionality.
157	The SAP system will provide the capability to hold off issuing assessment if a response has been received but not yet worked.	Collections	For correspondence related to Letter of Inquiry, have this functionality for MBT and CIT.
158	The SAP system will provide the capability for the system automatically send a bill for the monies owed if a partial payment and no correspondence is received.	Collections	Use SAP Dunning process.
159	The SAP system will generate a corrected Notice of Final Assessment when a final assessment is corrected within SAP.	Collections	Use SAP Dunning process.
895	The SAP system will move an account to Final Demand status upon expiration of appeal period if the taxpayer does not request an informal conference with a configurable number of days.	Collections	Use SAP Dunning process.
897	The SAP system will not issue a Notice of Intent to Assess if the amount is below a configurable threshold that is maintainable by a user with appropriate security.	Collections	
898	The SAP system will generate tax due correspondence when amount is above a configurable threshold that is maintainable by a user with appropriate security.	Collections	
165	The SAP system will provide a file that can be used by a print vendor to print ~~of~~ initial year (2016) and subsequent yearly mailing of estimated payment voucher based on business rules.	Correspondence	CIT has a requirement for SAP to generate estimated payment vouchers. Same process should be used for CITA. 12/3 - Flat file of name, address, 4 quarterly due dates (calendar) and SSN.
166	The SAP system will generate a letter with detailed information when taxpayer has underpaid their quarterly estimates (Notice of Proposed Penalty And Interest for Underpaid Estimates). SAP should generate the penalty and/or interest intent for underpayment of estimate, based on business rules (note city UPE rules are different than the State's).	Correspondence	Underpayment of estimate process exists with MBT and CIT. Same process should be used for CITA with city income tax rules.

Reqt Number	Requirement Description	Functional Area	Comments
167	The SAP system will provide a taxpayer letter that explains a refund offset and details where the offset dollars were applied (Notice of Income Tax Refund Used for Debts). Notice could be in addition to an explanation letter.	Correspondence	Use SAP Dunning process. 11/18 - Staff will manually enter into SAP on the taxpayer account.
168	The SAP system will generate a Letter of Inquiry with a configurable number of days (currently 30 days) for taxpayer to respond to a tax due situation based on business rules.	Correspondence	Letter of inquiry exists in MBT and CIT, use as basis for CITA.
169	The SAP system will generate an Intent to Access with a configurable number of days (currently 30 days) for taxpayer to respond to a tax due situation based on business rules.	Correspondence	Use SAP Dunning process.
170	The SAP system will issue a Final Assessment Notice to taxpayer when account moves from Intent to Assess to Final Assessment based on business rules.	Correspondence	Use SAP Dunning process.
172	The SAP system will generate the following letters. • Letter of Explanation (will include appeal rights if we have reduced a refund) • Letter of Inquiry • Notice of Intent to Assess (including correction to zero and up to three messages) • Notice of Final Assessment (including correction to zero and up to three messages) • Corrected Notice of Final Assessment • Notice of Adjustment to Refund or Credit (offset for debts) • Non-Obligated Spouse Notice • Notice of Proposed Tax Due (similar to a letter of inquiry) • Small Balance	Correspondence	CITA letters will be based on the CIT letter design with unique opening, closing and body text.Tax clearance process will be manual; department will notify select individual at the City of Detroit by MS Word letter what taxes have been filed and any delinquencies or debts the taxpayer may have.
175	The SAP system will send a Letter of Intent to Assess to the taxpayer. Intents must be sent by certified mail. This will happen on a tax debt after the correspondence holds have expired or have been released.	Correspondence	Use SAP Dunning process. Notices must be sent by certified mail.
176	The SAP system will send a Final Assessment Notice to the taxpayer. Final assessments must be sent by certified mail. This will happen on a tax debt after the correspondence holds have expired or have been released.	Correspondence	Use SAP Dunning process. Notices must be sent by certified mail.
177	The SAP system will provide the ability to print a phone number on letters based on parameters, such as project codes.	Correspondence	Exists in SUW and CIT.

Reqt Number	Requirement Description	Functional Area	Comments
178	The SAP system will incorporate phone number and taxing division content on Intent to Assess and Final Assessment Notice letters based on project code.	Correspondence	Exists in SUW and CIT.
179	The SAP system will include a 2D barcode on all system generated correspondence. Business Partner number will be included in the 2D barcode instead of SSN.	Correspondence	Generation of 2D barcode exists with SUW in requirement 1708.
181	The SAP system will provide a method for a user with appropriate security to regenerate a letter previously sent to taxpayer.	Correspondence	Exists with registration for sales tax license. Regenerate letter the same as was originally sent. 11/18 - Print letter locally only.
183	The SAP system will provide a configurable number of business days (currently 7) grace period for the posting date of an Intent to Assess to allow for mailing. When calculating the posting date, the system will account for holidays and weekends.	Correspondence	Need same grace period functionality that exists for CIT.
185	The SAP system will print a Final Assessment Notice and mail to the taxpayer's legal address.	Correspondence	Use SAP Dunning process.
186	The SAP system will include a payment voucher with the Intent to Assess and Final Assessment Notice mailed to the taxpayer.	Correspondence	Use SAP Dunning process.
188	The SAP system will provide an option to a user with appropriate security to suppress taxpayer notification of a corrected Intent to Assess or Final Assessment Notice during a hearings or Board of Review hold.	Correspondence	Use SAP Dunning process.
190	The SAP system will provide the capability to generate a Letter of Inquiry specifically for Tax Compliance based on defined business rules. Letters will be system generated based on the content of return.	Correspondence	SUW requirement 1429 - Provide the capability to flag and workflow tax returns to Tax Compliance and generate appropriate letters based on defined business rules. (i.e. similar to account maintenance within SBT)
191	The SAP system will provide the capability to generate a notice to the taxpayer regarding a bad check with appropriate bad check assessment.	Correspondence	Exists with SUW in requirement 950. 11/18 - Use SAP out of the box Dunning process to send letter.
192	The SAP system will provide the capability to build, store and retrieve canned messages for the purpose of creating pre-defined and custom notices and correspondence.	Correspondence	Exists with SUW in requirement 1727.
193	The SAP system will provide the capability to load canned messages from other systems in a pre-defined format.	Correspondence	Exists with SUW in requirement 1728.
194	The SAP system will provide the capability to create free form messages.	Correspondence	Exists with SUW in requirement 1729.

Reqt Number	Requirement Description	Functional Area	Comments
195	The SAP system will provide the capability to review all free form messages through an approval process.	Correspondence	Exists with SUW in requirement 1730.
196	The SAP system will provide the capability to generate correspondence to the taxpayer when the Department has granted or denied an extension request.	Correspondence	Exists with CIT in requirement 269.
198	The SAP system will provide the capability to generate notices of adjustment (e.g. tax due, refunds, overpayment notices and correspondence) using business rules.	Correspondence	Exists with CIT in requirement 284.
199	The SAP system will provide the capability to systematically generate a letter to taxpayer displaying line by line changes to return.	Correspondence	Exists with CIT in requirement 334.
200	The SAP system will provide the capability to generate correspondence, automatically and on demand based on business rules.	Correspondence	Exists with CIT in requirement 363.
203	The SAP system will provide the capability to support multiple copy letter generation, alternative routing instructions and reprinting both automatically and as requested.	Correspondence	Exists with CIT in requirement 370.
204	The SAP system will provide the capability for allowing notices to be viewed online, before and after printing.	Correspondence	Exists with CIT in requirement 371.
205	The SAP system will provide the capability for allowing letters to be stopped or deleted prior to printing.	Correspondence	Exists with CIT in requirement 372.
206	The SAP system will provide immediate access to correspondence history information.	Correspondence	Exists with CIT in requirement 378.
208	The SAP system will provide the capability to systematically schedule the releasing of correspondence.	Correspondence	Exists with CIT in requirement 395 and with SUW in requirement 2422.
209	The SAP system will generate a message on the Remittance Advice that can be populated from pre-defined message text that can be chosen by the system per business rules or by the user with appropriate security.	Correspondence	Exists with CIT in requirement 461.
210	The SAP system will generate a request for information letter that can be populated from pre-defined message text that can be chosen by the system per business rules or by the user with appropriate security.	Correspondence	Use CIT information letter with unique opening, closing, and body text specific to CITA.
211	The SAP system will provide a separate opening, closing, and body text for resident, non-resident and part year resident letters by tax year.	Correspondence	Use CIT letters with unique opening, closing, and body text specific to CITA.

Reqt Number	Requirement Description	Functional Area	Comments
227	The SAP system will provide the capability to stop letters on the same day of approval regardless of the stage of the refund. Therefore, letters that are erroneously issued are capable of being stopped.	Correspondence	Exists with CIT in requirement 372.
230	The SAP system will provide the ability to send additional information letter and have that letter go to a follow up work list to track whether taxpayer responds. When taxpayer responds, queue the taxpayer letter to the staff member that sent the letter.	Correspondence	Exists with SUW in requirement 1744.
231	The SAP system will provide the ability to suppress a letter the system is trying to send (all staff).	Correspondence	Exists with SUW in requirement 1703.
232	The SAP system will provide the ability to generate a letter when the system does not think one should be sent (all staff).	Correspondence	Exists with SUW in requirement 1704.
233	The SAP system will provide the ability to systematically or manually generate and send delinquent letters that can be specific to the different taxes and filing requirements.	Correspondence	Exists with SUW in requirement 1717.
234	The SAP system will provide the ability to store and maintain letter messages in a table. Provide the business user with appropriate security access the ability to maintain the messages.	Correspondence	Exists with SUW in requirement 1726.
235	The SAP system will provide the capability to generate correspondence, automatically and on demand based on business rules.	Correspondence	Exists with SUW in requirement 1701.
238	The SAP system will provide the capability to support multiple copy letter generation, alternative routing instructions and reprinting both automatically and as requested.	Correspondence	Exists with SUW in requirement 1736.
240	The SAP system will provide the capability for allowing correspondence to be printed locally and sent to FileNet with administrative approval.	Correspondence	Exists with SUW in requirement 1741.
244	The SAP system will populate Business Warehouse with 100% of city return and payment data.	Data Warehouse	
246	The SAP system will generate required reports from the Business Warehouse.	Data Warehouse	
249	The SAP system will send city payment and return information on a daily basis to the BI warehouse.	Data Warehouse	

Reqt Number	Requirement Description	Functional Area	Comments
266	The SAP system will provide the capability to accept and process electronically filed tax returns received via JELF. JELF will place a file of City Income Tax returns in the same location as CIT e-Filed returns downloaded from the IRS.	e-File	SAP to use the same load process as with CIT e-Filed returns.
271	The SAP system will provide the ability to accept payments from all payment channels for an e-File return.	e-File	Same as CIT.
273	The SAP and JELF systems will provide the ability to accept and load test data from software developers in the test environment. The SAP system will load the test data using unique ID numbers to avoid duplicate submission errors.	e-File	Both Deloitte and DTMB estimate.
290	The SAP system will provide an interface to receive and process composite payments from the City of Detroit that will be recorded as withholding payments.	Interface	11/18 - Will be included in the estimate and extension load file. Will include an indicator on composite payments that indicate they are composite payments.
291	The SAP system will provide an interface to receive estimates and extensions from the City of Detroit for tax year 2015.	Interface	
292	The SAP system will provide the ability to load a file of existing city income tax debt that includes at minimum SSN, name, type of debt, amount of debt, and date of debt.	Interface	Will load to and maintain debt from an SAP table. 12/3 - Flat file from Detroit, at minimum weekly. Will be a complete list of prior year city income tax debt, SAP table contents will be overwritten with each file.
294	The SAP system must provide appropriate data via interface to a Third Party Collection Agency to support third party Final Demand Notice to taxpayer and debt collection processing.	Interface	Will use a flat file architecture to support this interface.
295	The SAP system will provide a process to keep SAP and Third Party Collections Agency systems in balance throughout the collections process.	Interface	Will use a flat file architecture to support this interface.
298	The SAP system will provide a small balance adjustment function that accepts payment of interest, penalty and tax as paid in full if within a configurable threshold. Record of payment must be sent to the Third Party Collections Agency. If small balance adjustment is delegated to third party collections agency upon payment of all except agreed upon amount, the third party collections agency will provide small balance adjustments back to SAP.	Interface	Use SAP Dunning process. 11/18 - Will reword based on best practice from Florida.
300	The SAP system will accept and load a file of incarcerated taxpayers containing the following attributes.	Interface	Will use a flat file architecture to support this interface.

Reqt Number	Requirement Description	Functional Area	Comments
	• Name • SSN • Date of Incarceration A business rule is required to raise error during return processing.		12/3 - This will not be master data. Data will be loaded into a Z table. An error will be raised during return processing if a match on table. Annual file, overwrite the entire table with each interface file processed. Interface file to be provided by DTMB, same as used for IIT.
303	The SAP system will accept and load a file of Renaissance Zones received from City of Detroit. A business rule is required to validate subtraction on return.	Interface	11/18 - This is an annual file and is specific to a tax year. Will support any city. 12/3 - File will contain Name and SSN of taxpayers that can claim the renaissance zone subtraction (from Detroit). File may include additional fields, only name and SSN loaded into SAP table. Need a BRF rule to validate subtraction.
304	The SAP system will accept and load a non-itemizer file from the IRS.	Interface	Law requires issuance of 1099G documents. 11/18 - Annual file from IRS. 12/3 - Annual file. Will use same file that IIT loads which includes name and SSN. Will load to SAP table and not have a real time connection to external IIT database.
305	The SAP system will produce a control total report for each interface.	Interface	Exists with CIT requirement 207.
306	The SAP system will store all Intent to Assessment and Final Assessment Notices in FileNet.	Interface	System currently sends copies of all letters and notices to FileNet.
308	The SAP system will provide an interface to post liability from a no-response Discovery letter and implement collection action with or without a return being filed. (i.e. upload 1000 discovery letters that did not respond and generate an automatic assessment for each)	Interface	Exists with CIT requirement 379.
309	The SAP system will provide a process to load a file of Account Numbers from Discovery into SAP to identify Audit-Discovery initiated returns.	Interface	Exists with SUW requirement 2617.
311	The SAP system will provide the capability to interface and conform to the State's Consolidated Print Center (CPC) standards.	Interface	Exists with SUW requirement 2416.
313	The SAP system will provide the capability to assign a Document Locator Number to every document received into the system or	Interface	Exists with SUW requirement 2417.

Reqt Number	Requirement Description	Functional Area	Comments
	generated by the system.		
315	The SAP system will provide the capability to interface with Siebel using a web service for real time data transfer.	Interface	Exists with SUW requirement 2301.
316	The SAP system will provide applicable taxpayer account and return status changes to the Siebel system via a real time web service.	Interface	Exists with SUW requirement 2301.
318	The SAP system will provide a batch interface to Siebel that provide city taxpayer demographic information.	Interface	Using the same batch interface as CIT and SUW.
319	The SAP system will record service requests in Siebel. SAP will place a hold on Letter of Inquiry action based on business rules.	Interface	Exists with SUW requirement 2302.
320	The SAP system will be built to interface with MAIN (through TC88). A separate project will address changes to SAP required for SIGMA.	Interface	SIGMA is the replacement for MAIN. 11/18 - There will be a separate project for SAP changes required for SIGMA.
322	The SAP system will provide the ability to receive and process an estimated payment voucher. Will include both interface and accounting work.	Interface	Exists with CIT requirement 182.
891	The SAP system will accept and load a file of UIA taxpayers.	Interface	The SAP system will receive a flat file from UIA annually to support post audit activity. There is an unemployment deduction on the lead forms. 12/3 - Annual file for prior calendar year with Name, SSN, amount paid.
324	The SAP system will allow at a minimum the following estimated payment attributes. • SSN (primary and secondary) • Amount • Due Date • Receive Date • Quarter • City • Name • Tax Year • Posted Date • Batch Information	Payment Processing	Use current consolidated payment file format with the addition of city code, assessment number, and flag indicating a split payment. CITA will not support electronic payment of tax.
329	The SAP system will provide a method to transfer a payment and associated information related to the payment to the City of Detroit when payment is determined to be for a tax year prior to 2015.	Payment Processing	Existing IDA process. 11/19 - Manual process as there will be no automated process to get money to the city. Will be done through GL postings.

Reqt Number	Requirement Description	Functional Area	Comments
330	The SAP system will provide an electronic IDA process for the manual movement of payments within SAP.	Payment Processing	Existing IDA process. 11/19 - Movement of money within SAP is manual, but not a paper IDA within SAP.
331	The SAP system will provide the ability to refund a payment submitted as a City Income Tax payment in error without a return.	Payment Processing	Use backend refund process that exists for MBT, CIT, and SUW.
333	The SAP system will provide the capability to apply money paid by a taxpayer in a single check to multiple returns and/or tax due notices manually or automatically.	Payment Processing	Exists with CIT requirement 187.
334	The SAP system will provide the capability to apply money paid by a taxpayer through multiple checks to a single return and/or tax due notice.	Payment Processing	Exists with CIT requirement 188.
335	The SAP system will provide the capability to apply money paid with a single check to liabilities owed across multiple reporting periods, and generate the proper transactions.	Payment Processing	Exists with CIT requirement 190.
336	The SAP system will provide the capability to allocate money received to tax, interest, and penalties according to business rules, and generate the proper transactions.	Payment Processing	Exists with CIT requirement 329.
337	The SAP system will provide the capability for State users to enter payment transactions through the use of a GUI with proper security safeguards.	Payment Processing	Exists with CIT requirement 199.
338	The SAP system will provide the capability for business user, under special circumstances, to specify payment application other than the standard business rule with appropriate security. (i.e. tax and interest instead of tax and penalty)	Payment Processing	Exists with SUW requirement 761.11/19 - Manual process, a role to allow user to perform a manual allocation of payment.
340	The SAP system will provide the capability to receive annual payments made with the paper return or with a payment voucher.	Payment Processing	Exists with CIT requirement 414.
341	The SAP system will provide the capability to allow all information, including FileNet image link on a payment to move when a payment is transferred.	Payment Processing	Exists with CIT requirement 422.
342	The SAP system will provide the capability to track money received. (e.g. Money that is not associated to a specific taxpayer but is to a specific tax type and/or reporting period until it is properly associated with a specific taxpayer, tax type and credited to that taxpayer's account, and generates the proper accounting transactions)	Payment Processing	Exists with CIT requirement 465.

Reqt Number	Requirement Description	Functional Area	Comments
343	The SAP system will provide the capability for business user with appropriate security to correct improperly posted transactions regardless of the type of transaction (e.g. change payment type annual to estimate and generate the appropriate accounting transfer).	Payment Processing	Exists with CIT requirement 466.
344	The SAP system will provide the capability to automatically generate NSF assessment upon posting of a return lot for dishonored check and electronic payments.	Payment Processing	Exists with SUW requirement 1234.
345	The SAP system will provide the capability to automatically reverse all transactions generated by a payment when a check / EFT associated with a payment is returned to the bank (based on NSF file from the bank).	Payment Processing	Exists with SUW requirement 951.
346	The SAP system will provide a method to enter into SAP final demand payments that are received without a payment voucher.	Payment Processing	Use SAP Dunning process.11/19 - Unallocated payment will be applied to an outstanding debt (program 44).
348	The SAP system will provide the ability to post future/past period (2015 and later) returns and payments to the current period.	Payment Processing	Exists with SUW requirement 708.
350	The SAP system will provide the capability to have Business rules to automatically apply payments that come in with a Treasury letter.	Payment Processing	Exists with SUW requirement 918.
352	The SAP system will provide the capability for money, along with the original batch validation, to be moved to different taxes, taxpayers, and/or file periods.	Payment Processing	Exists with SUW requirement 920.
353	The SAP system will provide the capability to post payment in current fiscal year, including payment received with an out of statute return.	Payment Processing	Exists with SUW requirement 1231.
354	The SAP system will provide for the posting date of the payment to be equal to the bank Date of deposit (which is provided in the bank file) and prevent that date from being adjusted either manually or systematically.	Payment Processing	Exists with SUW requirement 934.
355	The SAP system will provide the ability to accept and post miscellaneous, audit, and discovery payments as separate payment types.	Payment Processing	Exists with SUW requirement 957.
356	The SAP system will provide the ability to accept an indicator such as batch number range to identify a payment type.	Payment Processing	Exists with SUW requirement 958.
357	The SAP system will provide the ability to take audit payments and post to account and not clear until audit staff clears the return.	Payment Processing	Exists with SUW requirement 1417.

Reqt Number	Requirement Description	Functional Area	Comments
358	The SAP system will provide the ability to apply partial paid to tax/penalty/interest for uncontested amounts.	Payment Processing	Exists with SUW requirement 1419.
361	The SAP system will provide the ability to load a file of existing taxpayer names and addresses from City of Detroit from tax year 2014 filings (residency status).	Registration	
363	The SAP system will provide a onetime merge of name, address and SSN data from Detroit and extracted data from Michigan Individual Income Tax to support pre-registration of city taxpayers. This registration will not create an obligation to file or liability within the system. • Records present in Detroit file and not present in IIT will be included in the output to load to SAP • Records present in IIT file and not present in Detroit will be included in the output to load to SAP • The merge will not cleanse name or address values	Registration	
364	The SAP system will generate a business partner for each taxpayer that files a city tax return.	Registration	
365	The SAP system will generate a relationship between spouses with married filing jointly return by tax year.	Registration	Relationship will be at the return level for the tax period in which the return applies.
366	The SAP system will generate a relationship between taxpayer and Authorized Representative Declaration (ARD) by tax year.	Registration	
368	The SAP system will generate a relationship between taxpayer and return preparer by tax year.	Registration	
371	The SAP system will include at a minimum the following attributes at the account level from lead forms for example, but not limited to the following by tax year. • Address • SSN • Name	Registration	11/19 - Filing status, city and special exemption are at the return level as it is dependent on filing year.Only one address at a time for a taxpayer.
372	The SAP system will create a business partner from a filed city return if a business partner does not already exist for the taxpayer.	Registration	
373	The SAP system will put an estimated payment or extension request on clarification if a business partner does not exist when received.	Registration	11/19 - System will not workflow the estimated payment or extension request.

Reqt Number	Requirement Description	Functional Area	Comments
374	The SAP system will provide the ability for Business Partner relationships to be tax year specific, similar to UBG relationships. Taxpayers may file married jointly one year and separately then next.	Registration	
376	The SAP system will provide the ability for taxpayer address associated with a Business Partner to change from tax year to tax year.	Registration	Create registration from return if address is different than prior year.
377	The SAP system will cleanse/standardize address prior to creating a business partner in SAP.	Registration	Use Postal Soft to perform similar standardization as with current SAP registration processes.
378	The SAP system will provide reporting of City Income Tax return metrics separate from Michigan Income Tax return filings. Metrics include, but are not limited to count of City Income Tax returns filed combined with the Michigan Income Tax return and count of City Income Tax returns filed separate of the Michigan Income Tax return.	Reporting	DTMB estimate for a BI query.
74	The SAP system will provide the ability to create a 1099G file based on business rules. The system will match refunds that are reported on a return to the non-itemizer file from the IRS.	Reporting	Law requires issuance of 1099G documents. 11/18 - This will be a file created to be sent to IRS and a print vendor for printing. 12/3 - this will be a file for IRS and a print vendor for creating 1099G output.
381	The SAP system will include business partner number on reports instead of SSN.	Reporting	
384	The SAP system will produce a balance report for a given period to balance with the Third Party Collection Agency.	Reporting	
386	The SAP system will provide the capability to accept a date range when running reports.	Reporting	This functionality exists with MBT and CIT reports.
387	The SAP system will provide reports that are clearly titled with descriptive words and hence, not named or referenced with a series of numbers and letters which are meaningless to an end user.	Reporting	
389	The SAP system will provide a Return Status Report with the following high level attributes. • Total number of returns received in a given period • How many of those returns were processed by system • How many error out for manual review	Reporting	

Reqt Number	Requirement Description	Functional Area	Comments
390	The SAP system will provide a Backlog Status Report with the following high level attributes. • For returns out on error for manual review: ○ Prior backlog; number of new returns received; number of returns completed = current backlog (note: backlog means not out the door and completed means it is out the door with nothing further to do. The State does not want concepts such as created status, or reviewed by only one person to create report interpretation confusion) ○ Further broken down by return type (refund, credit forward, tax due, NP, partial paid, amended, tax year, and resident vs. non-resident as examples) ○ Produce sub lists from this report to show age and largest refunds as an example	Reporting	
391	The SAP system will provide an Error Detail Report with the following high level attributes. • Shows the number of auto-correct / green errors and the associated percentage processed by system • Shows the number of manual errors / red, yellow and the associated manual error rate percentage • List of all system errors and number of backlog returns currently associated with each error • The equivalent of the IIT 943 report (a report that allows us to review the effectiveness of an error in terms of revenue generated based on different tolerance amounts and the number of times an error resulted in a change or now change etc. • These reports would need to be run daily and show year-to-date / cumulative totals	Reporting	
392	The SAP system will provide a General Statistics Report with the following high level attributes. • Number of paper vs. e-Filed returns filed • Number of e-pay vs. paper paid • Total dollar amount of refund claims • Total dollar amount of tax due returns • Number of refunds issued via check vs. direct deposit • Amount of credit interest paid on current year refunds vs. prior year	Reporting	

Reqt Number	Requirement Description	Functional Area	Comments
393	The SAP system will provide a Staff Production Related Report with the following high level attributes. • Total number of returns worked by all staff (break out quarterly / monthly vs. annual) • Total number of returns worked by individualoShow total number and type of underlying errors worked necessary to complete the return • Total number of correspondence worked by all staff • Total number of correspondence worked by individual • Separately track “re-opens” these are not new returns but represent a resource cost • Browsing report or functionality to ensure staff are reviewing tax information only as it is necessary to carry out their jobs	Reporting	
394	The SAP system will provide a report of the collectability of returns during the Intent to Assess and Final Assessment Notice period.	Reporting	DTMB estimate for a BI query.
395	The SAP system will generate a paper return load control report.	Reporting	Extend current paper return load control total report to include CITA.
396	The SAP system will generate a payment load control report.	Reporting	Extend current interface 4P control total report to include CITA.
397	The SAP system will generate a refunds issued control report.	Reporting	
398	The SAP system will generate an e-File return load control report.	Reporting	Extend current e-File return load control total report to include CITA.
404	The SAP system will generate an IRS non-itemizer load control report.	Reporting	Law requires issuance of 1099G documents.
406	The SAP system will generate a Discovery return load control report.	Reporting	
414	The SAP system will provide a report of the quantity of refunds disbursed by tax type for resident, non-resident and part year resident taxpayers.	Reporting	Extension of existing refund report.
415	The SAP system will provide a report of the quantity of interest payments by tax type for resident, non-resident and part year resident taxpayers.	Reporting	Extension of existing SAP report.
420	The SAP system will provide a report of the dollar amount and quantity of assessments sent by tax type.	Reporting	Report of Intent to Assess only.
421	The SAP system will provide a report of accounts receivable aging by tax type.	Reporting	
424	The SAP system will provide a report of the percentage of returns processed timely.	Reporting	

Reqt Number	Requirement Description	Functional Area	Comments
425	The SAP system will provide a report of the percentage of income tax return exceptions.	Reporting	Extension of existing report 35.
426	The SAP system will provide a report of the statistics on the number of e-Filings by tax type.	Reporting	Report will include quantity only, no amounts.
427	The SAP system will provide a report on the aggregate of Adjusted Gross Income (AGI) by tax type and range.	Reporting	DTMB estimate for a BI query.
428	The SAP system will provide an annual report of the total exemptions by tax type.	Reporting	DTMB estimate for a BI query..
429	The SAP system will provide a report of the total income subject to tax by tax type on an annual basis in aggregate by range.	Reporting	DTMB estimate for a BI query.
430	The SAP system will provide a report of the individual tax return dependents claimed.	Reporting	DTMB estimate for a BI query.
432	The SAP system will provide a fiscal and calendar year end report of the quantity of tax returns processed and the quantity of tax returns received but not processed (backlog).	Reporting	Extend existing SAP backlog report. 12/3 - This is an existing CIT report. Can obtain breakdown between resident, non-resident, and part year resident via BI query. DTMB to instruct.
436	The SAP system will provide a report of the quantity of extensions by tax type.	Reporting	New SAP report, extension granted only.
440	The SAP system will provide a report in aggregate accounts receivable tax, penalty and interest along with aggregate amount of debt and number of tax payers with payment. Report number of resolved accounts and aggregate dollar amounts and number of judgments & garnishments. Report aggregate number of accounts that are uncollectable and dollar amounts. Will report aggregate number of accounts and aggregate dollar amount for small balance adjustments (cleaning up small balances on accounts such as penalty and interest accruals).	Reporting	12/3 - Deloitte will look for a standard SAP report(s) to support this requirement.
442	The SAP system will provide a report of audit information including the following: • Quantity of audits by tax type • Collections from audits by tax type • Assessments from audits by tax type • Status of audits (e.g. open, closed, in-process) • Resolution to audits by tax type (e.g. assessment, refund, no change)	Reporting	DTMB estimate for a BI query.

Reqt Number	Requirement Description	Functional Area	Comments
443	The SAP system will provide a report of quantity of new taxpayers by fiscal and calendar year, new business partner including relationships who have not filed a return for the City of Detroit. First time filer is defined as an individual income tax return filed for resident, non-resident or part year resident that has not filed previously. For the initial tax year, 2015, the determination of first time filer will be based on taxpayer file provided by the City of Detroit. Determination of first time filer for subsequent tax years will be based on actual returns processed by the State of Michigan.	Reporting	DTMB estimate for a BI query.
453	The SAP system will provide the capability to generate a user profile listing that includes user name, ID, department, division, role, date access granted and date access deleted.	Reporting	Functionality exists with CIT requirement 2.
454	The SAP system will provide the capability to generate a listing of all actions taken by a privilege user including Privilege User ID, user ID, Privilege User actions.	Reporting	Functionality exists with CIT requirement 3.
455	The SAP system will provide the capability to generate a list of users who reset their password including User ID, User Name, User ID, and Date of password reset.	Reporting	Functionality exists with CIT requirement 5.
456	The SAP system will provide the capability to generate a listing of users with multiple User IDs within SAP.	Reporting	Functionality exists with CIT requirement 6.
457	The SAP system will provide the capability to generate a listing of disabled users within SAP.	Reporting	Functionality exists with CIT requirement 7.
458	The SAP system will provide the capability to create an e-File control totals report by tax type.	Reporting	Extend existing SAP report.
459	The SAP system will provide the capability to create an e-File posting report by tax type.	Reporting	Extend existing SAP report.
460	The SAP system will provide the capability to create an e-File error report by tax type.	Reporting	Extend existing SAP report.
461	The SAP system will provide the capability to generate a control total report for Tax Compliance created returns.	Reporting	Extend existing SAP report.
463	The SAP system will provide a monthly and YTD report for revenue activity by type (estimated, Annual, Extension, P&I, refunds, rebates)	Reporting	Functionality exists with CIT requirement 184.
465	The SAP system will provide daily reports to ensure that accounts receivables are in balance.	Reporting	Functionality exists with CIT requirement 206.

Reqt Number	Requirement Description	Functional Area	Comments
466	The SAP system will provide the capability to generate a reports that show and compare monthly and year to date totals.	Reporting	Functionality exists with CIT requirement 208.
467	The SAP system will provide the capability to generate a listing summarizing individual or group production and proficiency statistics.	Reporting	Functionality exists with CIT requirement 215.
468	The SAP system will provide the capability to generate a listing of Business Intelligence Record Selection Control Totals (ZMBT_DW_STATISTICS).	Reporting	Functionality exists with CIT requirement 217.
473	The SAP system will provide the capability to generate a listing of control totals for submissions from the Web Services Client.	Reporting	Functionality exists with CIT requirement 225.
474	The SAP system will provide the capability to generate a listing of returns run through the e-File business rules that were accepted by type. (i.e. e-File posting)	Reporting	Functionality exists with CIT requirement 226.
475	The SAP system will provide the capability to generate a listing of returns run through the e-File business rules that were rejected listed by rejection code. (i.e. e-File errors)	Reporting	Functionality exists with CIT requirement 227.
478	The SAP system will provide the capability to generate a listing of manual journal entries.	Reporting	Functionality exists with CIT requirement 232. 11/19 - TAM report 38.
479	The SAP system will provide the capability to generate a listing of refunds issued. (i.e. Year End Payables)	Reporting	Functionality exists with CIT requirement 233.
480	The SAP system will provide the capability to generate a listing of refunds pending approval. (i.e. Year End Payables)	Reporting	Functionality exists with CIT requirement 234.
481	The SAP system will provide the capability to generate a listing of refunds pending processing. (i.e. Year End Payables)	Reporting	Functionality exists with CIT requirement 235.
482	The SAP system will provide the capability to generate a listing of revenue by type. (i.e. Year End Receivables)	Reporting	Functionality exists with CIT requirement 236.
483	The SAP system will provide the capability to generate a listing of balance sheet for General Ledge accounts.	Reporting	Functionality exists with CIT requirement 237.
484	The SAP system will provide the capability to generate a listing of payments by type.	Reporting	Functionality exists with CIT requirement 239.
485	The SAP system will provide the capability to generate a listing of transfers to the State's financial accounting system.	Reporting	Functionality exists with CIT requirement 241.
488	The SAP system will provide the capability to generate a listing of assessments that are stopped on a filter	Reporting	Functionality exists with CIT requirement 244.

Reqt Number	Requirement Description	Functional Area	Comments
489	The SAP system will provide the capability to generate a listing weekly and monthly of reconciliation of received payments.	Reporting	Functionality exists with CIT requirement 246.
490	The SAP system will provide the capability to generate a listing of large refund amounts (individual refund amount or total of refunds for a given day).	Reporting	Functionality exists with CIT requirement 247.
491	The SAP system will provide the capability to generate a listing weekly and monthly for reconciliation of returned items.	Reporting	Functionality exists with CIT requirement 248.
492	The SAP system will provide the capability to generate a listing of revenue by payment type, monthly and fiscal year to date.	Reporting	Functionality exists with CIT requirement 249.
495	The SAP system will provide the capability to generate a listing of penalty and interest re-class.	Reporting	Functionality exists with CIT requirement 261.
496	The SAP system will provide the capability to generate a listing that confirms balances in General Ledgers 020015 refund re-class and 020016 carry forward re-class.	Reporting	Functionality exists with CIT requirement 262.
497	The SAP system will provide an address history for taxpayers and source of change.	Reporting	Functionality exists with CIT requirement 298.
498	The SAP system will provide the ability to produce an assessed and unassessed breakdown of a particular taxpayer's liabilities and payments. Assessed should include paid and corrected to zero assessments.	Reporting	Functionality exists with SUW requirement 1808. 11/19 - This is a BP Overview.
499	The SAP system will provide the ability to generate a report that lists the returns on hold.	Reporting	Functionality exists with SUW requirement 1809.12/3 - Accounts on hold will be done through a query of the stop action table.
500	The SAP system will provide the ability to generate SAP reports to reconcile to the State's financial accounting system by the State's financial accounting system coding blocks. Includes all revenue changes, transfers, incoming deposits, outgoing refunds from SAP to the State's financial accounting system.	Reporting	Functionality exists with SUW requirement 1220.
502	The SAP system will provide the capability to systematically daily reconcile bank files and provide a report or notification if out of balance.	Reporting	Functionality exists with SUW requirement 1223.
503	The SAP system will provide year-end report of debts that have not been assessed.	Reporting	Similar to SUW requirement 1229.
504	The SAP system will provide a new report of Credit Forward values by Revenue Type.	Reporting	11/19 - Extension of a BW report from SUW.
505	The SAP system will provide a new report that lists all transactions being sent to Third Party Collections for that day, including transactions totals, and dollar totals by transaction type,	Reporting	

Reqt Number	Requirement Description	Functional Area	Comments
	and by tax.		
506	The SAP system will generate a Discovery Stop load control report. Consisting of- • Stops Loaded (total and by type) • Stops errored out • Stops inactivated • Stops reactivated	Reporting	Load only report.
507	The SAP system will generate a Discovery return listing, configurable by date. For returns stopped on a Discovery Stop consisting of - RET_TYPE, RET_YEAR, SSN_PRIMARY, SEQUENCE_NUMB, ERROR_FLG, PAID_DUE_AMT, AUDITED_BAL, REF_AMT, CRED_FWD_AMT, TAX_APPLIED, KEY_SEQ, BATCH_YR, BATCH_MMDD, BATCH_NUMBER, BATCH_ITEM, BATCHDATE	Reporting	DTMB estimate for a BI query.
918	The SAP system will produce report output in electronic and paper format per user's choice.	Reporting	
919	The SAP system will include date, timestamp and ID of user that executed report in report header or footer.	Reporting	
920	The SAP system will provide the capability to generate reports automatically or on demand by project code for Intent to Assess, Final Assessment and Final Demand.	Reporting	
61	The SAP system will include an indicator in the Discovery files that denotes a combined return.	Return Processing	
92	The SAP system will provide the ability for staff to generate refund, credit forward, tax due, or transfer transactions to another tax type.	Return Processing	This functionality is available with SUW requirement 1418.
509	The SAP system will allow taxpayers to file a City Income Tax return in paper and e-File formats.	Return Processing	
510	The SAP system will allow taxpayers to paper or e-File a City Income Tax return standalone or combined with the Michigan Income Tax return.	Return Processing	SAP will not perform an acknowledgement for e-Filed returns. This function will be performed by JELF prior to delivering file to SAP.
513	The SAP system will generate a letter to the taxpayer for missing pages and other return errors based on appropriate business rules.	Return Processing	Use specific letter text for letter of explanation from requirement 172.
514	The SAP system will display error messages for Treasury staff when processing a City Income Tax return.	Return Processing	
515	The SAP system will provide a method for Treasury staff with appropriate security to create and maintain canned messages displayed for use when processing returns.	Return Processing	11/19 - Same as functionality available with CIT and SUW.

Reqt Number	Requirement Description	Functional Area	Comments
518	The SAP system will workflow a return that fails to load due to business rules if an address is not known at the time of attempted load.	Return Processing	Extend return load process from CIT to include CITA.
519	The SAP system will rebill all returns released from the Stop Action table.	Return Processing	11/19 - Do not currently have automatic rebill of returns released from Stop Table.
520	The SAP system will not bill returns that have a stop entry in the Stop Action table.	Return Processing	
521	The SAP system will offset refunds against tax debt data received from the City of Detroit subject to offset rules.	Return Processing	Will only offset against tax for City Income Tax prior year tax debt. 11/19 - Tax debt comes first in the order of processing an offset.
522	The SAP system will allow the taxpayer to request a refund be used as a credit forward.	Return Processing	
523	The SAP system will not offset a credit forward against debt data received from the City of Detroit. Credit forward will remain a credit forward within the system.	Return Processing	A credit forward can only be used to offset City Income Tax debt, not judgments.
527	The SAP system will establish a liability on the taxpayer account for debt and garnishment.	Return Processing	
528	The SAP system will provide the ability to assess underpayment penalty when return is received for quarterly estimated payments that do not exceed the required percentage and business rules (currently 70% of current or previous year) of total liability for the current tax year. The percentage threshold shall be configurable.	Return Processing	
530	The SAP system will provide the ability to process a filing extension request form received by the State of Michigan.	Return Processing	Will only honor extension requests sent to the State of Michigan. Detroit will be instructed to forward extension requests they receive to the State of Michigan.
532	The SAP system will offset refunds against garnishments subject to offset rules.	Return Processing	Garnishments are offset after tax debt in order of date received.
534	The SAP system will work list a CITA return that includes a Non-Obligated Spouse form.	Return Processing	
535	The SAP system will provide a process to refund the residual from a refund that was offset.	Return Processing	Use SAP Dunning process.
538	The SAP system will workflow a duplicate return with a red error.	Return Processing	
539	The SAP system will workflow an amended return if the original return has not been successfully billed.	Return Processing	
540	The SAP system will workflow an amended return if there is an assessment or letters of inquiry pending.	Return Processing	

Reqt Number	Requirement Description	Functional Area	Comments
541	The SAP system will provide work flow based on stop action type and division.	Return Processing	
548	The SAP system will include the city name on the warrant.	Return Processing	Standard refund message needs to include city name.
550	The SAP system will credit a refund to the next tax year when taxpayer requests a refund to be used as a credit forward.	Return Processing	
552	The SAP system will include appropriate interest with a refund based on business rules.	Return Processing	
553	The SAP system will work list a duplicate return. A duplicate return is defined as a return without the amended box checked received for a tax year in which the taxpayer has already filed a return.	Return Processing	
556	The SAP system will provide workflow bad address, undeliverable and uncashed warrants.	Return Processing	
557	The SAP system will provide the capability to create an amended return when "as audited" fields contain data.	Return Processing	
558	The SAP system will provide the capability to assess discretionary penalties. This field must be capable of being updated by staff with appropriate authorization.	Return Processing	
559	The SAP system will provide the capability to view and process the following forms for City Income Tax: - Annual Resident Return with amended checkbox (5118) - Annual Non-Resident Return with amended checkbox (5119) - Annual Part Year Resident Return with amended checkbox (5120) - Schedule W (5121) - Non-Obligated Spouse - Application for Michigan Net Operating Loss Refund (similar to MI-1045) - Extension Request - Estimated Payment - e-File Payment Voucher - Tax Due Payment Voucher	Return Processing	The city extension request will follow the same rules as the current State rules. City Income Tax in year one, Fiduciary and City Corporate Income Tax in year two. Non-Obligated Spouse form will have a separate lockbox. Net Operating Loss Refund form will follow the same capture rules as the Michigan Income Tax version. E-File Payment Voucher will include a scanline. There will be a specific voucher for each city. JPM Chase will not process 2015 estimate payments, these will remain with Comerica and come to SAP via an interface with the City of Detroit.
560	The SAP system will provide the capability to send to the taxpayer a requested copy of a taxpayer's as-filed return with corrections and/or adjustments noted.	Return Processing	

Reqt Number	Requirement Description	Functional Area	Comments
561	The SAP system will provide the capability to perform data validation with auto correction, using business rules against data captured from returns. Work items are created for returns that fail validation based on business rules and are then workflowed as assigned.	Return Processing	
562	The SAP system will provide the capability for users to resolve return exceptions, through the use of a GUI.	Return Processing	
564	The SAP system will provide the capability to process multiple returns for different cities per reporting period from the same taxpayer for all tax types.	Return Processing	
565	The SAP system will provide the capability to denote on a taxpayer's account that a request for an extension for filing returns has been received and granted by the Department.	Return Processing	
567	The SAP system will provide the capability to calculate applicable adjustments to tax, penalties and interest, using various rates as defined by business rules for different cities or different tax years.	Return Processing	
568	The SAP system will provide the capability to calculate applicable penalties and interest based on rules for a specific tax type.	Return Processing	All cities' rules will be the same with respect to penalty and interest calculation.
569	The SAP system will provide the capability for authorized users to waive penalty or interest assessed against a taxpayer's account and generate the proper accounting transactions.	Return Processing	
573	The SAP system will provide the capability for denoting city returns for tax periods that have been or are in hearing and workflow according to business rules should any return be filed for those periods.	Return Processing	Will use Stop Action table to denote returns in hearing, same as with SUW.
574	The SAP system will provide the ability to change the as filed values of a tax return with appropriate security.	Return Processing	As corrected fields will be established for select fields.
575	The SAP system will provide the capability for system to join and unjoin returns based on business user actions. (i.e. original filing with amended)	Return Processing	
576	The SAP system will provide capability to systematically override the 'as determined' to the 'as filed' value if return is within defined tolerance. (i.e. tax liability)	Return Processing	Will use tolerance rules and processes with CIT.
577	The SAP system will provide capability to determine Letter of Inquiry content based on whether return is within tolerance.	Return Processing	Will use tolerance rules and processes with CIT.

Reqt Number	Requirement Description	Functional Area	Comments
578	The SAP system will provide the capability to generate a unique return id for each filing. (i.e. original and amended)	Return Processing	
580	The SAP system will provide the capability to process the return without calculating penalty and to accept as audited amount entered based on channel and defined business rules.	Return Processing	
582	The SAP system will provide the capability to receive an extension or estimate payment from the paper request.	Return Processing	
583	The SAP system will provide the capability to receive an extension request without payment via paper.	Return Processing	
584	The SAP system will provide the capability to carry forward city Net Operating Loss for taxpayer(s).	Return Processing	
586	The SAP system will provide the capability to carry forward over payments (credit forward) for taxpayer(s) within city effective 2015 and later. Overpayments from return adjustments will be refunded.	Return Processing	11/19 - There will be no carryforward into 2015. Same as with SUW for an overpayment and send out as a refund.
587	The SAP system will provide the capability to stop a refund transaction until it's transferred to the State's accounting system.	Return Processing	
588	The SAP system will provide the capability to eliminate all BRF messages associated with a return at the time the status is changed to 'void' or 'duplicate'.	Return Processing	
589	The SAP system will provide the capability to identify and report during the load process any tax returns requesting refunds greater than a configurable amount to a supervisor. This amount must be stored on a table that is maintainable by a business user with appropriate security.	Return Processing	
590	The SAP system will provide the capability for refunds due to taxpayer in bankruptcy to be routed to trustee based on defined business rules.	Return Processing	
591	The SAP system will provide users the capability to issue refunds to an alternate address with appropriate supervisory approval.	Return Processing	
592	The SAP system will provide the capability to capture an address off the return, update taxpayer account and store prior addresses according to business rules.	Return Processing	
593	The SAP system will receive feedback on warrant and warrant status and display to the user.	Return Processing	

Reqt Number	Requirement Description	Functional Area	Comments
594	The SAP system will provide residual information when there is an offset.	Return Processing	
595	The SAP system will provide the ability to accept and process No Remittance Returns.	Return Processing	
596	The SAP system will provide the ability to accept an amended return of a different type than the original return (i.e. original return filed was a resident and amended is a non-resident).	Return Processing	
597	The SAP system will provide the ability to accept and process amended returns.	Return Processing	
598	The SAP system will provide the ability to allow a return to be posted on a Purged File Period.	Return Processing	
599	The SAP system will provide the ability to create or accept a return without creating an expectation to file.	Return Processing	
602	The SAP system will provide the ability for staff to view refund information so that they know the status of the refund when responding to phone inquiries. (Cashed, undeliverable, etc.)	Return Processing	
603	The SAP system will provide the capability to systematically calculate refund interest using varying rates depending on tax type, tax period and city.	Return Processing	Interest rates will be the same for all cities.
606	The SAP system will provide the ability to recognize the IDA reason code. If the reason code is offsetting a refund, the system must ensure that the refund does not get issued twice.	Return Processing	
607	The SAP system will provide the capability to create a yellow error when a return is out of statute.	Return Processing	
608	The SAP system will provide capability to handle returns with or without payment for years in which City Income Tax ledgers have been purged based on business rules.	Return Processing	
609	The SAP system will provide the capability to override the statute of limitations date by users with appropriate security.	Return Processing	
611	The SAP system will provide a statute of limitation process for return processing based on business rules.	Return Processing	
612	The SAP system will provide the capability to auto correct basic calculation errors on paper returns and automatically notify the taxpayer of the adjustment.	Return Processing	
613	The SAP system will provide the ability to accept and process zero returns	Return Processing	

Reqt Number	Requirement Description	Functional Area	Comments
615	The SAP system will allow multiple payments to be received within the same return period without error.	Return Processing	
616	The SAP system will provide the ability for the system to regenerate a refund or refunds to the State's financial accounting system as part of the current refund process.	Return Processing	Mirror CIT with G/L and sub ledgers applicable to city.
617	The SAP system will provide the capability to manually or systematically issue a discretionary penalty based on business rules.	Return Processing	
618	The SAP system will provide the capability to stop a refund transaction until it's transferred to the State's accounting system.	Return Processing	
619	The SAP system will provide the capability to hold off issuing assessment if a response has been received but not yet worked.	Return Processing	Correspondence hold, same we have with letters of inquiry in CIT when correspondence has been received before sending an assessment to STAR.
620	The SAP system will provide the capability for the system to automatically send a letter of inquiry for the monies owed if a partial payment and no correspondence is received.	Return Processing	
621	The SAP system will continue current inbound and outbound letters relationship/process with Siebel as exists for CIT and FTW.	Return Processing	
893	The SAP system will provide the ability for users with appropriate authority to update returns as a result of a stipulated agreement.	Return Processing	
915	The SAP system will capture new batch type code~~s~~ to receive and process amended returns.	Return Processing	
571	The SAP system will provide the capability for recording, in the audit table, the user who initiated a waiver or refund.	Security	
623	The SAP system will provide security to restrict view and update of City Income Tax payment, return and image data to users with appropriate roles specific to customer service functions and the processing of City Income Taxes.	Security	
625	The SAP system will provide the capability to inactivate user accounts that have not been used for 90 calendar days and delete after 1 year of inactivity.	Security	
626	The SAP system will provide the capability to limit log-on attempts to three (3) attempts before a user is systematically locked out of the application only be re-enabled by a security administrator.	Security	

Reqt Number	Requirement Description	Functional Area	Comments
627	The SAP system will provide the capability to automatically log-off an inactive user after a pre-defined period of time. (i.e. session termination due to inactivity)	Security	
628	The SAP system will provide the capability to limit the number of concurrent sessions for any user.	Security	
629	The SAP system will provide the capability to restrict access to security functions (e.g., System Administrator, Security Administrator, Super User, etc.) and information to authorized personnel.	Security	
630	The SAP system will provide the capability to generate an audit log of security administration activity to detect security violations. A standard report must be available for review and monitoring purpose.	Security	
631	The SAP system will provide the capability to require both identification and authentication at both the operating system level and the application level when accessing the system.	Security	
632	The SAP system will provide the capability for a User ID to uniquely identify a person or an application and must be configured in compliance with Administrative Guide Procedure 1310.18.	Security	
633	The SAP system will provide the capability for passwords to meet the following characteristics.- Minimum Length - Eight (8) characters- At least two numeric characters (0 through 9)- A combination of two upper (A through Z) and lower case (a through z) letters.- Any special characters (!, @, #, $, %, ^, &, *, (,), +, =, /, <, >, ?,., :, ;, \) .- User ID in password is not allowed.	Security	
634	The SAP system will provide the capability for temporary passwords that must have the following characteristics. - Temporary Password Age - 1 day - Must be randomly chosen or generated - System must force the user to change the initial password at initial login	Security	
635	The SAP system will provide the capability to require passwords to be changed every thirty (30) calendar days.	Security	
636	The SAP system will provide the capability to restrict releasing locks on User IDs to authorized personnel.	Security	

Reqt Number	Requirement Description	Functional Area	Comments
637	The SAP system will provide the capability to not display Password/PIN on the screen during the login process (The exception to this is during selection of a machine-generated password).	Security	
638	The SAP system will provide the capability to store and transmit passwords with a minimum of 128-bit encryption. Passwords must be masked when entered on any screen.	Security	
639	The SAP system will provide the capability to maintain a record of when a password was changed, deleted, or revoked. The audit trail shall capture all unsuccessful login and authorization attempts for a one year period.	Security	
640	The SAP system will provide the capability to keep a password history and perform a check against the history to verify the password has not been used for a minimum of one year.	Security	
641	The SAP system will provide the capability to disable the “remember password” feature of the application.	Security	
642	The SAP system will provide the capability to enforce strong passwords by prohibiting viewing a previous password by anyone or anything.	Security	
643	The SAP system will provide the capability to enforce strong passwords by prohibiting: Reuse of a password for minimum of one year.	Security	
644	The SAP system will provide the capability to encrypt confidential and sensitive information in transit with a minimum of 128 bit-encryption.	Security	
645	The SAP system will provide a minimum of 128-bit encryption, guided media or a dedicated telephone line must be used to transmit confidential and sensitive data over a network external to LMAN.	Security	
646	The SAP system will provide the capability to encrypt using HTTPS protocol utilizing SSL encryption certificate containing a key no less than 128 bits in length, or FIPS 140-2 compliant, whichever is stronger, for all internet transmissions. All sessions shall be encrypted and provide end-to-end encryption. i.e., from workstation to point of data.	Security	
647	The SAP system will provide encryption of encryption keys, certificates, and passwords/PINS.	Security	

Reqt Number	Requirement Description	Functional Area	Comments
648	The SAP system will provide the capability to log the portion of city records must record all online changes, including additions, modifications, or deletions containing a minimum of: Origin of request, Program or command used to initiate the event, User ID, and Date and time of event.	Security	
649	The SAP system will provide the capability to capture all successful and unsuccessful login and authorization attempts in audit log files.	Security	
650	The SAP system will provide the capability to capture via change, audit and/or transport logs, all transactional, data, configuration and/or development/code changes made to the system by users. These logs will be additionally supplemented by processes that will promote configuration and development/code changes from the Development system to QA system and tested and evaluated before being approved to move into Production.	Security	
651	The SAP system will provide the capability to capture the creation, modification and deletion of user accounts and group accounts in audit log files.	Security	
652	The SAP system will provide the capability to capture all changes to logical access control authorities (i.e., rights, permissions) in audit log files.	Security	
653	The SAP system will provide the capability to store audit logs and electronic error files containing confidential or sensitive information in Zone 3. Files must be encrypted when stored on any server other than in Zone 3.	Security	
654	The SAP system will provide the capability to limit access to audit logs to those who have a responsibility to review the records.	Security	
655	The SAP system will provide the capability to incorporate process controls to ensure that the transactions are processed and recorded in the nightly processing window. The automated job scheduler will log errors and issues	Security	
656	The SAP system will provide the capability to maintain a single or synchronized username and password between SAP ECC and Portal.	Security	
657	The SAP system will provide the capability to store bank routing and account numbers captured from a taxpayer's checks with	Security	

Reqt Number	Requirement Description	Functional Area	Comments
	appropriate safeguards.		
658	The SAP system will provide capability to view or print any report based on role.	Security	
659	The SAP system will provide the capability for defined administrative levels to approve transactions based on roles.	Security	
661	The SAP system will provide centralized security access so that adds, changes, and terminations in a user or a user's access capabilities are processed universally across all SAP systems (internal and external to core processing), and are only entered once.	Security	
662	The SAP system will provide the capability to access security rights by transaction and user.	Security	
663	The SAP system will provide the capability to allow security access to returns and images to employees on a need to know basis.	Security	
664	The SAP system will provide the capability to restrict the ability of users to change or delete previous comments without security rights.	Security	
665	The SAP system will provide the capability for users to view only specific transactions for a given tax type.	Security	
666	The SAP system will provide an audit trail for every user inquiry or transaction entered that includes the user performing the transaction and the date and time the transaction was performed.	Security	
667	The SAP system will use roles to implement access security.	Security	
668	The SAP system will provide the ability for a user with appropriate security to change a taxpayer address.	Security	
669	The SAP system will provide the capability for a user with appropriate security to stop correspondence prior to printing.	Security	
670	The SAP system must be configured to provide only essential capabilities prohibiting and/or restricting unnecessary functions, ports, protocols, and/or services.	Security	
671	The SAP system must have default passwords for the standard SAP* delivered user master records changed to prevent unauthorized access to the system.	Security	
672	The SAP system will provide the capability to Default Accounts and Passwords: All SAP default accounts and the default password must be changed or removed from the system prior to operation.	Security	

Reqt Number	Requirement Description	Functional Area	Comments
680	The SAP system will provide the capability to restrict releasing locks on User IDs to authorized personnel.	Security	
686	The SAP system will store password separate from the program codes.	Security	
694	The SAP system will provide the capability to log the portion of CITA records must record all online changes, including additions, modifications, or deletions containing a minimum of: Origin of request, Program or command used to initiate the event, User ID, and Date and time of event.	Security	
703	The SAP system will provide the capability for defined administrative levels to approve transactions based on roles.	Security	
705	The SAP system will provide centralized security access so that adds, changes, and terminations in a user or a user's access capabilities are processed universally across all SAP systems (internal and external to core processing), and are only entered once.	Security	
707	The SAP system will provide the capability to allow security access to returns and images to employees on a need to know basis.	Security	
708	The SAP system will provide the capability to restrict the ability of users to change or delete previous comments without security rights.	Security	
709	The SAP system will provide the capability for users to view only specific transactions for a given tax type.	Security	
710	The SAP system will provide a status log tracking by account and employee, including saves and changes made to returns.	Security	
889	The SAP system will implement City Income Tax as a new contract account for city taxes.	Security	
537	The SAP system will provide ability for a user with appropriate security to configure tolerances for tax amount due and refund amount. Changes to tolerance will require testing before going live.	System	Exists with SUW requirement 2425.
751	The SAP system will provide a table that is maintainable by a user with appropriate security to define exemptions. The table will include, at a minimum, exemption amount, tax year, city, and resident/non-resident flag.	System	

Reqt Number	Requirement Description	Functional Area	Comments
752	The SAP system will provide a table that is maintainable by a user with appropriate security to define tax rate. The table will include, at a minimum, city, tax year, tax rate, exemption amount, and resident/non-resident flag.	System	Returns will reflect city and city code. Only possible differences between the various cities may be the exemption amounts and tax rates. The exemption amount and tax rate will be maintained in tables by city and tax period.
754	The SAP system will allow fiscal year to be configured by city as each city may have different fiscal year timing.	System	Fiscal years are applicable to some reports. Will not impact tax, refund or liability calculation or any other return applicable items. Fiscal year is only applicable to some reports as stated above.
755	The SAP system will provide the ability to search for returns and acknowledgements by submission.	System	Same as CIT.
756	The SAP system will provide the capability to allow for display or export of data in different formats (spreadsheets, access, graphs, etc.).	System	Same as CIT.
757	The SAP system will provide the capability to search for returns or payments by Document Locator Number (batch date, batch number, batch item).	System	Same as CIT.
758	The SAP system will provide end users the capability to enter data from returns into the system through the use of a GUI.	System	Same as CIT.
759	The SAP system will provide end users the capability to enter data from schedules into the system through the use of a GUI.	System	Same as CIT.
760	The SAP system will provide end users the capability to enter payments into the system through the use of a GUI.	System	Same as CIT.
765	The SAP system will provide the capability to maintain validation rules in tables. (e.g. Letter message, interest rate, grace days)	System	Same as CIT.
766	The SAP system will provide the capability to manually override workflow prioritization	System	11/19 - Same functionality as currently available with CIT.
768	The SAP system will provide the capability for FileNet images to be available immediately for view at the desktop.	System	Same as CIT.
769	The SAP system will provide the capability to allow authorized users to map data items to a tax form by year without losing the previous year form layout and mapping.	System	Same as CIT.
770	The SAP system will provide the capability allow canned messages, variable paragraphs and free form text to be combined in a single document based on business rules.	System	Same as CIT.

Reqt Number	Requirement Description	Functional Area	Comments
771	The SAP system will provide consistent profile information and location on each screen. Each screen will include the taxpayer ID and name.	System	Same as CIT.
773	The SAP system will provide the capability to display and print dates in a consistent format (MM/DD/YYYY).	System	Same as CIT.
774	The SAP system will provide the capability to insert the last day of the month value to a return when the day value is missing.	System	Same as CIT.
775	The SAP system will provide the capability to generate all printed material with a print date and page number.	System	Same as CIT.
776	The SAP system will provide for real time processing of transactions.	System	Same as CIT.
777	The SAP system will provide the capability to manually input new transactions with appropriate security. (e.g. returns, payments, credits, etc.)	System	Same as CIT.
778	The SAP system will provide the capability to view the image of submitted returns, schedules and checks in the same manner regardless of channel (paper/electronic) with a single click.	System	Same as CIT.
779	The SAP system will provide the capability to process batches without interrupting or hindering daily processing or performance.	System	Same as CIT.
780	The SAP system will provide the capability to use configurable parameter driven tables that are maintained by business users with appropriate authorization.	System	Same as CIT.
781	The SAP system will provide the capability to use configurable parameter driven tables to define e-File business rules that can be maintained by business users with appropriate authorization.	System	Same as CIT.
782	The SAP system will provide the capability to have “total fields” in excess of 15 digits left of the decimal.	System	Same as CIT.
783	The SAP system will provide the capability to download account data as needed.	System	Same as CIT.
784	The SAP system will provide the capability to display word literals rather than codes where configurable.	System	Same as CIT.
786	The SAP system will provide the capability to show garnishments and vendor offsets from a city refund and any residual refund warrant numbers and amounts.	System	Same as CIT.
787	The SAP system will provide the capability to allow for multiple tax rates per tax period.	System	Same as CIT.

Reqt Number	Requirement Description	Functional Area	Comments
788	The SAP system will provide the capability to allow for multiple tax rates per city.	System	Same as CIT.
789	The SAP system will provide the capability to identify payment channel.	System	Same as CIT.
790	The SAP system will provide the capability to capture developer identification off paper and software generated forms.	System	Same as CIT.
791	The SAP system will provide the capability to store PDF attachments from e-File returns	System	Same as CIT.
792	The SAP system will provide the capability to automatically create a permanent notation that is viewable in the Business Partner Overview (BPO) when a return or transaction, including payments, is moved from one BP to another showing the source and destination BP numbers.	System	Same as CIT.
793	The SAP system will provide the capability to display a message in the portal when accessing a return that has been moved to another BP if there is no return remaining for that filing period.	System	Same as CIT.
794	The SAP system will provide the capability to generate a Treasury approved report/file when monies are being transferred from SAP tax to another system. (i.e. online IDA)	System	Same as SUW. 11/19 - Printing PDF from the system, manual process.
796	The SAP system will provide the capability to systematically determine date of any letter. Date on letter must be set at time of final approval and post dated to allow for mail handling and not be a Saturday, Sunday or Holiday.	System	Same as CIT.
798	The SAP system will provide the capability for naming and usage of date fields to be consistent based on defined business rules. (i.e. received date always represents date return or transaction was actually received)	System	Same as CIT.
800	The SAP system will provide the capability for the system, posting, and taxpayer correspondence dollar amounts to be consistent. (i.e. round or not round the cents)	System	Same as CIT.
802	The SAP system will provide the capability to detect and prevent duplicate taxpayer accounts before creating new taxpayer profiles.	System	Same as CIT.
803	The SAP system will provide the capability to search for existing taxpayers by displaying all taxpayers in the database by name or portion of the name supplied by user input.	System	Same as CIT.

Reqt Number	Requirement Description	Functional Area	Comments
804	The SAP system will provide the capability to search for existing taxpayers by input of an address and displaying all taxpayers in the database having that same address.	System	Same as CIT.
805	The SAP system will provide the capability to search for existing taxpayers by input of one or more Treasury assigned account number(s), at least 14 alpha/numeric characters, and displaying all taxpayers in the database having that same assigned account number.	System	Same as CIT.
806	The SAP system will provide the capability to search for existing taxpayers by input of an SSN and displaying all taxpayers in the database having an association with that same SSN.	System	Same as CIT.
807	The SAP system will provide the capability to assign a unique ID (assigned SSN) number to a taxpayer when a new profile is created, becoming the primary identifier in the system.	System	Same as CIT.
809	The SAP system will provide the ability to manually move a return from one account to another.	System	Same as CIT.
810	The SAP system will provide the capability to maintain multiple versions (system) of taxpayer profile information by always adding new information, never updating existing information.	System	Same as CIT.
811	The SAP system will provide the ability to maintain a history of taxpayer profile information changes. (i.e. When taxpayer's profile information is changed, the revised profile becomes the current and the changed record becomes a prior profile. Both will be maintained with record of the change)	System	Same as CIT.
812	The SAP system will provide the capability for staff with appropriate security to update / correct taxpayer information captured incorrectly.	System	Same as CIT.
816	The SAP system will provide the capability to support foreign addresses including country codes and foreign postal codes and are properly formatted to be compatible with the State's financial accounting system.	System	Same as CIT.
817	The SAP system will provide for local printing of documents at Treasury offices and remote locations based on access rights.	System	Same as CIT.

Reqt Number	Requirement Description	Functional Area	Comments
818	The SAP system will provide the capability for recording notes and/or narratives about actions taken for each taxpayer (at account and return level) and the user who did it and the date it was done in chronological order. The system must auto stamp user name and date.	System	Same as CIT.
824	The SAP system shall provide a configurable fiscal year for each city.	System	
834	The SAP system will provide the capability to stop refund checks on the same day of approval regardless of the stage of the refund, across all tax types. Therefore, refunds that are erroneously issued are capable of being stopped.	System	Same as SUW.
836	The SAP system will provide the capability, using business rules, for supervisors to approve transactions and data entered by users before posting of the transactions.	System	Same as SUW requirement 910.
839	The SAP system will have the capability to process Zero vs. Null according to business rules.	System	Same as SUW requirement 2440.
840	The SAP system will have the capability to capture and store an image of a return, schedule, payment voucher or other form and link it to the appropriate corresponding transaction(s).	System	Same as CIT.
842	The SAP system will provide the capability to store the received date of the payment or return in the appropriate field for the purpose of calculating penalty and interest.	System	Same as SUW requirement 933.
843	The SAP system will provide the capability to allow staff to view and search by batch date, batch number, and batch item number for payments and returns.	System	Same as SUW requirement 955.
844	The SAP system will provide the capability to view and search for a payment by payment amount, with the flexibility to include batch date, batch item, batch number, a date range, and a batch number range. Batch information should be displayed on the payment in the Business Partner Overview (BPO).	System	Same as SUW requirement 956.
845	The SAP system will provide real time changes within SAP on account adjustments. Increase the number of actions that could post in real time to reduce the amount of time used for review of follow-up information.	System	Same as SUW requirement 1203.
846	The SAP system will provide the ability for all users to see if a return is on the STOP table.	System	

Reqt Number	Requirement Description	Functional Area	Comments
847	The SAP system will provide the ability to have As Audited fields for all lines on the City Income Tax forms, for all applicable periods, including penalty and interest.	System	Same as SUW requirement 1412.
849	The SAP system will provide the capability to cancel/adjust notes with proper authorization.	System	Same as SUW requirement 2208.
850	The SAP system will provide the capability for the Business Partner Overview (BPO) view to be automatically defaulted and pre-sorted by tax type.	System	Same as SUW requirement 2611.
851	The SAP system will provide the capability to allow all information, including FileNet image link on a payment to move when a payment is transferred.	System	Same as SUW requirement 1603.
852	The SAP system will provide the capability to view the image of submitted returns, schedules and checks in the same manner regardless of channel (paper/electronic).	System	Same as SUW requirement 1604.
853	The SAP system will provide the capability for allowing notices to be viewed online, before and after printing.	System	Same as SUW requirement 1737.
854	The SAP system will provide the capability to systematically report from Print Center acknowledgement confirmation the number of correspondence received and printed.	System	Same as SUW requirement 1739.
855	The SAP system will provide the capability for allowing correspondence to be printed locally as a DRAFT copy that cannot be sent to FileNet.	System	Same as SUW requirement 1742.
856	The SAP system will provide immediate access to correspondence history information.	System	Same as SUW requirement 1743.
899	The SAP system will provide the capability to automatically run spell check and grammar check for all free format correspondence.	System	Same as SUW requirement 1740.
902	The SAP system will tag all FTI information with appropriate messages similar to what is being done in the data warehouse.	System	
914	The SAP system will provide the capability to search by submission ID or SSN.	System	
866	The SAP system will provide the capability to transfer returns from one workflow to another with appropriate security. (i.e. transfer a miss-directed return from return process workflow to discovery workflow on a one-off basis)	Workflow	Same as SUW requirement 1444.

Reqt Number	Requirement Description	Functional Area	Comments
867	The SAP system will provide the capability to utilize workflow technology to sort, prioritize and route work to the appropriate users based on roles and pre-defined business rules that can be maintained by business users with appropriate security.	Workflow	Same as SUW requirement 2515.
868	The SAP system will provide the capability for a user to “pull” a work item that is unassigned in a workflow queue.	Workflow	Same as SUW requirement 2509.
869	The SAP system will provide the capability to allow a supervisor/defined user to “push” work items to employees using workflow.	Workflow	Same as SUW requirement 2507.
870	The SAP system will provide the capability to assign priorities to work items.	Workflow	Same as SUW requirement 2504.
871	The SAP system will provide the capability to automatically alert supervisor of open work items over time as the work item goes unattended as defined by business rules that can be maintained by business users with appropriate security.	Workflow	Same as SUW requirement 2519.
872	The SAP system will provide the capability to manually increment priorities of work items on an as needed basis.	Workflow	Same as SUW requirement 2520.
873	The SAP system will provide the capability to allow a user to transfer a work item assigned to one user to a different user or work group. Track all work reassignments between users.	Workflow	Same as SUW requirement 2522.
874	The SAP system will provide the capability for a user to directly assign a work item to a specific user. Track all work reassignments between users.	Workflow	Same as SUW requirement 2508.
878	The SAP system will provide the capability to allow a user to place a completion date on a process, giving the process a deadline of when to be completed.	Workflow	Same as SUW requirement 2506.
882	The SAP system will provide the ability to generate and track automatic deadlines.	Workflow	Same as SUW requirement 2524.
883	The SAP system will provide capability to process a work item.	Workflow	Same as SUW requirement 2511.
884	The SAP system will provide capability to create a work item.	Workflow	Same as SUW requirement 2512.
885	The SAP system will allow bankruptcy stops manually or system generated. Items that hit against bankruptcy stops will be work flowed to bankruptcy unit.	Workflow	Same as SUW requirement 1338.
886	The SAP system will provide workflow of returns with errors based on business rules.	Workflow	Same as SUW requirement 2507.

Reqt Number	Requirement Description	Functional Area	Comments
924	The SAP system workflow will utilize skills based routing for errors, phone calls and correspondence.	Workflow	
930	The SAP system will allow an authorized user to register a garnishee and a debtor for the purposes of offsetting a refund to a garnishment. A contract object will be created for each registered garnishee and debtor.	Registration	
931	The SAP system will provide a method for an authorized user to manually post a garnishment debt to a taxpayer account based on business rules.	Collections	

RICEFW Type	RICEFW ID	RICEFW Description	Complexity
BRF	B7101	BRF General Rule across forms	Medium
BRF	B7102	5118 - City Resident Income Tax Return	Complex
BRF	B7103	5119 - City Non-Resident Income Tax Return	Medium
BRF	B7104	5120 - City Part Year Resident Income Tax Return	Complex
BRF	B7105	P&I Calculations	Medium
BRF	B7106	Schedule -W (Table Form)	Medium
BRF	B7107	Non Obligated Spouse form	Low
BRF	B7108	BRF Functions	Medium
BRF	B7109	Billing Actions	Medium
BRF	B7110	Out of Statute Rules	Medium
BRF	B7111	Stipulated Agreement Rules	Medium
Config	Config - Account	Master Data Configuration	Medium
Config	Config - Clearing	Clearing Configuration	Medium
Config	Config - GL	GL Configuration	Low
Conversion	C4050	Convert Master Data	Medium
Conversion	C4051	Convert Estimate Payments	Medium
Enhancement	ENH 155	UWL	Low
Enhancement	ENH 156	Merge	Medium
Enhancement	ENH 158	Reopen	Complex
Enhancement	ENH 226	Stop Action Extension	Medium
Enhancement	ENH 254	Discovery load to Stop Action table	Low
Enhancement	ENH 5050	Maintain Profile table	Low
Enhancement	ENH 5051	Release Stop Action	Low
Enhancement	ENH 5052	TBOR Enhancement	Low
Enhancement	ENH 5053	Automatic Refund from Overpayment of Assessment	Complex
Enhancement	ENH 5054	Collection Process Enhancement	Very Complex
Enhancement	ENH 5056	All Webdynpro Forms	Medium
Enhancement	ENH 5057	Garnishment Debts	Medium
Enhancement	ZPIRECLASS	P&I Reclass	Medium
Forms	FRM 1050	TBOR PDF Letter	Medium
Forms	FRM 1051	Additional Information Letter	Low
Forms	FRM 1052	Small Balance Adjustment Letter	Low
Forms	FRM 1053	Notice of Intent to Assess	Low
Forms	FRM 1054	Notice of Intent to Final	Low
Forms	FRM 1055	Corrected Notice of Final Assessment	Low
Forms	FRM 1056	Notice of Adjustment to Refund or Credit(offset for Debts)	Low
Forms	FRM 1057	Non-obligated Spouse Notice	Low
Forms	FRM 1058	Notice of Proposed Tax due	Low
Forms	FRM 1059	Notice of Bad Check	Low
Forms	FRM 1060	e-File Images	Medium
Forms	FRM 1061	TCB Explanation Letter	Medium
Forms	FRM 1062	Pre-Processing Letter	Low
Interfaces	INT 10	FileNet	Low
Interfaces	INT 12	Datawarehouse	Low
Interfaces	INT 13	Siebel Outbound Web service	Low
Interfaces	INT 13A	Siebel Inbound Web service	Low
Interfaces	INT 2	Siebel Registration Outbound	Low
Interfaces	INT 3050	Quarterly Estimates File to Print Vendor	Low
~~Interfaces~~	~~INT 3051~~	~~Deceased Taxpayers load to SAP~~	~~Medium~~
Interfaces	INT 3052	Load Outstanding Debts file	Low
Interfaces	INT 3053	Incarcerated Taxpayers load to SAP	Low
Interfaces	INT 3054	Debt file to Third-party vendor	Complex
Interfaces	INT 3055	UIA Taxpayers Load to SAP	Low
Interfaces	INT 3056	Renaissance Zones load to SAP	Low
Interfaces	INT 3057	Non-itemizer load to SAP	Low
Interfaces	INT 3058	1099G File to Print Vendor	Medium

RICEFW Type	RICEFW ID	RICEFW Description	Complexity
Interfaces	INT 4D	Paper Return Load	Medium
Interfaces	INT 4D - TCB	TCB Return Load	Medium
Interfaces	INT 7A	e-File Return Load	Medium
Interfaces	INT 4P	Payment Load	Low
Interfaces	INT 5A	Warrant Feedback	Low
Interfaces	INT 5B	Payments to MAIN	Medium
Interfaces	INT 5C	Outbound Warrants	Low
Reports	R2050	Report for Extensions Approved/Rejected	Low
Reports	R2051	Report of Intent to Assess	Medium
Reports	R2052	Assessment Report by Project Code	Medium
Reports	R2053	DW Statistics	Low
Reports	TAM RPT 25	Refunds Paid	Low
Reports	TAM RPT 26	Refunds in Approval Queue	Low
Reports	TAM RPT 27	Refunds Pending Processing	Low
Reports	TAM RPT 28	Year end Recievables	Low
Reports	TAM RPT 29	Pending Debts	Low
Reports	TAM RPT 37	Refund Revenue	Low
Reports	TAM RPT 38	Revenue Reporting	Low
Workflow	WRF 001	Refund Workflow	Medium
Workflow	WRF 6050	Write-Off Workflow	Medium
BW Reports	BI Payment Extractor	BI Payment Extractor	Medium
BW Reports	BI Return Extract	BI Return Extractor	Medium
~~BW Reports~~	~~BW 2051~~	~~BW 2051~~	~~Medium~~
BW Reports	R 73	R 73	Low
BW Reports	R 74	R 74	Low
BW Reports	BW 2054	BW Collection Activity Report	Complex
BW Reports	BW R50	BW Credit Forward	Low
BW Reports	BW R68	BW Exception Report	Low
BW Reports	BW R53	BW Holds on Account Report	Low
BW Reports	BW R70	BW Staff Production Dashboard Analysis by Staff	Low
BW Reports	BW R69	BW Return Backlog Status Report	Low
BW Reports	BW R63	BW Return Status Detail Report	Low
~~BW Reports~~	~~BW Return Staff~~	~~BW Return Staff Analysis Report~~	~~Low~~
~~BW Reports~~	~~BW Return Statu~~	~~BW Return Status Report~~	~~Low~~
~~BW Reports~~	~~BW Returns Back~~	~~BW Returns Backlog Report~~	~~Low~~
CRM		CRM Web UI	Medium
CRM		CRM Middleware Business Partner	Complex
CRM		CRM Middleware Contract Account	Complex
CRM		CRM Middleware Contract Object	Complex
CRM		CRM Configuration for Collections	Very Complex

BW Reports	BW 2051	BW City Income Tax Return Metrics	Medium
BW Reports	BW 2055	BW Aggregate AGI by Tax Type	Medium
BW Reports	BW 2056	BW Total Exemptions by Tax Type	Medium
BW Reports	BW 2057	BW Total Income Subject to Tax	Medium
BW Reports	BW 2058	Individual Tax Returns Dependents Claimed	Medium
BW Reports	BW 2059	Audit Statistics Report	Medium
BW Reports	BW 2060	First Time Filer Report	Medium

CITA Workplan v1_24.mpp

ID	Task Name	Work	Start	Finish	Predeces
0	**CITA Workplan v1_24**	**32,253.12 ...**	**Mon 2/2/15**	**Fri 4/15/16**	
1	**Blueprint**	**11,732.5 hrs**	**Mon 2/2/15**	**Mon 9/14/15**	
2	**Blueprint Sessions**	**1,748.25 hrs**	**Mon 2/2/15**	**Thu 4/16/15**	
3	Introduction (scope and ground rules for sessions)	135 hrs	Mon 2/2/15	Thu 2/5/15	
4	Registration	168.75 hrs	Fri 2/6/15	Thu 2/12/15	3
5	Accounting (determine reconciliation approach, MAIN interface)	168.75 hrs	Fri 2/13/15	Thu 2/19/15	4
6	Return Load (paper return (bank), bulk file)	213.75 hrs	Fri 2/20/15	Thu 2/26/15	5
7	Q/M/A Process (return processing and correspondence)	168.75 hrs	Fri 2/27/15	Thu 3/5/15	6
8	Collections (Treatment strategies)	168.75 hrs	Fri 3/6/15	Thu 3/12/15	7
9	Discovery Process	168.75 hrs	Fri 3/13/15	Thu 3/19/15	8
10	Reports	173.25 hrs	Fri 3/20/15	Thu 3/26/15	9
11	Address Open Issues	213.75 hrs	Fri 3/27/15	Thu 4/9/15	10
12	Develop High Level Blueprint Content and Business Process Flow	168.75 hrs	Fri 4/10/15	Thu 4/16/15	11
13	Deliver High Level Blueprint and Business Process Flow	0 hrs	Thu 4/16/15	Thu 4/16/15	12
14	**E--CRM Blueprint Update**	**162 hrs**	**Mon 5/11/15**	**Fri 8/28/15**	
20	**Functional Spec Development**	**9,741.25 hrs**	**Mon 4/6/15**	**Tue 7/28/15**	
21	**F--TBOR PDF Letter (FS)**	**108 hrs**	**Tue 4/14/15**	**Fri 5/22/15**	
26	**F--Additional Information Letter (FS)**	**90 hrs**	**Tue 5/26/15**	**Wed 6/24/15**	
31	**F--Small Balance Adjustment Letter (FS)**	**90 hrs**	**Thu 6/4/15**	**Fri 6/26/15**	
36	**F--Notice of Intent to Assess (FS)**	**90 hrs**	**Fri 5/8/15**	**Wed 6/17/15**	
41	**F--Notice of Intent to Final (FS)**	**90 hrs**	**Wed 5/13/15**	**Thu 6/18/15**	
46	**F--Corrected Notice of Final Assessment (FS)**	**90 hrs**	**Mon 6/1/15**	**Wed 6/24/15**	
51	**F--Notice of Adjustment to Refund or Credit (Offset for Debts) (FS)**	**90 hrs**	**Mon 4/27/15**	**Thu 5/14/15**	
56	**F--Non-Obligated Spouse Notice (FS)**	**90 hrs**	**Thu 6/4/15**	**Tue 7/7/15**	
61	**F--Notice of Proposed Tax Due (FS)**	**144 hrs**	**Tue 6/2/15**	**Mon 7/27/15**	
66	**F--Notice of Bad Check (FS)**	**90 hrs**	**Fri 4/24/15**	**Wed 5/27/15**	
71	**F--e-File Images (FS)**	**90 hrs**	**Mon 4/6/15**	**Tue 4/21/15**	
76	**F--TCB Explanation Letter (FS)**	**108 hrs**	**Mon 4/6/15**	**Fri 5/8/15**	
81	**F--Pre-Processing Letter (FS)**	**90 hrs**	**Fri 4/24/15**	**Mon 6/1/15**	
86	**I--FileNet (FS)**	**99 hrs**	**Tue 4/14/15**	**Thu 5/21/15**	
91	**I--Data Warehouse (FS)**	**99 hrs**	**Fri 5/29/15**	**Tue 7/7/15**	
96	**I--Siebel Outbound Web Service (FS)**	**99 hrs**	**Mon 5/18/15**	**Tue 6/9/15**	
101	**I--Siebel Inbound Web Service (FS)**	**99 hrs**	**Thu 4/30/15**	**Wed 6/17/15**	
106	**I--Siebel Registration Outbound (FS)**	**99 hrs**	**Thu 5/7/15**	**Thu 6/18/15**	
111	**I--Quarterly Estimates File to Print Vendor (FS)**	**99 hrs**	**Mon 5/11/15**	**Wed 6/3/15**	
116	**I--Load Outstanding Debts File (FS)**	**99 hrs**	**Tue 4/21/15**	**Tue 5/12/15**	
121	**I--Incarcerated Taxpayers Load to SAP (FS)**	**99 hrs**	**Thu 4/16/15**	**Tue 5/26/15**	
126	**I--Debt File to Third-Party Vendor (FS)**	**135 hrs**	**Wed 4/8/15**	**Wed 5/6/15**	

ID	Task Name	Work	Start	Finish	Predeces
131	I--UIA Taxpayers Load to SAP (FS)	99 hrs	Thu 5/14/15	Thu 6/4/15	
136	I--Renaissance Zones Load to SAP (FS)	99 hrs	Tue 5/5/15	Tue 6/2/15	
141	I--Non-Itemizer Load to SAP (FS)	99 hrs	Thu 5/14/15	Fri 6/19/15	
146	I--Paper Return Load (FS)	104.4 hrs	Fri 4/24/15	Thu 5/28/15	
151	I--TCB Return Load (FS)	117 hrs	Thu 4/16/15	Tue 5/26/15	
156	I--e-File Return Load (FS)	117 hrs	Tue 4/21/15	Wed 5/13/15	
161	I--Payment Load (FS)	99 hrs	Fri 5/22/15	Wed 6/10/15	
166	I--Warrant Feedback (FS)	99 hrs	Wed 5/20/15	Mon 6/22/15	
171	I--Payments to MAIN (FS)	99 hrs	Mon 5/11/15	Tue 5/26/15	
176	I--Outbound Warrants (FS)	99 hrs	Tue 5/5/15	Tue 6/2/15	
181	E--UWL (FS)	90 hrs	Mon 5/18/15	Fri 6/19/15	
186	E--Merge (FS)	108 hrs	Mon 4/13/15	Mon 5/11/15	
191	E--Reopen (FS)	126 hrs	Mon 4/6/15	Mon 5/11/15	
196	E--Stop Action Extension (FS)	108 hrs	Fri 5/22/15	Tue 7/7/15	
201	E--Discovery Load to Stop Action Table (FS)	90 hrs	Tue 4/28/15	Fri 5/29/15	
206	E--Maintain Profile Table (FS)	90 hrs	Wed 6/17/15	Fri 7/24/15	
211	E--Release Stop Action (FS)	90 hrs	Thu 4/23/15	Wed 5/6/15	
216	E--TBOR Enhancement (FS)	90 hrs	Fri 5/22/15	Fri 6/5/15	
221	E--Automatic Refund from Overpayment of Assessment (FS)	123.83 hrs	Wed 4/8/15	Tue 7/7/15	
226	E--Collection Process Enhancement (FS)	162 hrs	Fri 4/17/15	Mon 5/18/15	
231	E--1099G Enhancement (FS)	108 hrs	Thu 4/16/15	Tue 5/5/15	
236	E--Garnishment Debts (FS)	108 hrs	Mon 5/4/15	Tue 6/2/15	
241	E--P & I Reclass (FS)	108 hrs	Fri 4/24/15	Tue 5/26/15	
246	E--CRM Web UI (FS)	108 hrs	Tue 6/2/15	Tue 7/21/15	
251	E--CRM Middleware Business Partner (FS)	126 hrs	Mon 6/8/15	Wed 7/22/15	
256	E--CRM Middleware Contract Account (FS)	126 hrs	Tue 6/16/15	Thu 7/23/15	
261	E--CRM Middleware Contract Object (FS)	126 hrs	Wed 6/24/15	Fri 7/24/15	
266	W--Refund Workflow (FS)	117 hrs	Mon 4/6/15	Fri 7/10/15	
271	W--Write-Off Workflow (FS)	108 hrs	Thu 4/23/15	Fri 6/12/15	
276	B--BRF General Rule Across Forms (FS)	117 hrs	Fri 4/17/15	Tue 5/5/15	
281	B--City Resident Income Tax Return (FS)	117 hrs	Mon 4/6/15	Mon 4/27/15	
286	B--City Non-Resident Income Tax Return (FS)	135 hrs	Tue 4/28/15	Tue 5/19/15	
291	B--City Part Year Resident Income Tax Return (FS)	135 hrs	Fri 4/17/15	Thu 5/7/15	
296	B--P&I Calculations (FS)	117 hrs	Tue 4/14/15	Fri 5/8/15	
301	B--Schedule - W (Table Form) (FS)	117 hrs	Mon 4/6/15	Wed 5/27/15	
306	B--Non-Obligated Spouse Form (FS)	99 hrs	Mon 5/4/15	Tue 6/16/15	
311	B--Billing Actions (FS)	117 hrs	Fri 4/24/15	Tue 5/12/15	
316	B--Out of Statute Rules (FS)	117 hrs	Tue 4/14/15	Thu 5/28/15	
321	B--Stipulated Agreement Rules (FS)	117 hrs	Tue 4/14/15	Fri 5/29/15	

ID	Task Name	Work	Start	Finish	Predeces
326	**R--Report for Extensions Approved/Rejected (FS)**	**90 hrs**	**Thu 4/30/15**	**Fri 5/15/15**	
331	**R--Report of Intent to Assess (FS)**	**108 hrs**	**Fri 4/17/15**	**Tue 5/5/15**	
336	**R--Assessment Report by Project Code (FS)**	**108 hrs**	**Wed 5/6/15**	**Thu 6/4/15**	
341	**R--DW Statistics (FS)**	**90 hrs**	**Mon 4/27/15**	**Fri 5/8/15**	
346	**R--Refunds Paid (FS)**	**90 hrs**	**Wed 5/20/15**	**Tue 6/23/15**	
351	**R--Refunds in Approval Queue (FS)**	**90 hrs**	**Wed 4/29/15**	**Tue 5/12/15**	
356	**R--Refunds Pending Processing (FS)**	**90 hrs**	**Tue 6/9/15**	**Wed 7/8/15**	
361	**R--Year End Receivables (FS)**	**90 hrs**	**Wed 5/27/15**	**Tue 6/9/15**	
366	**R--Pending Debts (FS)**	**90 hrs**	**Thu 4/23/15**	**Mon 5/11/15**	
371	**R--Refund Revenue (FS)**	**90 hrs**	**Mon 4/6/15**	**Thu 4/23/15**	
376	**R--Revenue Reporting (FS)**	**90 hrs**	**Wed 5/27/15**	**Tue 6/23/15**	
381	**X--BI Payment Extractor (FS)**	**90 hrs**	**Mon 5/18/15**	**Wed 6/3/15**	
386	**X--BI Return Extractor (FS)**	**90 hrs**	**Fri 5/22/15**	**Mon 6/8/15**	
391	**X--BW R73 (FS)**	**90 hrs**	**Thu 4/23/15**	**Tue 5/19/15**	
396	**X--BW R74 (FS)**	**81 hrs**	**Thu 5/7/15**	**Tue 6/2/15**	
401	**X--BW 2054 (FS)**	**90 hrs**	**Mon 4/20/15**	**Fri 5/15/15**	
406	**X--Credit Forward (FS)**	**81 hrs**	**Fri 5/22/15**	**Thu 6/4/15**	
411	**X--Exception Report (FS)**	**90 hrs**	**Thu 4/16/15**	**Wed 5/6/15**	
416	**X--Holds On Account Report (FS)**	**90 hrs**	**Mon 4/20/15**	**Tue 5/19/15**	
421	**X--Staff Production Dashboard Analysis by Staff (FS)**	**81 hrs**	**Mon 5/11/15**	**Mon 6/1/15**	
426	**X--Return Backlog Status Report (FS)**	**81 hrs**	**Fri 5/8/15**	**Wed 6/3/15**	
431	**X--Return Status Detail Report (FS)**	**81 hrs**	**Wed 5/13/15**	**Wed 6/3/15**	
436	**X--City Income Tax Return Metrics Report (FS)**	**90 hrs**	**Tue 4/28/15**	**Thu 5/21/15**	
441	**X--Aggregate AGI by Tax Type Report (FS)**	**90 hrs**	**Thu 4/16/15**	**Mon 5/11/15**	
446	**X--Total Exemptions by Tax Type Report (FS)**	**90 hrs**	**Fri 5/1/15**	**Fri 5/22/15**	
451	**X--Total Income Subject to Tax Report (FS)**	**90 hrs**	**Tue 4/28/15**	**Wed 5/27/15**	
456	**X--Individual Tax Returns Dependents Claimed Report (FS)**	**90 hrs**	**Mon 5/4/15**	**Wed 5/27/15**	
461	**X--Audit Statistics Report (FS)**	**90 hrs**	**Thu 4/23/15**	**Thu 5/21/15**	
466	**X--First Time Filer Report (FS)**	**90 hrs**	**Thu 5/7/15**	**Thu 5/28/15**	
471	**O--Master Data Configuration (FS)**	**108 hrs**	**Thu 4/30/15**	**Thu 5/21/15**	
476	**O--Clearing Configuration (FS)**	**108 hrs**	**Fri 4/24/15**	**Mon 5/18/15**	
481	**O--GL Configuration (FS)**	**99 hrs**	**Wed 5/6/15**	**Wed 5/20/15**	
486	**O--CRM Configuration for Collections (FS)**	**72 hrs**	**Fri 7/10/15**	**Tue 7/28/15**	
491	**C--Convert Master Data (FS)**	**117 hrs**	**Fri 4/17/15**	**Tue 5/19/15**	
496	**C--Convert Estimate Payments (FS)**	**117 hrs**	**Tue 4/28/15**	**Thu 6/25/15**	
501	Blueprint Package Development	9 hrs	Wed 7/29/15	Wed 7/29/15	20
502	Blueprint Package Business Review	45 hrs	Thu 7/30/15	Wed 8/12/15	501
503	Blueprint Package Rework	9 hrs	Thu 8/13/15	Thu 8/13/15	502
504	Blueprint Package Approval	18 hrs	Fri 8/14/15	Fri 8/14/15	503

ID	Task Name	Work	Start	Finish	Predeces
505	**Technical Design**	**2,034 hrs**	**Tue 4/21/15**	**Wed 8/5/15**	
506	F--TBOR PDF Letter (TS)	27 hrs	Fri 5/22/15	Fri 5/29/15	21
507	F--Additional Information Letter (TS)	27 hrs	Wed 6/24/15	Tue 7/7/15	26
508	F--Small Balance Adjustment Letter (TS)	27 hrs	Thu 7/9/15	Tue 7/14/15	31
509	F--Notice of Intent to Assess (TS)	18 hrs	Wed 6/17/15	Mon 6/22/15	36
510	F--Notice of Intent to Final (TS)	18 hrs	Thu 6/18/15	Wed 6/24/15	41
511	F--Corrected Notice of Final Assessment (TS)	18 hrs	Wed 6/24/15	Wed 7/15/15	46
512	F--Notice of Adjustment to Refund or Credit (Offset for Debts) (TS)	18 hrs	Thu 5/21/15	Tue 6/2/15	51
513	F--Non-Obligated Spouse Notice (TS)	18 hrs	Wed 7/15/15	Fri 7/17/15	56
514	F--Notice of Proposed Tax Due (TS)	18 hrs	Mon 7/27/15	Thu 7/30/15	61
515	F--Notice of Bad Check (TS)	18 hrs	Thu 5/28/15	Thu 6/4/15	66
516	F--e-File Images (TS)	27 hrs	Tue 4/21/15	Thu 5/7/15	71
517	F--TCB Explanation Letter (TS)	27 hrs	Fri 5/8/15	Tue 5/19/15	76
518	F--Pre-Processing Letter (TS)	18 hrs	Mon 6/1/15	Wed 6/3/15	81
519	I--FileNet (TS)	18 hrs	Thu 5/21/15	Tue 5/26/15	86
520	I--Data Warehouse(TS)	18 hrs	Tue 7/7/15	Thu 7/9/15	91
521	I--Siebel Outbound Web Service (TS)	18 hrs	Fri 6/12/15	Wed 6/17/15	96
522	I--Siebel Inbound Web Service (TS)	18 hrs	Wed 6/17/15	Fri 6/19/15	101
523	I--Siebel Registration Outbound (TS)	18 hrs	Thu 6/18/15	Mon 6/22/15	106
524	I--Quarterly Estimates File to Print Vendor (TS)	18 hrs	Wed 6/10/15	Thu 6/11/15	111
525	I--Load Outstanding Debts File (TS)	18 hrs	Tue 5/12/15	Thu 5/21/15	116
526	I--Incarcerated Taxpayers Load to SAP (TS)	18 hrs	Tue 5/26/15	Fri 6/5/15	121
527	I--Debt File to Third-Party Vendor (TS)	45 hrs	Mon 5/18/15	Fri 5/22/15	126
528	I--UIA Taxpayers Load to SAP (TS)	18 hrs	Fri 6/12/15	Mon 6/15/15	131
529	I--Renaissance Zones Load to SAP (TS)	18 hrs	Tue 6/2/15	Thu 6/4/15	136
530	I--Non-Itemizer Load to SAP (TS)	18 hrs	Fri 6/19/15	Tue 6/23/15	141
531	I--Paper Return Load (TS)	27 hrs	Thu 5/28/15	Tue 6/2/15	146
532	I--TCB Return Load (TS)	27 hrs	Tue 5/26/15	Fri 5/29/15	151
533	I--e-File Return Load (TS)	27 hrs	Fri 5/29/15	Wed 6/3/15	156
534	I--Payment Load (TS)	18 hrs	Wed 6/10/15	Fri 6/19/15	161
535	I--Warrant Feedback (TS)	18 hrs	Mon 6/22/15	Wed 6/24/15	166
536	I--Payments to MAIN (TS)	18 hrs	Thu 5/28/15	Fri 5/29/15	171
537	I--Outbound Warrants (TS)	18 hrs	Fri 6/12/15	Mon 6/15/15	176
538	E--UWL (TS)	18 hrs	Mon 6/22/15	Wed 6/24/15	181
539	E--Merge (TS)	27 hrs	Mon 6/8/15	Fri 6/12/15	186
540	E--Reopen (TS)	45 hrs	Mon 5/18/15	Fri 5/22/15	191
541	E--Stop Action Extension (TS)	27 hrs	Mon 8/3/15	Wed 8/5/15	196
542	E--Discovery Load to Stop Action Table (TS)	18 hrs	Tue 6/16/15	Fri 6/19/15	201
543	E--Maintain Profile Table (TS)	18 hrs	Fri 7/24/15	Tue 7/28/15	206

ID	Task Name	Work	Start	Finish	Predeces
544	E--Release Stop Action (TS)	18 hrs	Wed 5/13/15	Thu 5/14/15	211
545	E--TBOR Enhancement (TS)	18 hrs	Wed 7/8/15	Thu 7/9/15	216
546	E--Automatic Refund from Overpayment of Assessment (TS)	45 hrs	Tue 7/7/15	Tue 7/14/15	221
547	E--Collection Process Enhancement (TS)	63 hrs	Mon 5/18/15	Mon 6/1/15	226
548	E--1099G Enhancement (TS)	27 hrs	Tue 5/5/15	Thu 5/21/15	231
549	E--Garnishment Debts (TS)	27 hrs	Thu 6/4/15	Tue 6/9/15	236
550	E--P & I Reclass (TS)	27 hrs	Tue 5/26/15	Fri 5/29/15	241
551	E--CRM Web UI (TS)	27 hrs	Mon 5/18/15	Wed 5/20/15	
552	E--CRM Middleware Business Partner (TS)	45 hrs	Thu 5/21/15	Thu 5/28/15	551
553	E--CRM Middleware Contract Account (TS)	45 hrs	Fri 5/29/15	Thu 6/4/15	552
554	E--CRM Middleware Contract Object (TS)	45 hrs	Fri 6/5/15	Thu 6/11/15	553
555	W--Refund Workflow (TS)	27 hrs	Fri 7/10/15	Wed 7/15/15	266
556	W--Write-Off Workflow (TS)	27 hrs	Fri 6/12/15	Wed 6/17/15	271
557	B--BRF General Rule Across Forms (TS)	27 hrs	Thu 5/14/15	Tue 5/19/15	276
558	B--City Resident Income Tax Return (TS)	36 hrs	Mon 4/27/15	Mon 5/4/15	281
559	B--City Non-Resident Income Tax Return (TS)	27 hrs	Wed 5/20/15	Fri 5/22/15	286
560	B--City Part Year Resident Income Tax Return (TS)	36 hrs	Fri 5/8/15	Wed 5/13/15	291
561	B--P&I Calculations (TS)	27 hrs	Fri 5/8/15	Thu 5/14/15	296
562	B--Schedule - W (Table Form) (TS)	27 hrs	Wed 5/27/15	Thu 6/4/15	301
563	B--Non-Obligated Spouse Form (TS)	18 hrs	Thu 6/18/15	Mon 6/22/15	306
564	B--Billing Actions (TS)	27 hrs	Tue 5/19/15	Thu 5/21/15	311
565	B--Out of Statute Rules (TS)	27 hrs	Thu 5/28/15	Tue 6/2/15	316
566	B--Stipulated Agreement Rules (TS)	27 hrs	Fri 5/29/15	Wed 6/3/15	321
567	R--Report for Extensions Approved/Rejected (TS)	18 hrs	Fri 5/29/15	Thu 6/4/15	326
568	R--Report of Intent to Assess (TS)	27 hrs	Thu 5/7/15	Tue 5/12/15	331
569	R--Assessment Report by Project Code (TS)	27 hrs	Thu 6/25/15	Wed 7/8/15	336
570	R--DW Statistics (TS)	18 hrs	Fri 5/15/15	Mon 5/18/15	341
571	R--Refunds Paid (TS)	18 hrs	Thu 7/9/15	Mon 7/13/15	346
572	R--Refunds in Approval Queue (TS)	18 hrs	Tue 5/19/15	Wed 5/20/15	351
573	R--Refunds Pending Processing (TS)	18 hrs	Fri 7/17/15	Tue 7/21/15	356
574	R--Year End Receivables (TS)	18 hrs	Fri 7/10/15	Mon 7/13/15	361
575	R--Pending Debts (TS)	18 hrs	Mon 5/11/15	Fri 5/22/15	366
576	R--Refund Revenue (TS)	18 hrs	Thu 4/23/15	Fri 5/22/15	371
577	R--Revenue Reporting (TS)	18 hrs	Fri 6/26/15	Wed 7/8/15	376
578	X--BI Payment Extractor (TS)	9 hrs	Fri 6/5/15	Mon 6/8/15	381
579	X--BI Return Extractor (TS)	9 hrs	Mon 6/8/15	Tue 6/9/15	386
580	X--BW R73 (TS)	18 hrs	Fri 6/5/15	Wed 6/10/15	391
581	X--BW R74 (TS)	9 hrs	Tue 6/2/15	Tue 6/16/15	396
582	X--BW 2054 (TS)	18 hrs	Wed 6/3/15	Fri 6/5/15	401

ID	Task Name	Work	Start	Finish	Predeces
583	X--Credit Forward (TS)	9 hrs	Thu 6/18/15	Fri 6/19/15	406
584	X--Exception Report (TS)	18 hrs	Tue 5/19/15	Thu 5/28/15	411
585	X--Holds On Account Report (TS)	18 hrs	Wed 6/3/15	Mon 6/8/15	416
586	X--Staff Production Dashboard Analysis by Staff (TS)	9 hrs	Mon 6/1/15	Fri 6/5/15	421
587	X--Return Backlog Status Report (TS)	9 hrs	Wed 6/3/15	Tue 6/16/15	426
588	X--Return Status Detail Report (TS)	9 hrs	Fri 6/12/15	Mon 6/15/15	431
589	X--City Income Tax Return Metrics (TS)	9 hrs	Fri 6/5/15	Fri 6/12/15	436
590	X--Aggregate AGI by Tax Type Report (TS)	9 hrs	Wed 5/13/15	Thu 5/14/15	441
591	X--Total Exemptions by Tax Type Report (TS)	9 hrs	Fri 5/22/15	Mon 6/15/15	446
592	X--Total Income Subject to Tax Report (TS)	9 hrs	Wed 5/27/15	Fri 6/12/15	451
593	X--Individual Tax Returns Dependents Claimed Report (TS)	9 hrs	Mon 6/8/15	Tue 6/9/15	456
594	X--Audit Statistics Report (TS)	9 hrs	Thu 5/28/15	Fri 5/29/15	461
595	X--First Time Filer Report (TS)	9 hrs	Tue 6/9/15	Wed 6/10/15	466
596	C--Convert Master Data (TS)	36 hrs	Wed 5/20/15	Wed 5/27/15	491
597	C--Convert Estimate Payments (TS)	36 hrs	Thu 6/25/15	Thu 7/9/15	496
598	**CRM Infrastructure Prep**	**250 hrs**	**Mon 2/2/15**	**Wed 3/25/15**	
600	**Construction**	**4,398 hrs**	**Mon 5/4/15**	**Mon 8/17/15**	
601	F--TBOR PDF Letter (CNST)	45 hrs	Fri 5/29/15	Mon 6/15/15	506
602	F--Additional Information Letter (CNST)	27 hrs	Wed 7/15/15	Fri 7/17/15	507
603	F--Small Balance Adjustment Letter (CNST)	27 hrs	Wed 8/12/15	Mon 8/17/15	508
604	F--Notice of Intent to Assess (CNST)	27 hrs	Wed 6/24/15	Thu 7/9/15	509
605	F--Notice of Intent to Final (CNST)	27 hrs	Thu 7/9/15	Thu 7/30/15	510
606	F--Corrected Notice of Final Assessment (CNST)	27 hrs	Thu 7/30/15	Tue 8/4/15	511
607	F--Notice of Adjustment to Refund or Credit (Offset for Debts) (CNST)	27 hrs	Wed 6/24/15	Wed 7/8/15	512
608	F--Non-Obligated Spouse Notice (CNST)	27 hrs	Tue 8/4/15	Fri 8/7/15	513
609	F--Notice of Proposed Tax Due (CNST)	27 hrs	Thu 7/30/15	Wed 8/5/15	514
610	F--Notice of Bad Check (CNST)	27 hrs	Thu 6/4/15	Tue 6/16/15	515
611	F--e-File Images (CNST)	45 hrs	Tue 5/12/15	Mon 7/20/15	516
612	F--TCB Explanation Letter (CNST)	45 hrs	Fri 5/29/15	Wed 6/24/15	517
613	F--Pre-Processing Letter (CNST)	27 hrs	Wed 6/3/15	Wed 6/10/15	518
614	I--FileNet (CNST)	36 hrs	Tue 5/26/15	Tue 7/28/15	519
615	I--Data Warehouse(CNST)	36 hrs	Mon 7/20/15	Thu 7/23/15	520
616	I--Siebel Outbound Web Service (CNST)	36 hrs	Wed 7/22/15	Wed 7/29/15	521
617	I--Siebel Inbound Web Service (CNST)	36 hrs	Fri 7/24/15	Wed 7/29/15	522
618	I--Siebel Registration Outbound (CNST)	36 hrs	Tue 7/28/15	Mon 8/3/15	523
619	I--Quarterly Estimates File to Print Vendor (CNST)	36 hrs	Wed 7/29/15	Mon 8/3/15	524
620	I--Load Outstanding Debts File (CNST)	36 hrs	Fri 5/29/15	Wed 7/22/15	525
621	I--Incarcerated Taxpayers Load to SAP (CNST)	36 hrs	Mon 8/3/15	Fri 8/7/15	526
622	I--Debt File to Third-Party Vendor (CNST)	90 hrs	Tue 5/26/15	Thu 6/11/15	527

ID	Task Name	Work	Start	Finish	Predeces
623	I--UIA Taxpayers Load to SAP (CNST)	36 hrs	Tue 8/4/15	Fri 8/7/15	528
624	I--Renaissance Zones Load to SAP (CNST)	36 hrs	Fri 6/19/15	Fri 6/26/15	529
625	I--Non-Itemizer Load to SAP (CNST)	36 hrs	Tue 7/7/15	Wed 7/29/15	530
626	I--Paper Return Load (CNST)	54 hrs	Mon 6/22/15	Tue 7/14/15	531
627	I--TCB Return Load (CNST)	54 hrs	Wed 7/8/15	Thu 7/16/15	532
628	I--e-File Return Load (CNST)	54 hrs	Mon 6/8/15	Mon 7/13/15	533
629	I--Payment Load (CNST)	36 hrs	Thu 7/30/15	Thu 8/6/15	534
630	I--Warrant Feedback (CNST)	36 hrs	Tue 7/28/15	Thu 8/13/15	535
631	I--Payments to MAIN (CNST)	36 hrs	Thu 6/4/15	Tue 6/9/15	536
632	I--Outbound Warrants (CNST)	36 hrs	Thu 7/30/15	Tue 8/4/15	537
633	E--UWL (CNST)	27 hrs	Wed 6/24/15	Fri 7/31/15	538
634	E--Merge (CNST)	45 hrs	Tue 7/14/15	Wed 7/22/15	539
635	E--Reopen (CNST)	72 hrs	Tue 5/26/15	Thu 6/11/15	540
636	E--Stop Action Extension (CNST)	45 hrs	Thu 8/6/15	Wed 8/12/15	541
637	E--Discovery Load to Stop Action Table (CNST)	27 hrs	Wed 8/5/15	Fri 8/7/15	542
638	E--Maintain Profile Table (CNST)	27 hrs	Thu 7/30/15	Wed 8/5/15	543
639	E--Release Stop Action (CNST)	27 hrs	Fri 5/29/15	Tue 6/2/15	544
640	E--TBOR Enhancement (CNST)	27 hrs	Tue 7/21/15	Thu 7/23/15	545
641	E--Automatic Refund from Overpayment of Assessment (CNST)	72 hrs	Tue 7/14/15	Fri 7/24/15	546
642	E--Collection Process Enhancement (CNST)	108 hrs	Wed 6/3/15	Wed 6/24/15	547
643	E--1099G Enhancement (CNST)	45 hrs	Thu 5/21/15	Thu 7/30/15	548
644	E--Garnishment Debts (CNST)	45 hrs	Tue 7/14/15	Mon 7/20/15	549
645	E--P & I Reclass (CNST)	45 hrs	Fri 6/12/15	Thu 6/18/15	550
646	E--CRM Web UI (CNST)	45 hrs	Fri 7/24/15	Thu 7/30/15	551
647	E--CRM Middleware Business Partner (CNST)	72 hrs	Fri 6/12/15	Tue 6/23/15	552
648	E--CRM Middleware Contract Account (CNST)	72 hrs	Wed 6/24/15	Mon 7/13/15	553
649	E--CRM Middleware Contract Object (CNST)	72 hrs	Tue 7/14/15	Thu 7/23/15	554
650	W--Refund Workflow (CNST)	45 hrs	Wed 7/15/15	Wed 7/22/15	555
651	W--Write-Off Workflow (CNST)	45 hrs	Thu 7/16/15	Thu 7/23/15	556
652	B--BRF General Rule Across Forms (CNST)	90 hrs	Thu 7/16/15	Thu 7/30/15	557
653	B--City Resident Income Tax Return (CNST)	192 hrs	Mon 5/4/15	Tue 6/23/15	558
654	B--City Non-Resident Income Tax Return (CNST)	90 hrs	Wed 6/24/15	Thu 7/16/15	559
655	B--City Part Year Resident Income Tax Return (CNST)	192 hrs	Tue 5/26/15	Wed 6/24/15	560
656	B--P&I Calculations (CNST)	90 hrs	Tue 6/23/15	Tue 7/21/15	561
657	B--Schedule - W (Table Form) (CNST)	90 hrs	Mon 6/22/15	Thu 7/16/15	562
658	B--Non-Obligated Spouse Form (CNST)	45 hrs	Thu 7/16/15	Thu 7/23/15	563
659	B--Billing Actions (CNST)	90 hrs	Tue 6/16/15	Tue 7/7/15	564
660	B--Out of Statute Rules (CNST)	90 hrs	Thu 6/4/15	Thu 6/18/15	565
661	B--Stipulated Agreement Rules (CNST)	90 hrs	Fri 6/5/15	Fri 6/26/15	566

ID	Task Name	Work	Start	Finish	Predeces
662	R--Report for Extensions Approved/Rejected (CNST)	27 hrs	Wed 7/8/15	Wed 7/15/15	567
663	R--Report of Intent to Assess (CNST)	45 hrs	Thu 5/21/15	Thu 5/28/15	568
664	R--Assessment Report by Project Code (CNST)	45 hrs	Mon 7/13/15	Wed 7/22/15	569
665	R--DW Statistics (CNST)	27 hrs	Wed 6/3/15	Fri 6/5/15	570
666	R--Refunds Paid (CNST)	27 hrs	Wed 7/22/15	Tue 7/28/15	571
667	R--Refunds in Approval Queue (CNST)	27 hrs	Mon 6/8/15	Wed 6/10/15	572
668	R--Refunds Pending Processing (CNST)	27 hrs	Fri 8/7/15	Wed 8/12/15	573
669	R--Year End Receivables (CNST)	27 hrs	Fri 7/24/15	Tue 7/28/15	574
670	R--Pending Debts (CNST)	27 hrs	Fri 5/22/15	Wed 6/10/15	575
671	R--Refund Revenue (CNST)	27 hrs	Mon 6/22/15	Mon 7/20/15	576
672	R--Revenue Reporting (CNST)	27 hrs	Thu 7/23/15	Tue 7/28/15	577
673	X--BI Payment Extractor (CNST)	27 hrs	Fri 6/19/15	Wed 6/24/15	578
674	X--BI Return Extractor (CNST)	27 hrs	Wed 6/24/15	Tue 7/7/15	579
675	X--BW R73 (CNST)	36 hrs	Wed 7/22/15	Wed 7/29/15	580
676	X--BW R74 (CNST)	18 hrs	Wed 7/29/15	Mon 8/3/15	581
677	X--BW 2054 (CNST)	36 hrs	Fri 6/5/15	Wed 6/24/15	582
678	X--Credit Forward (CNST)	18 hrs	Thu 7/9/15	Mon 7/13/15	583
679	X--Exception Report (CNST)	36 hrs	Thu 5/28/15	Thu 6/18/15	584
680	X--Holds On Account Report (CNST)	36 hrs	Wed 6/24/15	Thu 7/16/15	585
681	X--Staff Production Dashboard Analysis by Staff (CNST)	18 hrs	Fri 6/5/15	Thu 6/25/15	586
682	X--Return Backlog Status Report (CNST)	18 hrs	Thu 7/9/15	Tue 7/14/15	587
683	X--Return Status Detail Report (CNST)	18 hrs	Wed 6/24/15	Mon 7/27/15	588
684	X--City Income Tax Return Metrics (CNST)	27 hrs	Thu 6/25/15	Thu 7/9/15	589
685	X--Aggregate AGI by Tax Type Report (CNST)	27 hrs	Wed 5/20/15	Wed 5/27/15	590
686	X--Total Exemptions by Tax Type Report (CNST)	27 hrs	Thu 7/16/15	Wed 7/22/15	591
687	X--Total Income Subject to Tax Report (CNST)	27 hrs	Wed 6/24/15	Wed 7/22/15	592
688	X--Individual Tax Returns Dependents Claimed Report (CNST)	27 hrs	Thu 6/18/15	Wed 6/24/15	593
689	X--Audit Statistics Report (CNST)	27 hrs	Mon 6/1/15	Mon 6/15/15	594
690	X--First Time Filer Report (CNST)	27 hrs	Wed 6/24/15	Thu 7/9/15	595
691	O--Master Data Configuration (CNST)	45 hrs	Wed 7/8/15	Tue 7/14/15	471FS+5
692	O--Clearing Configuration (CNST)	63 hrs	Fri 6/19/15	Tue 7/7/15	476FS+5
693	O--GL Configuration (CNST)	27 hrs	Mon 6/1/15	Wed 6/3/15	481FS+5
694	O--CRM Configuration for Collections (CNST)	108 hrs	Wed 7/29/15	Thu 8/13/15	490
695	C--Convert Master Data (CNST)	63 hrs	Wed 6/10/15	Thu 6/18/15	596
696	C--Convert Estimate Payments (CNST)	63 hrs	Tue 7/21/15	Thu 7/30/15	597
697	**Unit Test**	**2,745 hrs**	**Wed 5/27/15**	**Wed 9/2/15**	
698	F--TBOR PDF Letter (UT)	27 hrs	Wed 7/8/15	Fri 8/21/15	601
699	F--Additional Information Letter (UT)	27 hrs	Mon 8/17/15	Wed 8/19/15	602
700	F--Small Balance Adjustment Letter (UT)	18 hrs	Mon 8/17/15	Wed 8/19/15	603

ID	Task Name	Work	Start	Finish	Predeces
701	F--Notice of Intent to Assess (UT)	18 hrs	Thu 7/9/15	Thu 8/13/15	604
702	F--Notice of Intent to Final (UT)	18 hrs	Thu 8/13/15	Tue 8/18/15	605
703	F--Corrected Notice of Final Assessment (UT)	18 hrs	Wed 8/19/15	Fri 8/21/15	606
704	F--Notice of Adjustment to Refund or Credit (Offset for Debts) (UT)	18 hrs	Wed 7/8/15	Wed 8/12/15	607
705	F--Non-Obligated Spouse Notice (UT)	18 hrs	Fri 8/21/15	Tue 8/25/15	608
706	F--Notice of Proposed Tax Due (UT)	18 hrs	Wed 8/5/15	Mon 8/10/15	609
707	F--Notice of Bad Check (UT)	18 hrs	Tue 6/16/15	Mon 8/24/15	610
708	F--e-File Images (UT)	27 hrs	Thu 7/23/15	Mon 8/10/15	611
709	F--TCB Explanation Letter (UT)	27 hrs	Wed 7/8/15	Thu 8/27/15	612
710	F--Pre-Processing Letter (UT)	18 hrs	Wed 6/10/15	Thu 8/20/15	613
711	I--FileNet (UT)	18 hrs	Mon 8/17/15	Wed 8/19/15	614
712	I--Data Warehouse(UT)	18 hrs	Thu 8/20/15	Fri 8/21/15	615
713	I--Siebel Outbound Web Service (UT)	18 hrs	Mon 8/24/15	Wed 8/26/15	616
714	I--Siebel Inbound Web Service (UT)	18 hrs	Mon 8/24/15	Tue 8/25/15	617
715	I--Siebel Registration Outbound (UT)	18 hrs	Tue 8/11/15	Thu 8/13/15	618
716	I--Quarterly Estimates File to Print Vendor (UT)	18 hrs	Tue 8/18/15	Wed 8/19/15	619
717	I--Load Outstanding Debts File (UT)	18 hrs	Wed 7/22/15	Mon 7/27/15	620
718	I--Incarcerated Taxpayers Load to SAP (UT)	18 hrs	Fri 8/7/15	Tue 8/11/15	621
719	I--Debt File to Third-Party Vendor (UT)	63 hrs	Tue 8/11/15	Wed 8/19/15	622
720	I--UIA Taxpayers Load to SAP (UT)	18 hrs	Mon 8/10/15	Tue 8/11/15	623
721	I--Renaissance Zones Load to SAP (UT)	18 hrs	Mon 8/3/15	Tue 8/4/15	624
722	I--Non-Itemizer Load to SAP (UT)	18 hrs	Thu 7/30/15	Fri 7/31/15	625
723	I--Paper Return Load (UT)	36 hrs	Fri 8/28/15	Wed 9/2/15	626
724	I--TCB Return Load (UT)	36 hrs	Tue 8/18/15	Mon 8/24/15	627
725	I--e-File Return Load (UT)	36 hrs	Mon 8/17/15	Mon 8/24/15	628
726	I--Payment Load (UT)	18 hrs	Thu 8/6/15	Mon 8/10/15	629
727	I--Warrant Feedback (UT)	18 hrs	Thu 8/13/15	Mon 8/17/15	630
728	I--Payments to MAIN (UT)	36 hrs	Mon 7/20/15	Thu 7/23/15	631
729	I--Outbound Warrants (UT)	18 hrs	Wed 8/26/15	Thu 8/27/15	632
730	E--UWL (UT)	18 hrs	Mon 8/3/15	Wed 8/5/15	633
731	E--Merge (UT)	27 hrs	Tue 8/11/15	Fri 8/14/15	634
732	E--Reopen (UT)	54 hrs	Mon 8/10/15	Mon 8/17/15	635
733	E--Stop Action Extension (UT)	27 hrs	Thu 8/13/15	Mon 8/17/15	636
734	E--Discovery Load to Stop Action Table (UT)	18 hrs	Mon 8/10/15	Tue 8/11/15	637
735	E--Maintain Profile Table (UT)	18 hrs	Thu 8/6/15	Mon 8/10/15	638
736	E--Release Stop Action (UT)	18 hrs	Mon 6/15/15	Tue 6/16/15	639
737	E--TBOR Enhancement (UT)	18 hrs	Wed 8/12/15	Thu 8/13/15	640
738	E--Automatic Refund from Overpayment of Assessment (UT)	54 hrs	Tue 8/18/15	Tue 8/25/15	641
739	E--Collection Process Enhancement (UT)	90 hrs	Fri 8/14/15	Wed 9/2/15	642

ID	Task Name	Work	Start	Finish	Predeces
740	E--1099G Enhancement (UT)	27 hrs	Thu 7/30/15	Mon 8/17/15	643
741	E--Garnishment Debts (UT)	27 hrs	Thu 8/20/15	Mon 8/24/15	644
742	E--P & I Reclass (UT)	27 hrs	Wed 8/5/15	Fri 8/7/15	645
743	E--CRM Web UI (UT)	27 hrs	Fri 7/31/15	Tue 8/4/15	646
744	E--CRM Middleware Business Partner (UT)	54 hrs	Wed 8/5/15	Wed 8/12/15	647
745	E--CRM Middleware Contract Account (UT)	54 hrs	Thu 8/13/15	Thu 8/20/15	648
746	E--CRM Middleware Contract Object (UT)	54 hrs	Fri 8/21/15	Fri 8/28/15	649
747	W--Refund Workflow (UT)	27 hrs	Mon 8/24/15	Thu 8/27/15	650
748	W--Write-Off Workflow (UT)	27 hrs	Thu 8/13/15	Tue 8/18/15	651
749	B--BRF General Rule Across Forms (UT)	54 hrs	Thu 7/30/15	Fri 8/7/15	652
750	B--City Resident Income Tax Return (UT)	90 hrs	Tue 6/23/15	Wed 9/2/15	653
751	B--City Non-Resident Income Tax Return (UT)	54 hrs	Fri 8/7/15	Mon 8/17/15	654
752	B--City Part Year Resident Income Tax Return (UT)	90 hrs	Mon 8/17/15	Mon 8/31/15	655
753	B--P&I Calculations (UT)	54 hrs	Tue 7/21/15	Mon 8/3/15	656
754	B--Schedule - W (Table Form) (UT)	54 hrs	Mon 8/24/15	Tue 9/1/15	657
755	B--Non-Obligated Spouse Form (UT)	27 hrs	Wed 8/19/15	Mon 8/24/15	658
756	B--Billing Actions (UT)	54 hrs	Tue 8/25/15	Tue 9/1/15	659
757	B--Out of Statute Rules (UT)	54 hrs	Tue 6/23/15	Thu 8/13/15	660
758	B--Stipulated Agreement Rules (UT)	54 hrs	Mon 8/24/15	Tue 9/1/15	661
759	R--Report for Extensions Approved/Rejected (UT)	18 hrs	Wed 8/12/15	Mon 8/17/15	662
760	R--Report of Intent to Assess (UT)	27 hrs	Fri 6/19/15	Tue 6/23/15	663
761	R--Assessment Report by Project Code (UT)	27 hrs	Mon 8/10/15	Fri 8/14/15	664
762	R--DW Statistics (UT)	18 hrs	Wed 6/17/15	Thu 6/18/15	665
763	R--Refunds Paid (UT)	18 hrs	Wed 8/5/15	Mon 8/10/15	666
764	R--Refunds in Approval Queue (UT)	18 hrs	Thu 6/11/15	Fri 6/12/15	667
765	R--Refunds Pending Processing (UT)	18 hrs	Tue 8/25/15	Thu 8/27/15	668
766	R--Year End Receivables (UT)	18 hrs	Fri 8/14/15	Mon 8/17/15	669
767	R--Pending Debts (UT)	18 hrs	Wed 6/10/15	Mon 6/22/15	670
768	R--Refund Revenue (UT)	18 hrs	Mon 7/20/15	Tue 8/4/15	671
769	R--Revenue Reporting (UT)	18 hrs	Mon 8/10/15	Wed 8/12/15	672
770	X--BI Payment Extractor (UT)	18 hrs	Thu 7/16/15	Mon 7/20/15	673
771	X--BI Return Extractor (UT)	18 hrs	Mon 7/20/15	Wed 7/22/15	674
772	X--BW R73 (UT)	18 hrs	Wed 7/29/15	Thu 8/20/15	675
773	X--BW R74 (UT)	9 hrs	Mon 8/3/15	Wed 8/5/15	676
774	X--BW 2054 (UT)	27 hrs	Wed 8/12/15	Fri 8/14/15	677
775	X--Credit Forward (UT)	9 hrs	Mon 7/13/15	Tue 7/14/15	678
776	X--Exception Report (UT)	18 hrs	Wed 6/24/15	Tue 8/18/15	679
777	X--Holds On Account Report (UT)	18 hrs	Wed 8/5/15	Mon 8/10/15	680
778	X--Staff Production Dashboard Analysis by Staff (UT)	9 hrs	Tue 7/7/15	Thu 7/16/15	681

ID	Task Name	Work	Start	Finish	Predeces
779	X--Return Backlog Status Report (UT)	9 hrs	Tue 7/14/15	Wed 7/15/15	682
780	X--Return Status Detail Report (UT)	9 hrs	Mon 7/27/15	Tue 7/28/15	683
781	X--City Income Tax Return Metrics (CNST)	18 hrs	Wed 7/29/15	Fri 8/7/15	684
782	X--Aggregate AGI by Tax Type Report (CNST)	18 hrs	Wed 5/27/15	Thu 7/9/15	685
783	X--Total Exemptions by Tax Type Report (CNST)	18 hrs	Wed 7/29/15	Wed 8/12/15	686
784	X--Total Income Subject to Tax Report (CNST)	18 hrs	Wed 8/12/15	Mon 8/17/15	687
785	X--Individual Tax Returns Dependents Claimed Report (CNST)	18 hrs	Wed 6/24/15	Fri 7/31/15	688
786	X--Audit Statistics Report (CNST)	18 hrs	Mon 6/15/15	Wed 7/15/15	689
787	X--First Time Filer Report (CNST)	18 hrs	Fri 7/31/15	Wed 8/5/15	690
788	O--Master Data Configuration (UT)	27 hrs	Wed 7/15/15	Fri 7/17/15	691
789	O--Clearing Configuration (UT)	27 hrs	Thu 8/6/15	Mon 8/10/15	692
790	O--GL Configuration (UT)	45 hrs	Fri 7/24/15	Thu 7/30/15	693
791	O--CRM Configuration for Collections (UT)	90 hrs	Fri 8/14/15	Thu 8/27/15	694
792	C--Convert Master Data (UT)	36 hrs	Fri 7/31/15	Wed 8/5/15	695
793	C--Convert Estimate Payments (UT)	36 hrs	Thu 8/27/15	Wed 9/2/15	696
794	**String Test**	**1,130 hrs**	**Thu 9/3/15**	**Fri 9/18/15**	
796	**Integration Test**	**5,309.18 hrs**	**Mon 9/21/15**	**Fri 11/20/15**	
797	**Integration Test - Cycle 1**	**1,446 hrs**	**Mon 9/21/15**	**Tue 10/6/15**	
802	**Integration Test - Cycle 2**	**1,333 hrs**	**Wed 10/7/15**	**Wed 10/21/15**	
807	**Integration Test - Cycle 3**	**1,296.18 hrs**	**Thu 10/22/15**	**Thu 11/5/15**	
812	**Integration Test - Cycle 4**	**1,234 hrs**	**Fri 11/6/15**	**Fri 11/20/15**	
817	Integration Test Exit Approval	0 hrs	Fri 11/20/15	Fri 11/20/15	812
818	**User Acceptance Test**	**1,230 hrs**	**Mon 11/30/15**	**Tue 12/15/15**	
823	Go-Live Prep	415.43 hrs	Wed 12/16/15	Mon 1/4/16	822
824	Go-Live	0 hrs	Mon 1/4/16	Mon 1/4/16	823
825	**Warranty**	**3,009 hrs**	**Tue 1/5/16**	**Fri 4/15/16**	

Form No. DTMB-3521 (Rev. 2/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 12

to

CONTRACT NO. 071B8200018

Between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
333 Bridge St, NW, Suite 700	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
Grand Rapids. MI 49504	415-783-6791	4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	John Karlik	(517) 335-4062	KarlikJ@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	(517) 284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:

: **MBT/MIITAS**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NO
September 15, 2007	December 31, 2010	2 one year	**December 31, 2018**

PAYMENT TERMS	F.O.B.	SHIPPED TO
N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐	Option/Extension	Date

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$61,890,010.00	$381,839.00	$62,671,849.00

DESCRIPTION:

Effective March 9, 2015, this contract is amended to add $381,839.00 and for the services in the attached statement of work. All other pricing, terms and conditions remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

Remaining contract balance: $138,492.00
Approved Ad Board Contract Value: $76,890,010.00

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK

Project Title: **SUW Training**	**Period of Coverage:** **2/9/2015 – 2/8/2016**
Requesting Department: **DTMB/Treasury**	**Date:** **1/30/2015**
DTMB Project Manager: **David Gilliland**	**Phone:** **517-636-5006**

Brief Description of Services to be provided:

BACKGROUND:
The terms and conditions of Contract 071B8200018 govern this Statement of Work (SOW).

Initial analysis showed the training approach designated for Sales, Use and Withholding (SUW) mirrored the steps followed for Business Registration. At the same time, interviews demonstrated that Registration Staff did not feel that they were effectively trained or had the resources they needed to be successful. For SUW to be successful, training needs to take a blended learning approach that can be delivered and accessed across multiple media to allow users access to self-paced training material, and training needs to be continually reinforced with materials and refreshers after go live.

Additional gaps were discovered in terms of the way that training material development was planned. Initially, the expectation was that training would be based off the SUW Blueprint Requirements and integration test scenarios. However, neither of these provides sufficient information to identify the specific process-level change for users. Detailed analysis of the Blueprint and solution together with Treasury SMEs needs to be developed to pinpoint the process that need to be the focus of training material development.

Finally, the planned training covered only procedural training. Our interviews have indicated an inadequate understanding of the reasons behind the overall MIITAS implementation and lack of clarity on benefits across nearly every group in the organization. The organization needs to be clear about the benefits of the system, the plan for implementation, and the reasons for both the schedule and the functionality being implemented. In part, this understanding will be developed through communications, but Overview Training is also a key aspect of gaining acceptance of the system.

PROJECT OBJECTIVE:
Enhancing the training approach and providing additional support materials for SUW will provide system users with the context to understand and accept the new system, and the tools they need to effectively use it. This should lead to shorter call times, increased team satisfaction, and a more effective feedback mechanism when issues are discovered.

SCOPE OF WORK:
Training and Post Go Live Change Management.
These services shall be provided in accordance with the key milestone dates:

Target Completion Date	Milestone
Week 2	Self-paced training material development assistance and uPerform coaching provided
Week 3	SAP Forms training module created

Week 4	SAP Letters training module created
Week 6	SAP Orientation training module created
Week 7	Additional Training Module Plan developed
Week 9	End User Training Curriculum Outline developed
Week 11	Overview Training Pilot delivered
Week 12	Training and Communications Plan for Future Releases developed

DELIVERABLES:
The Contractor will complete this project and provide the following deliverables over a three month period. This will require two onsite full time resources who will contribute to the deliverables provided below.

1.0 Self-Paced Training Development Support

- The Contractor shall assist the Treasury Team in the development of self-paced training material using the uPerform tool, provided by the State. The uPerform tool allows user configuration of the existing screen pages, to develop text content for input fields as an additional training resource assistance when needed. Assistance will include training internal training staff on how to configure uPerform, reviewing output for accuracy, and other uPerform assistance in the Contractor's role as a Subject Matter Expert on uPerform.
- The Contractor shall create up to three online training modules including "SAP Forms", "SAP Letters", and "SAP Orientation" in advance of go-live and develop a plan for Treasury to deliver additional modules post go-live for refresher and new-hire training.

2.0 End User Training Curriculum Outline

- The Contractor shall document scope for the end user curriculum, using the Change Impact Assessment results to prioritize development and delivery. The business lead will approve final end user curriculum outline.
- The End User Training Curriculum Outline will document specific learning objectives, processes and topics to be included in course development to provide a detailed layout of course content, based on meetings. The outline will be developed with key Treasury SMEs and DTMB/Deloitte functional and technical staff. This outline will be provided as an editable Microsoft Word document and will be delivered within 60 days after meetings commence and will guide Treasury resources in the development of prioritized end user training element.

3.0 Overview Training Development and Pilot Delivery

- The Contractor shall develop a curriculum for Managers and Staff that focuses on what to expect from the new system, processes that will change, benefits and reasons for the new system, and the process that will be followed to collect feedback and continually improve the system.
- The Contractor shall lead a single manager-focused session prior to end user testing to help build overall understanding of and support for go-live across the organization.
- Treasury will maintain responsibility for delivery of this training through additional sessions as needed.

4.0 Training and Communications Plan for Future Releases:

- The Contractor shall create a 30/60/90 day plan for Treasury staff to use to implement future anticipated training modules for the MIITAS in conjunction with the business lead. The business lead will approve the final plan.
- The Contractor shall develop a Training Plan template for Treasury communications staff to use as boilerplate in future MIITAS releases.
- The Contractor shall develop a Communications Plan template for Treasury communications staff to use as boilerplate in future MIITAS releases

ACCEPTANCE CRITERIA:
After DTMB, Treasury and Deloitte confirm that the deliverables are accurate and provided in accordance with the requirements of this Change Notice. Treasury training subject matter experts will assist in the review process for all deliverables to determine accuracy of information. The business lead will be the final approver of all documents and deliverables provided by Deloitte.

REPORTS:
Contractor will provide monthly status reports on each of the deliverables indicating current status, actions taken, progress made, and any risks identified since the previous report.

PAYMENT SCHEDULE:
Deliverables number 1.0, 2.0, and 3.0 are firm fixed price of $218,885. Payment will be made in one lump sum following acceptance of all three of these deliverables by the business lead.

Deliverable number 4.0 is firm fixed price of $162,954. Payment will be made in one lump sum following acceptance of this deliverable.

Payment will be made on a firm fixed price of $381,839 for all Deliverables identified in this Change Notice. The State will pay the Contractor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices must reflect actual work completed by payment date, and must be approved by the Treasury Business Lead and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:
The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

PROJECT CONTACTS:
The designated DTMB Project Manager is:

David Gilliland
Department of Technology, Management and Budget
Operations Center, 2nd Floor
7285 Parsons Drive
Dimondale, MI 48821
517-636-5006
GillandD@michigan.gov

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:
Consultants will work at the Operations Center in Dimondale, Michigan.

orm No. DTMB-3521 (Rev. 4/2012)
UTHORITY: Act 431 of 1984
OMPLETION: Required
ENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 11
to
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
333 Bridge ST, N.W., Suite 700	TELEPHONE	CONTRACTOR #, MAIL CODE
Grand Rapids, MI 49504	(415) 783-6791	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	John Karlik	(517) 335-4062	KarlikJ@michigan.gov
BUYER	DTMB	Jarrod Barron	(517) 284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **MBT/MIITAS**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
9/15/2007	12/31/2010	2, 1 Yr. Options	December 31, 2015
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS:

N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☐ No ☒ Yes	☒	☐	3 years	Dec. 31, 2018

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$61,890,010.00

Effective January 13, 2015, this contract is amended via this zero-dollar change notice to:

1. Add the attached Addendum to Contract Terms.
2. Agree that while the State Administrative Board has authorized adding up to an additional $15,000,000.00 to the contract for future services, that funding will be added via Contract Amendments (Change Notices) on an as-needed basis.
3. Require henceforth that to use any portion of contract funding, the State will submit a Statement of Work (SOW) to the Contractor for the additional services requested. For each such SOW received from the State, the Contractor will provide a Written Proposal. Upon review and written approval of the Written Proposal by the DTMB Project Manager and Agency Project Manager, the Agency will submit a contract change request to DTMB-Procurement. Upon review and written approval by DTMB-Procurement, and the State Administrative Board if required, a Contract Change Notice will be executed. A fully executed Contract Change Notice is required prior to issuance of any Purchase Order (PO) release. A PO is required prior to Contractor providing any services.

All other pricing, terms and conditions remain the same. Per contractor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on January 13, 2015.

Remaining contract balance: $138,492.00

Approved Ad Board Contract Value: $76,890,010.00

STATE OF MICHIGAN

ADDENDUM TO CONTRACT TERMS

The parties agree to amend the contract terms as stated herein. All contract terms not modified herein remain in full effect.

Definitions. For purposes of this Contract, the following terms have the following meanings:

"**Business Day**" means a day other than a Saturday, Sunday or State holiday.

"**Confidential Information**" has the meaning set forth in **Section 0**.

"**Contractor Personnel**" means all employees of Contractor or any State-approved subcontractors involved in the performance of Services or providing Work Product under this Contract.

"**Documentation**" means all user manuals, operating manuals, technical manuals and any other instructions, specifications, documents and materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support and technical and other components, features and requirements of any Software.

"**Representatives**" means a party's employees, officers, directors, consultants, legal advisors, and Permitted Subcontractors.

"**Services**" means any of the services Contractor is required to or otherwise does provide under this Contract or the Statement of Work, as more fully described in this Contract or the Statement of Work.

"**Specifications**" means, for any Software, the specifications collectively set forth in the general, business and/or technical requirements, together with any other specifications set forth in any Statement of Work.

"**State Data**" has the meaning set forth in **Section 0**.

"**Statement of Work**" means any statement of work entered into by the parties and incorporated into this Contract.

"**Work Product**" means all Software, Documentation, Specifications, and other documents, work product and related materials, that Contractor is required to, or otherwise does, provide to the State under this Contract, together with all ideas, concepts, processes, and methodologies developed in connection with this Contract whether or not embodied in this Contract.

Performance of Services. Contractor will provide all Services and Work Product in a timely, professional and workmanlike manner and in accordance with the terms, conditions, and Specifications set forth herein and any applicable Statement of Work.

State Standards.

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at http://www.michigan.gov/dmb/0,4568,7-150-56355-108233--,00.html

To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html. All Contractor

Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's access to the State's system if a violation occurs.

Contractor is not authorized to make changes to any State systems without prior written authorization from the State's Project Manager. Any changes Contractor makes to any State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration standards.

State Data.

Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes the State's data collected, used, processed, stored, or generated as the result of the Services, including but not limited to (a) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (b) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Services, which is defined under the Health Insurance Portability and Accountability Act ("**HIPAA**") and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This **Section 0** survives termination or expiration of this Contract.

Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This **Section 0** survives termination or expiration of this Contract.

Extraction of State Data. Contractor must, within three (3) Business Days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of State Data in the format specified by the State.

Backup and Recovery of State Data. Unless otherwise specified in the Statement of Work, Contractor is responsible for maintaining a backup of State Data and providing for an orderly and timely recovery of such data. Unless otherwise described in the Statement of Work, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.

Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence

of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (h) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. This **Section 0** survives termination or expiration of this Contract.

Confidential Information. Each party acknowledges that it may be exposed to or acquire communication or data of the other party that is confidential in nature and is not intended to be disclosed to third parties. This **Section 0** survives termination or expiration of this Contract.

Meaning of Confidential Information. The term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was or is: (a)subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). Notwithstanding the above, in all cases and for all matters, State Data is deemed to be Confidential Information.

Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor's subcontractor is permissible where: (a) the subcontractor is a State-approved Subcontractor; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the State-approved Subcontractor's responsibilities; and (c) Contractor obligates the State-approved Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any of the Contractor's Representatives may be required to execute a separate agreement to be bound by the provisions of this **Section 0**.

Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract. Each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.

Surrender of Confidential Information upon Termination. Upon termination or expiration of this Contract or a Statement of Work, in whole or in part, each party must, within five (5) calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control. If Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and certify the same in writing within five (5) calendar days from the date of termination to the other party.

Data Privacy and Information Security.

Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all Contractor Representatives comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available at http://www.michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html.

Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Contract. During the providing of Services, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within forty-five (45) calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.

Audit Findings. With respect to State Data, Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.

State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or the Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this **Section 0**.

HIPAA Compliance. The State and Contractor must comply with all obligations under HIPAA and its accompanying regulations, including but not limited to entering into a business associate agreement, if reasonably necessary to keep the State and Contractor in compliance with HIPAA.]

Payment Card Industry Data Security Standard. If the Contractor processes, transmits, or stores credit/debit cardholder data on behalf of the State, it must: (a) treat cardholder data as confidential, including after Contract termination or expiration; (b) adhere to the Payment Card Industry Data Security Standards (PCI DSS) and applicable DTMB policies; (c) notify the Contract Administrator, within twenty-four (24) hours of discovery, of all failures to comply with the PCI DSS, DTMB polices, or any breach in security where cardholder data has been compromised and (i) conduct a security review, (ii) obtain a forensic

report validating compliance with the current PCI Data Security Standards, and (iii) provide the forensic report to the State within two weeks of completion; (d) provide the Contract Administrator with an annual Attestation of Compliance or a Report on Compliance; and (e) when no longer needed, properly dispose of cardholder data in compliance with the PCI DSS and DTMB policy. At the State's request, Contractor must provide full cooperation to the State, a PCI representative, or a State approved third party to conduct a security review. Contractor is responsible for all costs associated with a breach.]

CEPAS Electronic Receipt Processing Standard. All electronic commerce applications that allow for electronic receipt of credit or debit card and electronic check (ACH) transactions must be processed via the State's Centralized Electronic Payment Authorization System (CEPAS).]

orm No. DTMB-3521 (Rev. 4/2012)
UTHORITY: Act 431 of 1984
OMPLETION: Required
ENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 10
to
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
333 Bridge ST, N.W., Suite 700	TELEPHONE	CONTRACTOR #, MAIL CODE
Grand Rapids, MI 49504	(415) 783-6791	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	John Karlik	(517) 335-4062	KarlikJ@michigan.gov
BUYER	DTMB	Jarrod Barron	(517) 284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **MBT/MIITAS**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
9/15/2007	12/31/2010	2, 1 Yr. Options	December 31, 2015
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS:

N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		Dec. 31, 2015

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$10,000,000.00	$61,890,010.00

Effective March 1, 2014, per DTMB, Agency, and Contractor agreement, this contract is hereby INCREASED by $10,000,000.00. The Contractor will provide the State with professional services required to complete the work for MIITAS SUW Release 2 — SUW Tax Processing project as described in the attached Statement of Work.

Section 1.001 of Contract 071B8200018 dated 9/15/2007 states in relevant part:

"The Contractor will have right of first refusal for future implementations or phases. A tentative list of future projects, which will be elaborated within separate statements of work, is:

- Sales, Use, and Withholding Taxes
- Business Registration Process
- Discovery, Audit, and Collections Processes
- Individual Income Tax Processing
- Misc. Taxes/Wrap-Up"

Please also note that the buyer has been changed to Jarrod Barron. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on April 8, 2014.

Change Notice #10

1.0 Business Terms and Conditions

This Change Notice, effective October 14, 2013, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. For the purposes of this Change Notice, the term "Parties" means the State and Deloitte Consulting. Where conflicts arise, this Change Notice shall govern.

The SAP software platform will provide the framework for the Michigan Integrated Tax Processing and Administration System (MIITAS) to which all mainframe Tax and Revenue systems will transition in future projects. This Change Notice defines the Services that Deloitte Consulting will provide related to MIITAS SUW Release 2 – SUW Tax Processing ("SUW Release 2" or "Project"). SUW Release 2 is the second release of the overall MIITAS SUW Phase. As described in Article 1, Section 1.001 of the Agreement, the State elects to exercise its option to obtain a statement of work (SOW) for optional MIITAS Services.

2.0 Statement of Work

2.1 Project Background

The State has begun its process of moving all of its end-of-life core tax and revenue functions from its existing legacy systems to the new SAP software platform. The first MIITAS phase implemented the SAP software platform for the new Michigan Business Tax (MBT). Subsequently Corporate Income Tax (CIT) and Flow-through Withholding (FTW) have been implemented, and release 1 of Sales, Use and Withholding Tax (SUW) – Business Tax Registration – is in process. This Change Notice defines the second release of a multiple-release implementation of the SUW project, enabling Michigan to process Sales, Use and Withholding tax returns.

Currently, SUW is administered in an increasingly costly mainframe environment that is difficult to update as requirements change. This project will replace the SUW legacy system with a modern platform that includes flexible business rules, advanced reporting capabilities, and an online channel for tax filing and self-service.

2.2 Project Methodology and Approach

2.2.1 Integration

The SUW Release 2 implementation will bring four distinct organizations together to coordinate project and quality management. As part of the project planning process, a comprehensive plan will be developed to help align the objectives and outputs from each organization. Below is a partial list of responsibilities for Treasury/DTMB, Deloitte Consulting, Dewpoint/PCO, and SAP:

2.2.1.1 Treasury/DTMB

These State departments will be the users and the owner of the SUW Release 2 system. Together, they will be responsible for validating requirements and approaches, approving deliverables, and assisting with the implementation as described in the Agreement, including development of system forms and development objects. Treasury/DTMB will also have responsibility for creating integration and user acceptance test scripts, executing these scripts and recording the results.

2.2.1.2 Dewpoint/PCO

The PCO will retain responsibility for overall program management and alignment of SUW Release 2 with other agency initiatives. While Deloitte Consulting will have responsibility for initial planning and updates to the SUW Release 2 workplan for tasks under the Deloitte scope, the PCO will own the master plan and report progress against the goals.

2.2.1.3 Deloitte Consulting

Deloitte Consulting will be responsible for the implementation of SUW Release 2 functionality within the scope defined in this Statement of Work, and the creation of the specified deliverables. Responsibility includes management of the planned SUW Release 2 tasks.

2.2.1.4 SAP

SAP will assist in assessing the quality of functional and technical designs and provide guidance during Blueprinting and Realization. Specific areas of involvement, as specified in more detail in SAP's contract and Statement of Work with the State, will include:

- Review of business process documentation
- Review of functional specifications and Blueprint narrative
- Review of technical specifications
- Review of high-level design

The final duties and responsibilities of SAP will be defined in a separate agreement directly between SAP and the State.

2.2.2 Methodology

Deloitte Consulting will continue to leverage tools and approaches from our Enterprise Value Delivery for SAP methodology (EVD). Deloitte will use standards defined in EVD in planning, estimating and scheduling tasks to implement the scope defined in this Change Notice.

The detailed project schedule, phases, gateways, and project milestones will be defined in collaboration with the State and the Project Control Office (PCO). The PCO will monitor and control the project.

The EVD method consists of the EVD phases described below. The Parties' roles and responsibilities with respect to the deliverables covered by this Change Notice are described in Section 2.6 of this Change Notice.

2.2.2.1 Phase 1 - Project Preparation

Project Preparation is the Project's start-up phase, during which the Parties will plan and prepare for subsequent phases of the Project. Project Preparation activities include assisting the Project Control Office in the development of a project charter, project and quality management processes, and work plan. During this phase, the Parties establish the Project organization structure and assign resources.

2.2.2.2 Phase 2 - Blueprint

During the Blueprint phase, the Parties establish a common understanding of how SAP will be used at the State for SUW Release 2. Workshops are conducted to design business processes and business roles. Fit/gap analysis is performed in order to determine options for gap resolution. Configuration design and functional specifications are documented. Traceability documentation is established.

2.2.2.3 Phase 3a - Realization - Build

The Realization - Build phase focuses on SAP configuration and documentation, security role configuration, technical specifications, and software development. Report and form layouts are created. The State will develop end user training materials and configure security roles, including role-to-position mapping. Go-live plans are developed. Unit and string testing are conducted.

2.2.2.4 Phase 3b - Realization - Test

The Realization - Test phase focuses on various types of testing to confirm that the business and technical requirements have been addressed. This consists of developing test cases and conducting testing and defect resolution. Test types in this phase may include integration, user acceptance, regression, performance, stress, and batch schedule testing, and go-live dress rehearsal. During this phase, end user training schedules are finalized and

go/no-go criteria is defined. During this Phase, the State will have responsibility for developing test cases, and managing and conducting testing and training. Deloitte Consulting will have responsibility for addressing defects related to its design, configuration, and development work.

The table below includes the scope of testing to be performed during the Project, some of which may occur sequentially.

Test type	In scope?	# of cycles	# of weeks per cycle	Data/Comments
Unit	Yes	N/A	N/A	Mock
String	Yes	1	2	Mock
Integration	Yes	4	2	Bank test data
User Acceptance Testing	Yes	1	2	Bank test data
Performance	Yes	4	2	Mock

2.2.2.5 Phase 4 - Final Preparation

During the Final Preparation phase, the production SAP system and end users are prepared for go-live. This consists of end user training, go-live execution, and mobilization of the production support organization and procedures. The go-live is executed, which includes loading data into the production systems, confirming that the data is loaded, managing transports, validating traceability documentation completeness, and creating end user system access.

2.2.2.6 Phase 5 - Go Live & Support

The Go-live and Support phase is the transition from the readiness activities of a pre-production environment to conducting business operations in the production system. Production support is provided, system transactions are monitored, support is transitioned to the production support organization, and the Project is closed.

2.2.3 Documentation Management

Serena will continue to be the primary formal document repository for the project. Approved deliverables, including functional and technical specifications will be stored in Serena and accessed through authorized State personnel. Deloitte Consulting will also supplement Serena with Deloitte Consulting's eRoom to store in-process documents and deliverables. The eRoom, which can also be accessed by non-Deloitte Consulting project team members, provides version control and workflow management. Data in the eRoom will be limited to design documents only – no taxpayer data will be stored. At the conclusion of the project, all documents in the eRoom will be provided in soft copy to the State for record-keeping purposes, and information in the eRoom will be permanently removed. Deloitte Consulting will be entitled to maintain copies for archive purposes. Deloitte will coordinate with designated security administrators within DTMB to manage user access to the eRoom.

To store business process information, Deloitte Consulting will build on the existing MBT/CIT/FTW/Registration Industry Print. Industry Print is a Deloitte business process modeling tool and has been used as the basis for maintaining traceability from requirements to process model to functional and technical designs and testing.

2.2.4 Quality Management

The project team will create all SUW Release 2 documentation, including specifications and design documents according to updated and agreed-upon document templates. Applying standard templates will help to create consistency across deliverables.

While templates standardize deliverable creation, checklists act as a standardized tool used during the deliverable quality review process. These checklists help to maintain a consistent level of review across reviewers. Checklists will be coordinated with SAP, who will be acting in a Quality Review capacity throughout the project.

A repository of checklists will be maintained in the project eRoom.

2.2.5 Software Reviews

Software reviews are a quality aspect of the software engineering process. Deloitte Consulting will conduct software reviews at various points during the development process to help identify any defects. The software reviews will help to:

- Identify needed improvements in the product of a single person or team
- Confirm those parts of the solution in which improvement is not necessary
- Achieve technical work of more uniform quality than can be achieved without reviews, to make technical work more manageable

Software review sessions will be conducted by a combination of senior Deloitte Consulting staff, DTMB staff, and SAP and will be focused in the most complex areas of the solution. Each review session will include a code walkthrough and follow an established checklist to maintain consistency through the reviews. In addition, the Deloitte Consulting Project Manager will conduct reviews of checklists and other process artifacts to provide additional validation that defined processes are being maintained.

2.2.6 Workplan Management

Deloitte Consulting will manage the activities necessary for the implementation of the proposed solution using MS Project as the primary tool. MS Project allows for the management of task dependencies, and resources assigned to those tasks. It also facilitates the definition of the critical path, which assists the project management team in prioritizing the activities that, if delayed, may impact the timeline or resources for the project, and adjustments to the schedule can then be evaluated and alternatives considered for addressing those constraints.

Once the initial schedule has been baselined, the PCO will integrate the tasks into their overall program management structure. Individuals will record their time against tasks in the plan, and the PCO will maintain weekly Earned Value reporting to show project progress. This reporting will allow for comparison of actual task completion dates against the plan so that any predicted slippage can be managed.

The PCO will coordinate weekly project review meetings to review the project status jointly with the project management team, identifying project tasks coming due in the short term, project tasks completed since the last review, and tasks underway. As progress is compared to the baseline plan, Deloitte Consulting will identify any potential problem areas or opportunities to accelerate the schedule, and will work with the State's project manager to resolve issues that may arise. Additionally as each methodology phase of the project is completed the schedule will be reviewed and updated to reflect any necessary time or resource updates required based on the details uncovered during the previous phase.

2.3 Scope of Services

Deloitte Consulting will assist in the design, development, unit testing, string testing, and integration testing defect resolution (the "Services") for the SUW Release 2 Project. For SUW Release 2, Deloitte Consulting will also provide production support and a 12-week warranty as described in section 4.0 of this Change Notice. Production support for previously implemented functionality, integration test management, training and training development, security and controls design and development, and change management are specifically excluded from this Change Notice and will be the responsibility of the State. Updates to Siebel, STAR and other legacy applications are also out of scope for Deloitte.

For the Development and Configuration Scope listed in section 2.3.1 of this Change Notice, Deloitte Consulting will be responsible for the following changes and updates to MIITAS and related documentation, including:

- Functional specification creation or updates
- Technical specification creation or updates
- Configuration documentation updates, if relevant
- System configuration, if relevant

- Programming
- Unit testing
- String testing
- Integration testing defect resolution
- Production support and warranty for 12 weeks from the go-live date.

2.3.1 Development and Configuration Scope

The following configuration and development objects are planned to meet the functional requirements included in Appendix 1.

2.3.1.1 Forms

Form Number	Name	Description	Change Summary
48	Individual Purchase Use Tax Return	This form is used to remit use tax for the privilege of using, storing, or consuming tangible personal property or services within Michigan.	Create BRF rules and Adobe layout
92	Vehicle Dealer Supplemental Report	This form is used to claim credit on sales tax paid directly to the Secretary of State on new and used car purchases. The discount credit calculated is used to offset the amount paid with the monthly/quarterly SUW return.	Create BRF rules and Adobe layout
160	Combined Return for Michigan Taxes	This form is used to remit sales, use, and withholding taxes.	Create BRF rules and Adobe layout
161	Discount Voucher for Sales and Use Taxes	This form allows for the early payment of just the Sales Tax and Use Tax on Sales and Rentals. If payment is made prior to the 12th of the month, the taxpayer will receive a greater discount.	Create BRF rules and Adobe layout
165	Annual Return for Sales, Use and Withholding Taxes	This form is used to reconcile account activity for the entire year.	Create BRF rules and Adobe layout
TBD	Amended Annual Return for Sales, Use and Withholding Taxes	This form will be used to file an amended annual return for sales, use, and withholding.	Create BRF rules and Adobe layout
388	Seller's Use Tax Return	This form is used to remit use tax when a customer requests the vendor to pay use tax on their purchase directly to the State of Michigan.	Create BRF rules and Adobe layout
429	Fuel Supplier and Wholesaler Prepaid Sales Tax Report	This form is used by the wholesaler to claim credit for prepayments of retail sales and/or to allow credit for sales of fuel on which prepayments were made and which were delivered to out-of-state locations.	Create BRF rules and Adobe layout

Form Number	Name	Description	Change Summary
430	Gasoline Advance Credit Prepayment	This form is used to repay the 1983 advance gas credit taken by some gasoline sales businesses.	Create BRF rules and Adobe layout
2189	Gasoline Retailer Supplemental Report	This form is used to claim a credit for prepayment of sales tax to a fuel supplier or wholesaler. This credit is used to offset the amount paid with the monthly quarterly SUW return.	Create BRF rules and Adobe layout
2271	Concessionaire's Sales Tax Return and Payment	This form is used to remit sales tax from an event at a Michigan location or use tax on goods taken from inventory or purchased exempt from Michigan sales tax and used in business.	Create BRF rules and Adobe layout
2448	Taxpayer's Request to Move an EFT Credit	This form is used to request transfer of EFT Credit from one period to the next.	Create BRF rules and Adobe layout
4601	4% and 6% Annual Return for Sales, Use and Withholding Taxes	This form is used to remit sales, use, and withholding taxes when the 4% rate is necessary.	Create BRF rules and Adobe layout. This form will be created as an extension of the 165.
BRF	BRF General Rules Across Forms	BRF to support general rules across forms	Develop rules
BRF	SER Return Process	BRF to support SER Return Process	Develop SER return rules
BRF	Multiple Assessments	BRF to support Multiple Assessments	Develop additional logic to support
BRF	Billing Actions	BRF to support Billing Actions	Extend billing actions to accommodate SUW BRF processing
BRF	Computed Assessment	BRF to support Computed Assessments	Develop rules
BRF	E-File Form for Portal Display	Display e-file forms in portal	Develop eFile forms for portal view.

2.3.1.2 Reports and Correspondence

Name	**Description**	**Change Summary**
TBOR Letter (includes Refund Adjustment and Tax Due Letters)	Taxpayer Bill of Rights letter, similar to TBORs for CIT and MBT.	Create SUW variant of TBOR letter.
Delinquent Letter	Sent when a taxpayer has failed to file a monthly or quarterly return or annual filer's return.	Create letter

Name	Description	Change Summary
Reactivate Account Letter	Sent when a return is received from an out of business taxpayer as part of the reactivation process	Create letter
Duplicate Annual Return Letter	Sent when a duplicate annual return is received and rejected.	Create letter
Distribution of Payment Letter	Sent when money paid with a single check is applied to obligations owed by multiple taxpayers.	Create letter
Tax Compliance Explanation Letter	Sent by TCB staff while an account\period is on a TCB stop	Create letter
Disallow Discount Letter	Sent automatically according to business rules or manually when a taxpayer is not granted a discount they claimed	Create letter
Notice of Reduced Credit Letter	Sent automatically according to business rules or manually when a taxpayer is granted less credit than they claimed	Create letter
Notice of Intercepted Refund Letter	Sent automatically according to business rules or manually when a refund is intercepted to pay for other debt.	Create letter
Annual Credit Forward Letter	Sent when a credit forward is created on an annual return.	Create letter
Miscalculation of Tax by Accelerated Filer Letter	Sent when a correction is made by the system to an accelerated filer tax return.	Create letter
Deficiency for an Annual Return Letter	Sent when there is a deficiency on an annual return.	Create letter
Additional Information Letter	Informational letter sent either automatically according to business rules or manually with multiple paragraphs either system selected or use selected.	Create letter
Statement of History Letter	Sent when requested in the system. Statement of account history for the taxpayers, broken down by filing period covering multiple years.	Create letter
Change of Filing Frequency Letter	Sent when the filing frequency on an SUW account changes.	Create letter
Friendly Reminder Letter	Sent as soon as due date passes and a return has not yet been filed	Create letter
ORTA Report (SUW Collections by NAICS Code – TA12/80, GASB 34)	Report showing SUW collections by NAICS code.	Create BI Report
Monies Transfer Report	Report showing monies transferred from SAP tax to another system	Create ABAP Report
Statistical Extract Report	Report to validate data warehouse loads	Create BI Report

Name	Description	Change Summary
SUW Distribution Report	Report for SUW distribution that can be executed by a single or range of dates, for single or multiple revenue types, for one or multiple business partners.	Create BI Report
Yearend Report of Debts Report	Year-end report of debts that have not gone to STAR.	Create BI Report
Holds on Account Report	Lists the returns on all types of "holds"	Create BI Report
Monthly and Year to Date Totals Report	Report that shows and compares monthly and year to date totals. Including gas credits, Sec of State, MAIN Cutoff and others	Create BI Report
Year-end Program Report	Report output from systematic annual account analysis used set up the next year's obligations	Create BI Report
Accounts Consolidated	Accounts by Stop Table status, Accounts by EFT Mandate, Accounts by Account Number. Show fields including postings, returns, return status.	Create BI report
Assessments Consolidated	Assessments by date range, assessments by status	Create BI report
Manual Postings Consolidated	Manual Journal Entries, Manual Payments. Show user, entry date, amount, type.	Create BI report
Refunds Consolidated	Refunds by date, by status (pending approval, pending processing), include TP, Amount, Tax Type.	Create BI report
Revenue Consolidated	Revenue by SIC, Revenue by revenue type, Revenue by tax type, Payments by each of these dimensions	Create BI report

2.3.1.3 Interfaces

Name	Description	Change Summary
Credits	Interface for Credits	Create interface
e-Cabinet	Interface for e-Cabinet update	Extend interface
Employer Data	Interface for Employer Data	Create interface
Inbound Other Tax Division	Batch file interface to load returns from other tax systems	Create interface
Inbound SER	Batch file interface to load Simplified Electronic Returns	Create interface
Inbound SUW Legacy	Batch file interface to transfer payments and 2014 tax year payment data from SUW Legacy system to SAP	Create interface
Interface 10	FileNet	Extend interface
Interface 12	Data warehouse extract	Extend interface

Name	Description	Change Summary
Interface 13	Siebel web service	Extend interface
Interface 16A	STAR inbound	Extend interface
Interface 16B	STAR outbound	Extend interface
Interface 16D	STAR liability file to convert overpayment to refund	Extend interface
Interface 4D	Paper return load	Extend interface
Interface 4D TCB	TCB return load	Extend interface
Interface 4P	Payment interface that replaces current interfaces 4A, 4B, 4C, and 4E.	Extend interface
Interface 5A	MAIN inbound refund feedback	Extend interface
Interface 5B-E	Reclassification of MAIN (extension for SUW)	Extend interface
Interface 5B-S	Reclassification of MAIN (standardize)	Extend interface
Interface 5C	MAIN outbound refund	Extend interface
Interface 7A	E-file return load	Extend interface
NSF Bank	Interface for NSF Bank (for tax year 2015 and forward)	Create interface
Withholding Data	Interface for Withholding Data	Create interface

2.3.1.4 Configuration

Name	Description	Change Summary
Inbound Correspondence	Configure inbound correspondence to trigger delinquency process	Configure system
GL/Main Sub	Configure accounting elements	Configure system
Clearing	Build clearing rules for SUW returns and payments	Configure system
Facts Data Structure Configuration	Extend Master Data to accommodate additional SUW fields at a Contract Object level	Configure system

2.3.1.5 Conversion

Name	Description	Change Summary
N/A – Conversion out of scope for SUW Release 2.		

2.3.1.6 Workflow

Name	Description	Change Summary
Supervisors to Approve Transactions and Data Entered	Workflow to send certain defined transactions to approvers before processing.	Build workflow

Name	Description	Change Summary
Approval Process to Interdepartmental Adjustment (IDA)	Workflow to send IDAs to approvers before processing.	Build workflow
Correspondence to Return	Workflow to match incoming correspondence to specific work streams based on 2-D bar code technology.	Build workflow.
Workflow for Correspondence	Workflow to allow auto-generated letters to be stopped before sending if a return is being manually worked.	Build workflow for all correspondence.

2.3.1.7 Taxpayer Online Services (TPOS)

Name	Description	Change Summary
Returns-File, Checks, Acknowledgement, Correspondence	Online screens to handle tax return filing for SUW	Create TPOS functionality
Bulk File Transmission of Returns and Payments	Online capability to handle multiple returns and payments with a single file	Create TPOS functionality
Online View of Account Data	Online view of account information and historical postings (starting from 2015)	Create TPOS functionality
View Imaged Returns	Online view of filed returns (starting from 2015)	Create TPOS functionality
One Stop	Link to OneStop for delegation and authentication.	Create TPOS functionality
Link to Collections e-Pay	Link to online payment system for collections,	Create TPOS functionality
Payment Link to PayConnextions	Online link to PayConnextions to allow taxpayer to make payment for submitted return	Create TPOS functionality

2.3.1.8 Enhancements

Name	Description	Change Summary
Register from Payment	Register taxpayer for a tax when payment for that tax is received.	Build enhancement
Work Item (UWL)	Extend UWL to meet worklist requirements for routing and case management.	Extend standard functionality.
Stop Action Based on NAICs Code, Tax Year and Tax Period	Add functionality to Stop Action table to allow stops by NAICs code and tax period.	Extend existing functionality.
Returns Summary Screen by Year	Screen to show last several year's returns, assessments, and payments.	Build enhancement
Delinquent Process	Enhance standard delinquent process to trigger "Friendly Reminder" letter, and to apply special rules based on account information.	Extend standard functionality.

Name	Description	Change Summary
Post Payments with No Tax Type	Post unidentified payments to taxpayers' liabilities based on defined business rules.	Build enhancement
Retain Batch Information While Moving Payments	Extend information in all relevant tables to allow batch information to be kept with payments as they are transferred between accounts or periods.	Extend standard functionality
Eliminate all BRF+ Messages	Allow all BRF+ messages to be removed when a return is put in void status, but to reappear if the return is reopened and rebilled.	Build enhancement
Discontinuance to Cancel Delinquency Notices	Automatically cancel delinquency notices, bills, or computed assessments for post cancellation periods. Apply business rules for STAR interface.	Build enhancement
Attribute for a Voluntary Disclosure Taxpayer	Add attribute to taxpayer to indicate voluntary disclosure (manually set)	Extend standard functionality
Change Filing Frequencies Automatically and Manually During the Year	Create process for updating taxpayer filing frequency based on filing information. Can be run manually or automatically.	Build enhancement
Stop the Mailing of Paper Tax Forms	Stop the mailing of paper tax returns to taxpayers that file electronically.	Build enhancement
Permanent Notation During Transfer of Payments	Automatically create a permanent notation that is viewable in the Business Partner Overview (BPO) when a return or transaction is moved from one BP to another showing the source and destination BP numbers.	Build enhancement
TBOR Enhancement	Extend TBOR to handle SUW processes and information	Build enhancement
Multiple Assessments	Create logic and data storage to handle multiple assessments for a single return	Build enhancement
Tax Compliance Bureau	Enhancements to the audit stop table to reflect additional data on audit periods and SUW processing logic	Extend existing functionality
BRF Functions	Create necessary ABAP common function modules to process returns in conjunction with BRF+	Build enhancement
Material Person Processing	Accommodate marking an account eligible for Material Person processing rules.	Build enhancement

Name	Description	Change Summary
Merge Returns	Extend merge functionality to handle multiple returns in a single period.	Extend existing functionality
Unmerge Returns	Extend unmerge functionality to handle multiple returns in a single period.	Extend existing functionality
Reopen Returns	Handle automated reopen and rebill when prior return with credit is reopened and rebilled.	Extend existing functionality
Payment ACH	Extend ACH payment logic to handle SUW requirements.	Extend existing functionality
P & I Reclass	Extend P&I reclassification logic to handle SUW requirements.	Extend existing functionality

2.3.2 Security Scope

The State will be responsible for all development and maintenance of SAP Security. Deloitte Consulting will provide information on any new transactions to the State security team so that each transaction can be added to appropriate roles or new roles as necessary. Transactions and roles as well as any unique security requirements will be documented in the relevant Functional Specifications.

2.3.3 Technical Scope

The State will be responsible for the technical infrastructure, design, implementation, maintenance, and support for the SUW Release 2 project. All hardware, software licensing, and network connectivity and bandwidth will be responsibility of the State.

2.3.4 End User Training Scope

All training material development and training delivery will be the responsibility of the State.

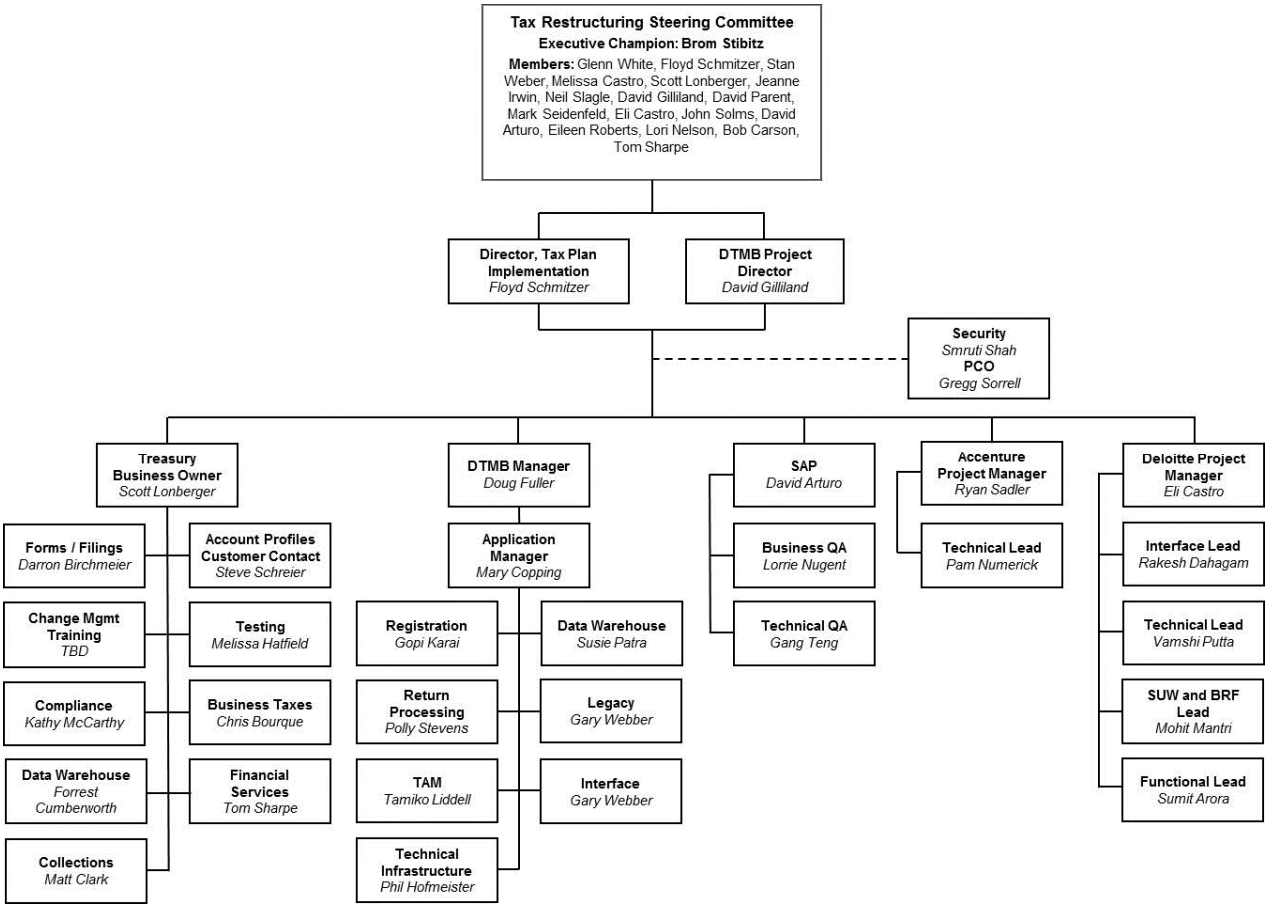
2.4 High Level Timeline

The planned timeline for the SUW Release 2 project will begin on or about October 14, 2013 with a planned go-live on January 12, 2015. The project will be shut down for one week during November and for two weeks during December and January for the holidays. Below are the planned dates for major activities to be completed by the Parties:

SUW Release 2	Start Date	End Date
Blueprint Sessions	10/14/2013	12/20/2013
Rule Writing Sessions	1/6/2014	1/31/2014
Blueprint Document	10/14/2013	5/2/2014
Re-plan	1/6/2014	1/31/2014
Technical Design	11/11/2013	5/30/2014
Code and Unit Test	1/13/2014	9/12/2014
String Test	9/15/2014	9/26/2014
Gold Client Build	9/29/2014	10/3/2014
Integration Test	10/6/2014	12/5/2014
User Acceptance Test	12/8/2014	12/19/2014
Implementation	1/5/2015	1/12/2015
Go Live	1/12/2015	1/12/2015

2.5 Project Organization

The following Organization Chart illustrates Deloitte Consulting's planned leadership and its organization relative to the State's overall Tax Restructuring project:



2.6 Project Responsibilities

In the following chart, "Deloitte Consulting" includes State resources specifically allocated to this project, as defined in section 2.7 of this Change Notice.

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Project Workplan	The Project Work Plan is a deliverables-based execution plan showing the responsibilities, dependencies, schedule, and planned effort for SUW Release 2 tasks.	Secondary	Secondary	Primary
Blueprint	The Blueprint consists of the business process descriptions, process flow models, gap analysis, configuration inventory for the relevant functional scope described in section 2.3.1 and Appendix 1 of this Change Notice. It will also include any required Chart of Account revisions and provide traceability for all functional requirements as described in Appendix 1.	Secondary	Primary	
Functional Specifications	Functional Specifications are created for each functional object and define how each object will work.	Secondary	Primary	

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Technical Specifications	Technical Specifications are created for each technical object in the system and defines the specific implementation approach for that object. There may be one or more technical specification for each functional specification, and multiple functional specifications may be consolidated into a single technical object and specification.	Secondary	Primary	
Configuration Documentation	Configuration documentation shows the configuration values and locations within SAP where these values are set. Configuration documents will also indicate the reasoning for each configuration setting.	Secondary	Primary	
Development Objects	The development required to realize the functional design of the SUW Release 2 implementation.	Secondary	Primary	
Unit Test Documentation	Unit tests are completed for each technical object. The inputs and results of each unit test are reflected in the unit test documentation for that object.	Secondary	Primary	
Go-Live Plan	The go-live plan indicates the required steps to bring SUW Release 2 into production, including dependencies, time schedule and responsible party.	Primary	Secondary	
Integration Test Scripts and Results	Integration test scripts define the test cases that will be run to test the integrated functionality of SUW Release 2, including regression test scripts. Results reporting shows the pass/fail status of each script.	Primary		Secondary
User Acceptance Test Scripts and Results	User Acceptance test scripts define the test cases that will be run to validate the integrated functionality of SUW Release 2, and assess go-live readiness. Results reporting shows the pass/fail status of each script.	Primary		
Training Materials and End-User Training	Training materials include any new materials and updates to existing materials to prepare Treasury staff to operate the system, including end user procedures, training course slides, course exercises, and training environments.	Primary		

2.7 Staffing Model

The following table describes the planned staffing model. It includes only the core staff required for the SUW Release 2 implementation. Additional staff from the State and the Project Control Office will be required to review Deliverables, provide subject matter expertise, manage and conduct testing, manage and conduct training and change management, and manage the SUW Release 2 project within the wider DTMB and Treasury enterprise project portfolio.

The State will provide qualified full-time resources as listed in the following table:

Project Start through Blueprint Design Sessions	October 14 to December 20 2013	1
Functional Specification Development through Unit Testing	January 6 to October 6 2014	7 (1/6/14 to 8/7/14) 6 (8/7/14 to 10/6/14)
Integration Test through Go-Live	October 6 2014 to January 12 2015	4
Production Support	January 12 to April 15 2015	4

These resources will be mutually agreed upon in writing by both Parties, they will be co-located with the Deloitte Consulting resources and will continue in a production support role after the SUW Release 2 go-live. During their time on the SUW Release 2 Project, these resources will report to the Deloitte Consulting Project Manager on a day-to-day basis, taking their direction and assignments from Deloitte Consulting. Deloitte Consulting will escalate any issues with State performance to David Gilliland, Project Director supporting Treasury, or his designee as

notified in writing to Deloitte Consulting. Where Deloitte Consulting has responsibility for Deliverables as described in section 2.6, these resources will be considered as Deloitte Consulting resources for the purposes of this project. The State may assign these resources to various additional tasks as it deems necessary if they are not otherwise assigned to tasks by Deloitte Consulting under this Change Notice after communicating such additional assignments to Deloitte Consulting. These resources will not be removed by the State except upon replacement with qualified resources mutually agreed upon in writing by both Parties. The State resources will be scheduled for a minimum of 6.5 hours per day.

Role	Team	Number	Resource Source
Engagement Director	Project management	1	Deloitte Consulting
Project Manager	Project management	1	Deloitte Consulting
Solution Architect	Project management	1	Deloitte Consulting
BRF Lead	Technical	1	Deloitte Consulting
Development Lead	Technical	1	Deloitte Consulting
Functional Lead	Functional	1	Deloitte Consulting
BRF Team	Technical	4	3 Deloitte Consulting, 1 State
Development Team	Technical	10	5 Deloitte Consulting, 5 State
Functional Team	Functional	1	Deloitte Consulting
TPOS Team	Technical	3	Deloitte Consulting
BI Team	Technical	3	2 Deloitte Consulting, 1 State

Deloitte Consulting and the State during the term of this Change Notice agree to maintain a Steering Committee to provide executive oversight and guidance to the members of the Implementation Team. The Steering Committee will be composed of senior management from the State, Deloitte Consulting, and SAP, along with PCO representatives. The Steering Committee will meet in person at least every quarter or as frequently as mutually agreed, and will discuss topics such as the following:

p) Overall management and oversight of the Services described in this Change Notice and any subsequent Change Notices.
q) Change Notices requiring additional funding.
r) Issues escalated to the Steering Committee, providing agreed-upon direction to the Implementation Team.

The State will also appoint one individual designated as the State Key Contact, and Deloitte Consulting will appoint one individual designated as the Deloitte Consulting Engagement Director and another designated as the Deloitte Consulting Project Manager. The State will also staff and maintain a PCO. These individuals will be responsible for the performance of the following tasks:

The Deloitte Consulting Engagement Director will:

z) Have prime responsibility and final authority for the execution and delivery of Deloitte Consulting responsibilities under this Change Notice.
aa) Provide guidance to the State Key Contact and Deloitte Consulting Project Manager relative to design, support, budget, and contract management.

bb) Escalate issues, change requests, and risks when necessary.
cc) Work with the State Key Contact and Deloitte Consulting Project Manager to review support procedures and documentation standards, and approve Change Notices on behalf of Deloitte Consulting.
dd) Participate in Steering Committee meetings as needed.

The Deloitte Consulting Project Manager will:

t) Manage the day-to-day delivery of Services, including managing work done by functional and technical resources.
u) Conduct weekly status meetings with the State Key Contact to review project status and issues.
v) Resolve issues and escalate issues as appropriate.
w) Participate in Steering Committee Meetings as needed.

The State Key Contact will:

kk) Act as a single point of contact in the execution and delivery of the Services and responsibilities under this Change Notice.
ll) Enforce agreed-upon processes and related controls among the State Implementation Team members.
mm) Ensure clear and open lines of communication exist between the State and Deloitte Consulting Implementation Team members.
nn) Assist the Deloitte Consulting Project Manager in the day-to-day management of the project and resolution of issues.
oo) Approve Service Changes as needed.
pp) Participate in Steering Committee meetings as needed.
qq) Provide prompt notification to Deloitte Consulting of any issues, concerns or disputes with respect to the Services provided.

The PCO will, at minimum:

m) Maintain and monitor the project workplan as provided by Deloitte Consulting.
n) Provide project management reporting as needed.
o) Coordinate Steering Committee communications, meetings, and reporting.

2.8 Deloitte Consulting Key Resources

The following individuals are considered Key Personnel from the beginning of the Services provided under this Change Notice to the Go-Live Date for SUW Release 2, as defined in section 4.0 of this Change Notice:

- Project Manager–Eli Castro
- Solution Architect–Vamshi Putta
- Development Lead–Rakesh Dahagam
- SUW Project and BRF Lead–Mohit Mantri
- Functional Lead-Sumit Arora

It is acknowledged that unauthorized removal of Key Personnel will interfere with the timely and proper completion of the Services, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result of any unauthorized removal. Therefore, Deloitte Consulting and the State agree that in the case of any unauthorized removal, the State may assess liquidated damages against Deloitte Consulting.

For the unauthorized removal of any of the Key Personnel listed above, the liquidated damages amount is $25,000.00 per individual if Deloitte Consulting identifies a replacement approved by the State, which approval shall not be unreasonably withheld, and assigns the replacement to the Project to work with the Key Personnel who is leaving for a Transition Period of at least 30 calendar days before the Key Personnel's removal. It is understood that consultants may have valid reasons for leaving the project outside the control of Deloitte Consulting, including termination of their employment, serious illness, or other leaves of absence, and replacement of Key Personnel for such reasons shall not be considered an unauthorized removal.

If Deloitte Consulting fails to assign a replacement to work with the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 liquidated damages for an unauthorized removal, Deloitte Consulting must pay the amount of $833.33 per day for each day of the 30-day period that the replacement does not work with the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per unauthorized removal and failure to provide 30 days of transition must not exceed $50,000.00 per individual.

In cases of authorized removal of resources, Deloitte Consulting will use diligent efforts to propose suitable replacement personnel. Where possible, replacement staff will overlap their role with their predecessor to ease knowledge transfer.

2.9 Business Requirements

The high-level business requirements that describe the functionality that will be implemented as part of the SUW Release 2 project are included in Appendix 1.

3.0 Fees and Expenses

3.1 Fee Schedule

Deloitte Consulting will perform the Services described in this Change Notice on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $8,963,890, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following table:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	Deloitte Leveled Project Schedule	$386,530	10/14/2013
2	Blueprint Workshops Completed	$386,530	12/20/2013
3	First 20 Functional Specifications Developed	$386,530	2/14/2014
4	Second 20 Functional Specifications Developed	$386,530	3/7/2014
5	Third 20 Functional Specifications Developed	$386,530	4/11/2014
6	Business Blueprint	$773,060	5/2/2014
7	First 20 Technical Specifications Developed	$386,530	3/7/2014
8	Second 20 Technical Specifications Developed	$386,530	4/11/2014
9	Configuration and Development Objects Ready for String Testing	$1,978,716	10/1/2014
10	Configuration and Development Objects Ready for Movement to QA Environment	$1,187,230	10/31/2014
11	Configuration and Development Objects Ready for Acceptance Testing	$386,530	12/8/2014
12	Configuration and Development Objects Ready for Movement to Production Environment	$773,060	1/12/2015

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
13	Post go-live Functional and Technical Specification Updates Completed	$386,530	1/16/2015
14	Warranty, as described in Section 4.0	$773,054	4/15/2015
	Total	**$8,963,890**	

The State will conduct a user acceptance test of the SUW Release 2 Configuration and Development Objects in the Quality Assurance environment in accordance with the SUW Release 2 Project Workplan before approving such Configuration and Development Objects as ready for movement. Unless otherwise mutually agreed, the criteria for approval shall be:

- All user acceptance test scripts have been executed
- All high-severity defects identified during user acceptance testing have been reclassified as lower-severity defects or resolved. Severity levels will be as defined in Section 2.7.4 of Change Notice #7 to the Agreement.

3.3 Hourly Rates for Additional Services

From time to time the State may request additional changes to these Services. Any additional Services will be processed as described in Section 11.0 of Change Notice #7 to the Agreement, and payment will be based on an hourly rate basis and invoiced monthly in accordance with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	**Hourly Rate (through December 31, 2013)**	**Hourly Rate (through December 31, 2014)**	**Hourly Rate (through December 31, 2015)**
Account Manager	$328	$335	$345
Project Manager	$303	$309	$318
Solution Architect	$281	$287	$296
Senior PS-CD Specialist	$281	$287	$296
PS-CD Specialist	$227	$232	$239
Senior BRF Specialist	$227	$232	$239
BRF Specialist	$179	$183	$188
Senior Developer	$227	$232	$239
Developer	$179	$183	$188

3.3 Deliverable Acceptance

Deliverable acceptance timeframes will be in accordance with Section 2.015 of the Agreement, with the following exceptions:

Deliverable	Initial Review	Deloitte Response	Final Review
Configuration Item	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

3.4 Change Management

Change Management will be conducted in accordance with section 11.0 of Change Notice #7 to the Agreement.

4.0 Warranty

For the purposes of this Change Notice, Deloitte Consulting will warrant for a period of 12 weeks following the Go-Live Date of the SUW Release 2 project that the System will conform in all material respects to the requirements of the System as set out in this Change Notice and the accepted deliverables. The definition of "Go-Live Date" as used in this section shall be the date on which the configuration and development objects ready for movement to the production environment (Deliverable 17 in section 3.1 of this Change Notice) are moved to the production environment. The definition of "System" as used in this section and in Section 2.507 of the Agreement shall be all custom configuration and application code developed by Deloitte Consulting and delivered to the State with respect to this Change Notice.

5.0 General Provisions

5.1 Schedule and Project Management

- This project will observe the following holidays. State employees will observe all applicable State holidays.

  bbb. Veterans Day – Monday, November 11, 2013

  ccc. Thanksgiving Day – Thursday, November 28, 2013

  ddd. Day after Thanksgiving – Friday, November 29, 2013

  eee. Christmas Eve – Tuesday, December 24, 2013

  fff. Christmas Day – Wednesday, December 25, 2013

  ggg. New Year's Eve – Tuesday, December 31, 2013

  hhh. New Year's Day – Wednesday, January 1, 2014

  iii. Martin Luther King Day – Monday, January 20, 2014

  jjj. President's Day – Monday, February 17, 2014

  kkk. Memorial Day – Monday, May 26, 2014

  lll. Independence Day – Friday, July 4, 2014

  mmm. Labor Day – Monday, September 1, 2014

  nnn. Election Day 2014 – Tuesday, November 4, 2014

  ooo. Veterans Day – Tuesday, November 11, 2014

  ppp. Thanksgiving Day – Thursday, November 27, 2014

  qqq. Day after Thanksgiving – Friday, November 28, 2014

rrr. Christmas Eve – Wednesday, December 24, 2014

sss. Christmas Day – Thursday, December 25, 2014

ttt. New Year's Eve – Wednesday, December 31, 2014

uuu. New Year's Day – Thursday, January 1, 2015

vvv. Martin Luther King Day – Monday, January 19, 2015

www. President's Day – Monday, February 16, 2015

- The project schedule calendar has blocked out the week beginning November 25, 2013 and the weeks beginning December 23, 2013 and December 30, 2013 as well as the weeks beginning November 24, 2014; December 22, 2014; and December 29, 2014, with no new tasks planned to begin during these weeks.
- The project will start on or about October 14, 2013.
- Deloitte Consulting staff typically perform the Services on-site Monday through Thursday and work remotely on Friday.
- Any delays caused by any activity not a part of this Change Notice will result in a Service Change for any extended staff.

5.2 Project Staffing

- State resources will be available on a timely basis to review and approve project Deliverables.
- The State will take primary responsibility for the following areas:
    - Legacy interface development
    - Role-to-position mapping for new SAP users
    - External communications and change management, including stakeholder management
    - Management of communications and timely scheduling with external parties for all stages of testing
    - Integration test
    - User acceptance test
    - Go-live planning
    - All aspects of end user training including curriculum development and training schedules, business process procedures/end user procedures, course materials, and instruction
    - Completion of all internal State approval processes
- The State will be responsible for all production support for the System unrelated to SUW Release 2, including MBT and CIT/FTW tax processes.

5.3 Solution and Approach

- Updates to existing functional specification documents will be limited to content impacted by SUW Release 2. The base document will not be updated to address existing errors that are not directly associated with SUW Release 2 content.

- The PCO will coordinate the functional specification review and approval process. If multiple approvers have been identified for a given functional specification, comments will be held by the PCO until all approvers have responded.
- Functional specification and configuration documents will identify transaction codes being utilized to support business processes.
- Updates to the current MIITAS Blueprint document are not in scope for this project, except where aspects of the Blueprint are directly modified as a result of SUW Release 2.
- The State will be responsible for management and execution of integration and acceptance testing. Testing will be performed within the timeframes listed in the project plan and will be tracked using HP Quality Center software to be provided by the State.

5.4 Security and Controls

- The State will be responsible for transaction security design, and security configuration, development, testing, and implementation.

5.5 Technology and Infrastructure

- SAP software licenses and all hardware required for the SUW Release 2 project will be provided by the State. The implementation will utilize SAP ECC 6.0 Enhancement Pack 5.
- The State will be responsible for all system infrastructure planning, procurement, testing, implementation, maintenance, and support (commonly known as SAP Basis services. Any material delays caused by a disruption in the system landscape will result in a Service Change for any extended Deloitte Consulting Implementation Team members.
- The QA hardware will be used for Disaster Recovery. The State will be responsible for Back-Up and Disaster Recovery.
- The Deloitte Online Collaboration System (eRoom) will be used to store in-process documents and Deliverables. As documents and Deliverables are approved during the project, they will be moved to Serena. Deloitte Consulting will be responsible for the administration of the eRoom.
- The State will be responsible for application of SAP Notes.

5.6 Data

- The State will be responsible for data cleansing for conversions.

6.0 Other

The parties agree that this Change Notice shall be excluded from Section 2.306 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything to the contrary in Section 2.306 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice #10, regardless of the form of action, shall be limited to $8,890,000 or professional fees paid under this Change Notice #10 whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice #10.

Neither Deloitte Consulting nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting; to claims covered by other specific provisions of the Agreement calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice #10.

7.0 Acceptance

Accepted by:

State of Michigan

_____
Signature

_____
Name

_____
Title

_____
Signature

_____
Name

_____
Title

Accepted by:

Deloitte Consulting LLP

_____
Signature

Mark Seidenfeld.
Name

Director
Title

Appendix 1—Functional Requirements

Req No.	Requirement Description	Comments
100	**CONVERSION OF LEGACY DATA**	
	A decision was made that legacy data conversion is out of scope for SUW Phase 2	
200	**PAPER INPUT CHANNEL (includes Returns with or without Payment)**	
201	Taxpayers will to continue filing monthly and quarterly using Form 160 and will be able to submit the annual return to the bank. Provide the capability to accept data files of paper returns and payments data captured by the bank	
202	The system must continue to accommodate and accept payment made by checks	
203	The bank's new scanning software, R1 will allow multiple files. R1 system is ready to be turned on for SUW monthly \ quarterly returns. The system must provide the ability to accept data files from the bank's R1 system	
204	The system must provide the ability to accept data files of "red seal" batches for loading into SAP and providing output to Clarification.	
205	Develop a QA process for verifying the accuracy of the return data captured from the paper returns and sent to the state for loading to the SUW system in SAP.	
206	The system shall provide the ability to accept data files of miscellanous SUW payment batches for loading into SAP and posting based on business rules.	
300	**DIRECT E-FILE INPUT CHANNEL (includes Returns with or without Payment) -** Web based data entry application where taxpayers are guided through the process of creating an online tax return as well as bulk filing.	
301	Provide the capability for taxpayers to file monthly, quarterly and annual returns and payments electronically.	
302	The system shall provide the capability to accept and process electronically filed tax returns.	
303	Provide the capability to accept bulk file transmission of returns and payments through a direct e-file input channel. (i.e. Payroll Service)	
304	Provide the capability to accept bulk file transmissions of returns and payments submitted by software developers	
305	Provide the capability for a taxpayer to create and submit a return electronically by filling in a form online. (Web based entry where taxpayers are guided through the process of creating a tax return. Directions will be given to taxpayers whether to pay using PayConnextions or other methods such as checks, E-File or EFT/PayConnextions) Would like to stop taxpayers from incorrectly filling in a form. Online edits should be provided	
306	Provide the capability to e-pay monthly/quarterly/annually through direct e-file.	
307	Provide the capability for taxpayers to remit one payment when bulk filing multiple returns.	
308	Provide the capability to accept multiple returns (same contract object) from/for a taxpayer in same period via direct e-file.	
309	Provide the capability to reject electronically filed returns if they have calculation errors.	
310	Provide the ability to create Electronic acknowledgments for e-filed returns and electronic receipts for e-payments. Will go to the e-cabinet.	
311	Provide Data Cleansing – Simple checks for valid address & return period information; Simple audit checks for valid tax reporting amounts.	
312	The System must allow taxpayers to pay electronically while e-filing a return. System must allow e-filing taxpayer to pay by check or by electronically.	
313	Provide the ability to have a secure web-based interface where taxpayers will login	

	and enter detailed return/payment information including amount owed for each tax type, eligible credits and/or discounts.	
314	The system shall use OneStop as the method of authenticating the taxpayer who is using the direct e-file method of submitting SUW returns and payments	
315	The System should provide one screen for a taxpayer to e-file Sales,Use, and/or Withholding tax obligations for a specific period, and calculate appropriate discounts and/or penalty and interest. Regarding penalty and interest, there should be a pop up message informing taxpayer the calculated amount is only valid for a specified amount of time. Penalty and interest would have to be recalculated after a certain period of time.	
316	The System should provide the ability to accept e-filed returns and hold for a specified period of time before processing the returns to allow the payment to be received.	
317	The System should provide the ability to accept payments from all payment channels for an e-file return	
318	When a taxpayer makes an e-payment, provide the ability to generate a pop up message based on business rules.	
319	Provide the capability for SAP to validate that a taxpayer is enrolled for ACH Debit when making an e-payment. If the taxpayer is not enrolled, direct them to the enrollment site.	
320	Provide the ability to create upon demand a pdf of the completed e-file return. PDF to allow display and print of the e-file return in the actual tax form view	
321	Provide opportunity to alert taxpayers return has been filed and display to the taxpayer and allow to enter additional information	
322	Phase 1 - predecessor filing obligation carries over to successor. System needs to handle	
323	Provide the ability to receive Software Developer test returns in a dedicated test environment. This dedicated environment should also allow for the development, testing, and processing of test data and e-filed returns from software developers.	
324	Provide the ability to receive SER filings test returns in a dedicated test environment. Dedicated environment to replicate automated production environment for the processing of test returns and the Web Services process for Certified Service Providers (CSP's). This dedicated environment should also allow for the development, testing, and processing of test data received	
400	**EFT INPUT CHANNEL (includes Return and Payment information)**	
401	The system shall have the ability to accept monthly, quarterly, and annual EFT filings	
402	Provide the capability for the system to accept one EFT payment for multiple tax types and post as separate tax payments.	
403	The system shall have the capability to create a return from an ACH payment that includes the gross sales data item from the payment addendum record.	
404	System must accommodate (Representative Walsh amendment) accelerated changing to 1 75% payment with prior month reconciliation payment. See Issue Tracker	
500	**STREAMLINE SALES TAX INPUT CHANNEL (Includes SER and Payments)**	
501	The system shall provide the capability to accept and process Streamline Sales Tax SER (Simplified Electronic Return) payment and return files. Returns\payments may be submitted 1) as an individual return with or without payment entered in an on-line form, 2) through the use of a web service to transmit a file\files (CSPs), or 3) as a bulk file upload.	
502	The system shall provide the capability to use business rules up front to acknowledge confirmation of the SER return\payment. Also to inform users of edits.	
503	The SER return must be modified to capture details in the return. The system shall provide the ability to accept all data items captured from the SER return.	

504	Provide the ability to identify streamline sales tax returns and payments in the system and the ability to specify payment types.	
505	System to capture all data elements for a return.	
506	No expectation of an annual return if the 12th month return is SER.	
600	**DCR \ OTHER MANUAL \ BATCH ENTRY INPUT CHANNEL (includes Return and Payment information)**	
601	Provide the ability to accept and process data files from a batch input process for in house data capture	
602	Provide the capability for a data capture process for “old” year returns. Need in-house process to continue capturing sales tax returns and feed into SAP.	
603	Provide the capability to manually create a return.	
604	Provide the capability to enter data from applications, in a batch mode, using data Treasury receives from sources external to the system (for example SOS)	
605	Provide the capability to enter data from returns, in a batch mode, using data Treasury receives from sources external to the system.	
606	Provide the capability to enter data from electronic reports (files), in a batch mode, using data Treasury receives from sources external to the system.	
607	Provide the capability to enter data from schedules, in a batch mode, using data Treasury receives from sources external to the system (for ex; audit return from Eskort)	
608	Provide the capability to enter data from payments in a batch mode, using data Treasury receives from sources external to the system.	
609	The system shall have the capability for data capture of returns in a batch mode in and out of SAP. Out of SAP process needs to be consistent with other Treasury data capture processes.	
610	The system shall have the capability to capture and store an image of a return, schedule, payment voucher or other form and link it to the appropriate corresponding transaction(s).	
700	**TAX RETURN PROCESSING**	
701	Provide the capability to view and process paper filed and efiled SUW returns/forms. See current list of SUW forms. Some of the forms may change and there are still open questions of non SUW forms that will be implemented in SAP.	
702	Provide the capability to have a configurable dollar threshold and filing frequency for monthly, quarterly, annual, and accelerated returns.	
703	Provide the capability to accept multiple returns and amended returns from/for a taxpayer in same period.	
	Provide the capability to systematically identify a duplicate return	
704	Provide the capability to auto correct basic calculation errors on paper returns and automatically notify the taxpayer of the adjustment similar to IIT.	
705	The system shall provide the ability to accept and process zero returns	
706	Provide the ability to accept and process No Remittance Returns	
707	Provide the capability to accept and store 100% data capture of more/complete information on returns (possibly even more frequently)	
708	Provide the ability to post future/past period returns and payments to the current period	
709	Provide a status log tracking by account and employee, including saves and changes made to returns	
710	Provide the ability to add tax type to a previously registered taxpayer automatically upon a receipt of a return or payment for that tax type or period.	
711	Provide the ability to store accelerated taxpayer’s federal filing schedules, with the ability to enter multiple filing frequencies based on individual witholding accounts	

712	Provide the ability to have, and the system accept, a separate form for an amended return	
713	Provide the ability to accept and process amended returns	
714	Provide the capability to allow taxpayers to easily identify a return as an amendment(s) to a previously submitted one.	
715	Provide the ability to allow a return to be posted on a Purged File Period	
716	Provide the ability to create or accept a return without creating an expectation to file.	
717	The system shall provide the capability when SUW returns are processed, that all of the data supplied by the taxpayer will be captured, stored and subsequently available for query and analysis tools.	
719	Create an automated process to identify appropriate penalty and interest types (NR to late payment) based on the status of the returns and update the assessment with the penalty type before it is sent to STAR.	
720	Provide the capability to search for returns or payments by Document Locator Number (batch date, batch number, batch item).	
721	Provide the capability to systematically reopen and rebill a return based on business rules when penalty type 09 or 21 with no tax amount and is eligible for transmission to STAR.	
722	Provide end users the capability to enter data from returns into the system through the use of a GUI.	
723	Provide the capability to generate notices of adjustments to returns (e.g. tax due, refunds, overpayment notices and correspondence) using business rules.	
724	Provide the capability for a user to place a “hold” on an account, by account, by tax type, and\or by period, so that further return processing activity is suspended while the “hold” is in effect.	
725	Provide the capability for a user to release a “hold” that was previously placed on an account, tax, and period.	
726	Provide the capability to automatically process a return that has a computed assessment already on the account for the same file period.	
727	Provide the capability to perform data validation with auto correction, using business rules against data captured from returns. Work items are to be created for returns that fail validation based business rules and are then sent out to be worked based on assignment in work flows.	
728	Provide the capability for users to resolve return exceptions, through the use of a portal.	
729	Provide the capability to override a return exception with appropriate security. (e.g. to close a red error on BP 1234)	
730	Provide the capability to store withholding information from various sources to determine if the employee and employer are reporting the same amount of withholding.	
731	Provide the capability to automatically reactivate an account registration for a tax when a return is received for a period after the date of discontinuance, and generate a letter if a return is received from an out of business taxpayer.	
732	Provide the capability to process multiple returns per reporting period from the same taxpayer for all tax types.	
733	Provide the capability to identify those taxpayers meeting the criteria set forth by State law to be mandated to remit monies due to the Treasury through Electronic Funds Transfer (EFT).	
734	Provide the capability to match payments received through Electronic Funds Transfer with the return data received in various forms allowed by the Treasury.	
735	Provide the capability to direct all or a portion of a refund as pre-payment of tax for the next reporting period, generating the proper transactions (for monthly, quarterly, or annual returns)	

736	Provide the ability to manually, or systematically based on business rules, choose the period to send an overpayment to. Provide the ability to convert an overpayment to a refund. When a credit forward gets moved, generate the appropriate transaction to send to MAIN or not depending on business rules.	
737	Provide the capability to generate a refund or credit forward based on business rules.	
738	Provide the ability to post a credit forward to multiple tax types (ex Sales, Use, or Witholding)	
739	Provide the ability to move some or all of overpayment from one tax type to another tax type implemented in SAP, with consideration for appropriate transactions to MAIN based on business rules.	
740	The system must provide consistent calculation of penalty and interest across all taxes. Set uniform penalty and interest standards for all taxes. Make them configurable for any future changes by tax and period.	
741	Provide the capability to calculate applicable penalties and interest based on rules for a specific tax type.	
742	Provide the capability to call Treasury's penalty and interest module, using business rules.	
743	Provide the capability to define and maintain ~~penalty and~~ interest rules in a real time manner in tables maintained by business users.	
744	The system shall allow the mailing grace period to be configurable	
745	The system shall provide for the mailing grace period to recognize Saturday/Sunday and holidays	
746	Provide the capability to calculate applicable adjustments to tax, penalties and interest, using various rates as defined by business rules.	
747	Provide the capability to maintain validation rules used for return processing in tables. (e.g. Letter message, interest rate, gas and diesel gas credit rates, grace days)	
748	Provide an interface to receive updated values from STAR interest rate tables.	
749	Provide the capability to define and maintain form data element tolerance levels in tables.	
750	Provide the capability for authorized users to waive interest assessed against a taxpayer's account and generate the proper accounting transactions.	
751	Provide the capability for authorized users to waive penalties assessed against a taxpayer's account and generate the proper accounting transactions.	
752	Provide the capability for recording the user who initiated a waiver or refund	
753	Provide the capability of having a return file period be less than 12 months based on business rules.	
754	Provide the ability to accept returns for file periods other than 12 months (for ex; 13 months).	
755	Provide the capability for denoting SUW returns for tax periods that have been or are in hearings, and workflow according to business rules should any other return(s) be filed for those periods.	
756	Provide the ability to change the as filed values of a tax return with appropriate security.	
757	Provide the capability for the system to join (merge) and unjoin returns based on business user actions. (i.e. original filing with amended)	
758	Provide the capability to systematically override the 'as determined' to the 'as filed' value if return is within defined tolerance. (i.e. tax liability)	
759	Provide the capability for a business user with appropriate security to modify a tolerance value within a table.	

760	Provide the capability to determine Delinquency letter content based on whether return is within tolerance.	
761	Provide the capability for a business user, under special circumstances, to specify payment application other than the standard business rule with appropriate security. (i.e. tax and interest instead of tax and penalty)	
762	Provide the capability to calculate credit interest on a refund in SAP based on the same rules as defined in the Treasury's penalty and interest module.	
763	Provide the capability to generate a unique return id for each filing. (i.e. original and amended)	
764	Provide the capability to create a unique assessment for an amended return separate from the assessment on the original return.	
765	The system is to provide as corrected and movement of money processes same as CIT and MBT	
766	The system shall provide a Returns summary screen by year. Display of an entire year's filing record. Should include at least what is available when viewing the SMY screen currently on TACS/Treas. This would provide a quick visual reference that can give a high overview of an account balances and return periods filed.	
767	The system shall provide a status log tracking actions by account and employee, including saves, changes; Track user activity by screen inquiry; Report - retain all screen inquiry actions	
768	Provide the capability to add a tax type to a previously registered taxpayer automatically upon a receipt of a return or payment for that tax type or period.	
769	Secretary of state (form 92), gas credit (form 2189) and wholesaler (429) forms are not processed with the SUW monthly, quarterly returns. Provide the ability to have the data captured from these paper or electronic forms loaded and stored in SAP	
770	Provide the capability to systematically generate a letter to taxpayer displaying line by line changes to return.	
771	Provide the capability to systematically identify and reopen any subsequent monthly and\or quarterly return impacted by the filing or reopening of an original or amended prior year return.	
772	Provide the capability to identify a return that may not receive a letter, but go to STAR as an intent to assess rather than final based on defined business rules.	
773	Provide the capability to process the return without calculating penalty and to accept as audited amount entered based on channel and defined business rules.	
774	Provide the capability to re-calculate penalty and interest based on final approval date to display on letter and post to General Ledger.	
775	Provide the ability to post a liability without a return being filed and submit to STAR with appropriate security. (e.g. bankruptcy debts)	
776	Provide the capability to populate e-file image view with as filed values from submitted XML.	
777	Provide the capability for a return with payment to maintain relationship when loaded into SAP. When moving one or the other, both must move together.	
778	Provide the capability to handle prior year/period SUW forms and data captured with or without money based on business rules.	

780	Provide the capability to raise a yellow error when a return is out of statute similar to MBT and CIT.	
781	Provide capability to handle returns with or without payment for years in which the sales, use, and withholding tax ledgers have been purged based on business rules.	
782	Provide the capability to override the statute of limitations date by users with appropriate security.	
785	**SALES, USE & WITHHOLDING MONTHLY \ QUARTERLY TAX RETURNS**	
786	Do not set up an obligation for non seasonal periods.	
787	Provide the ability to automatically calculate a discount on the monthly\quarterly return based on when payment is received	
788	Provide the ability to credit forward overpayment by monthly period (to Automate accelerated filers monthly overpayments).	
789	The system shall provide configurable tables for multiple tax rates (ie. 4% and 6% rate on the same credit or same account).	
790	Implement a way for the system to recognize whether the sales tax filed is 4% or 6% so that accurate discount amounts are given.	
791	Provide a delinquency process based on filing frequency.	
800	**SALES, USE & WITHHOLDING TAX ANNUAL RECONCILIATION**	
801	Provide the ability to reconcile monthly/quarterly filing to annual return.	
802	Provide an annual delinquency process. There will be a different set of business rules depending on whether an information return, tax due return or refund return.	
804	Provide the ability to implement delinquent procedures and an enforcement process for Annual Returns	
805	The system shall improve the annual return reconciliation using business rules, automate whenever possible. Modify the delinquency process to reduce erroneous letters and assessments.	
806	The system shall provide for handling of a separate amended return for an annual return.	
807	Provide the ability to transfer annual returns data, all money postings, image, and all other associated data from one account to another.	
808	Provide the ability to establish automated business rules for auditing annual returns.	
809	Provide the ability to reject a duplicate annual return and generate an automatic letter	
810	Provide the ability to prorate the tax due from the annual return across all open periods	
811	Provide the ability to implement automated business rules for the Simplified Electronic Return. The SER is more detailed than the 160 combined return but, if you do file an SER you do not have to file the 165 / annual reconciliation return. If file SER, no annual. If SER in the same period, then annual is required (Policy to review).	
812	Provide the ability to offset a credit forward from an SUW annual return for a debt in STAR. At the time of clearing, the amount of the debt needs to go to STAR; convert the credit forward to a refund based on the amount to offset in STAR-with any remainder staying as a credit forward on the account.	
813	Provide the ability to manually and automatically create a delinquency return.	
814	Provide the ability to handle refundable credits from gas credit and Secretary of State (pre-paid tax credits) and generate the proper accounting transactions	
900	**SALES, USE & WITHHOLDING TAX PAYMENTS PROCESSING**	
901	The system shall have the capability to have additional (new) payment types	

902	The system shall have the capability to accept a consolidated payment for multiple tax types.	
903	Provide the capability for the Payment image file to include additional images of correspondence and be linked to the payment in SAP.	
904	Provide the ability for 1 account to accept payments thru more than 1 channel (EFT, Check, etc) and not be forced into a delinquency if multiple channels are used (If a taxpayer is registered as an electronic filer, but makes payment by check, should not be delinquent)	
905	The system shall allow multiple payments to be received within the same return period without error	
906	Provide the ability to post future/past period returns and payments to the current period	
907	Provide the ability to add a tax type to a previously registered taxpayer automatically upon a receipt of a return or payment for that tax type or period.	
908	Provide the ability to manually post a payment	
909	Red seal handling - has its own distinct batch range. Provide the ability to capture and post the payment in a red seal batch and error out on a work list. Capture and link the image of the correspondence and payment document.	
910	Provide the capability, using business rules, for supervisors to approve transactions and data entered by users before posting of the transactions.	
911	The system shall provide the capability to automate the processing of returned (NSF) taxpayer checks or electronic payment, using the BAI file provided by the bank.	
912	Provide the ability to post payments with no tax type specified according to business rules. Added note on 10/7/2013: This requirement assumes the bank is determining a default tax type and setting a flag for questionable tax type.	
913	Provide the ability to transfer payments from one period to another within the same account or to a different account within SAP and generate the appropriate transactions to MAIN	
914	Provide the ability to handle the unpostables (payments received containing no FEIN or other account ID; or with an account ID but not yet registered) in a way that the money can post immediately.	
915	Provide the capability to handle (post and process) one-time payments for taxpayers and other Michigan residents making payments to the state who are not currently required to register for Michigan taxes	
916	Provide the capability to automatically disallow ‘discounts’ taken by taxpayer when payment results in non-sufficient funds	
917	Provide the capability for Treasury to charge the Taxpayer a fee for returned checks (NSF's)	
918	Provide the capability to have Business rules to automatically apply payments that come in with a Delinquency letter	
919	Provide the ability to accept all types of payments including tax, penalties and interest, electronically.	
920	Provide the capability for money, along with the original batch validation, to be moved to different taxes, taxpayers, and\or file periods.	
921	The system shall provide the ability to accept credit card payments.	
922	Provide the capability to interface with the State's system to process (accept and reverse) electronic payments with appropriate safeguards. (e.g. credit card payment)	
923	Provide the capability to reverse all transactions generated by a payment when the check / EFT associated with the payment is returned to the bank	
924	Provide the capability to accept Annual, Quarterly, Monthly, Acclerated and Misc. payments from the bank payment channel.	
925	Provide the capability to reclassify/change payments in clarification to another payment type, tax type, taxpayer or period.	
926	Provide the capability to capture tax type from the bank payment file during the	

	payment load.	
927	Provide the capability to specify tax type in any manual payment postings.	
928	Provide the capability to show tax type indicator on FP30.	
929	Provide the capability to link the payment and the return via a bank-provided identification number (TRH Number)	
930	Provide the capability to alert the appropriate user when a payment lot fails to load. The payment lot loading should complete without the bad payment.	
931	Provide the capability to adjust the received date (net due date) of a payment to recalculate penalty and interest.	
932	Provide the capability to systematically adjust the received date (net due date) of a batch of payments or returns.	
933	Provide the capability to store the received date of the payment or return in the appropriate field for the purpose of calculating penalty and interest.	
934	The system shall provide for the posting date of the payment to be equal to the bank Date of deposit (which is provided in the bank file) and prevent that date from being adjusted either manually or systematically.	
936	Provide the capability to manually transfer payments to SAP from another system.	
937	Provide the capability to manually transfer payments from SAP into another system.	
938	Provide the capability to match an NSF payment to the NSF Fee by matching the amount ($50) when the payment is received in a period subsequent to the assessment period and sent over to STAR.	
939	Provide the capability to record the tax type for the NSF penalty - it should be designated as belonging to a particular tax type.	
940	Provide the capability to choose and designate systematically, based on business rules, the NSF fee to one of the accounts when a bad check covers multiple tax types (Since penalty would still be $50 for the one check that was dishonored).	
941	Provide the capability to apply money paid by a taxpayer in a single check to multiple returns and/or tax due notices automatically. Due to the volume for SUW, this must be able to be done systematically.	
942	Provide the capability to apply money paid by a taxpayer through multiple checks to a single return and/or tax due notice. Due to the volume for SUW, this must be able to be done systematically.	
943	Provide the capability to apply money paid with a single check to obligations owed by multiple taxpayers, and generate the proper transactions.	
944	Provide the capability to apply money paid with a single check to liabilities owed across multiple reporting periods, and generate the proper transactions. Due to the volume for SUW, this must be able to be done systematically.	
945	Provide the capability to allocate money received to tax, interest, and penalties according to business rules, and generate the proper transactions.	
946	Provide the capability to transfer monies received to other reporting periods within the same tax type for the same taxpayer, and generate the proper transactions.	
947	Provide the capability to transfer monies received to other reporting periods within the same tax type for a different taxpayer, and generate the proper transactions.	
948	Provide the capability to transfer monies received to the same or other reporting periods of other tax types for the same taxpayer, and generate the proper transactions to the State's accounting system (e.g. from SUW to CIT)	

949	Provide the capability to transfer monies received to the same or other reporting periods of other tax types for a different taxpayer, and generate the proper transactions to the State's accounting system (e.g. SUW to CIT).	
950	The system shall provide the capability to generate an assessment to the taxpayer regarding a bad check, and automate the payment reversal and return rebilling process. When performing a reversal on a returned item in SUW, the system should check if the return is billed and if so, reopen the return, reverse the payment, rebill the return and then generate and send an assessment to STAR for $50 NSF.	
951	Provide the capability to automatically reverse transactions for dishonored checks and electronic payments.	
952	The system shall provide the capability to receive a file from the bank of NSF payments and automate the reversal and assessment process based on the data in the file.	
953	The system shall provide the capability for users to enter payment transactions through the use of a GUI with proper security safeguards.	
954	The system shall provide the capability to track any taxpayer payment and payment batch information back to an original deposit.	
955	The system shall provide the capability to allow staff to view and search by batch date, batch number, and batch item number for payments and returns.	
956	The system shall provide the capability to view and search for a payment by payment amount, with the flexibility to include batch date, batch item, batch number, a date range, and a batch number range. Batch information should be displayed on the payment in the Business Partner Overview (BPO).	
957	The system shall provide the ability to accept and post miscellaneous, audit, and discovery payments as separate payment types.	
958	The system shall provide the ability to accept an indicator such as batch number range to identify a payment type.	
959	The system shall provide the ability to post the batch date and total dollar amount of a batch of payments without posting the individual payment amounts, to accommodate the current concenssionaire payment process	
960	The system shall provide the capability to manually or systematically issue a negligence penalty based on business rules.	
1000	**TRIBAL RETURN PROCESSING**	
-	**A decision was made that Tribal Return Processing is out of scope for SUW Phase 2**	
1100	**REFUNDS\ MAIN INTERFACE**	
1101	Provide the capability for SAP to be the primary interface to MAIN for SUW.	
1102	Provide the capability for the system to pass and receive refund information with the State's MAIN Processing System based on predefined business rules.	
1103	Provide the ability for the system to regenerate a refund or refunds to MAIN as part of the current refund process.	
1104	The system shall provide the ability to issue a refund warrant.	
1105	Provide the ability to issue a refund to an individual for Use tax. Provide the ability to accommodate refunding third party bad debt and capture refund feedback	
1106	The system shall provide the ability for staff to view refund information so that they know the status of the refund when responding to phone inquiries. (Cashed, undeliverable, etc.)	
1107	Provide the capability to systematically calculate refund interest using varying rates depending on tax type and tax period.	
1108	Provide the capability for refunds to be generated for tax exempt organizations that paid tax to their contractors. Provide the ability to issue refunds with two names (taxpayer and customer) on the check.	

1109	Provide the capability to stop refund checks on the same day of approval regardless of the stage of the refund, across all tax types. Therefore, refunds that are erroneously issued are capable of being stopped. Provide the ability for a user with appropriate security to stop correspondence prior to printing.	
1110	Provide the capability for the posting of refunds, payments, and changes in revenue type to feed into a file for MAIN	
1111	Provide the ability to offer Direct deposit for refunds "EFT" (OFM) through the State's vendor process.	
1112	Provide the capability for refunds due to taxpayer in bankruptcy to be routed to trustee based on defined business rules. (see SUW Phase I - Bankruptcy Table, coordinate with SUW Phase I design)	
1113	Provide users the capability to issue refunds to an alternate address with appropriate supervisory approval.	
1114	Provide the ability to select one of the taxpayer's addresses for sending out refunds or notices.	
1115	Provide the capability to show garnishments and vendor offsets from an SUW refund and any residual refund warrant numbers and amounts.	
1116	Provide the capability to stop a refund transaction until it's transferred to the State's accounting system.	
1117	Provide the capability for messages displayed on Warrant Remittence Advice to be applicable to SUW	
1200	**FINANCE \ ACCOUNTING \ REVENUE**	
1201	Provide the capability for SUW revenue to be distributed to correct fund (school aid, etc...)	
1202	Provide the ability to define separate revenue type for sales, use, and withholding taxes	
1203	Provide real time changes within SAP on account adjustments – Increase the number of actions that could post in real time to reduce the amount of time used for review of follow-up information.	
1204	Provide the ability to add new MAINs and SUBS for credits that will be manually added to the system	
1205	Provide the capability to ensure financial postings occur to the appropriate open period on General Ledger based on defined business rules.	
1206	Provide capability to reconcile (view, export, analayze files) SAP to MAIN by providing the number/count# and value/amount$ of each of the following: SUW payments, refunds, transfers by revenue type.	
1207	Provide the capability to separate SUW 28J batch agency from 29R - create a separate file to send to MAIN for 28J (MAIN interfaces 5B/5C). TC88 to pick up 29R & 28J files. Ability to view/export and analyze MAIN interface files	
1208	Provide the capability to generate a listing of manual journal entries. These are accounting entries directly to SAP GLs by accounting.	
1209	Provide capability to automatically on a daily basis calculate reclass of tax revenue to penalty and interest. Send entry to MAIN using the 28J SUW 5B interface. Provide SAP report. To send this reclass entry: decrease tax, increase penalty and interest on MAIN interface.	
1210	Provide capability to reclass/change posted payment types based on manual input. Update the appropriate MAIN interface to reclass revenue. Restrict contract object transfer to allowed doc types for target account. Restrict security.	
1211	Modify the existing STAR parameters for the STAR interface to MAIN to suppress all SUW postings (TC02657).	
1212	Provide volume test(s) for all SAP/STAR interaction for SUW	
1213	Provide one unique file for IDAs of all tax types going to MAIN	

1214	Research and understand the dollar difference of the outstanding balance of assessments between SAP and STAR to make certain that problem will not exist in SUW. The system shall be designed to mitigate the dollar difference of the outstanding balance of assessments between SAP and STAR.	
1215	Provide the capability to split 4% sales tax per statute (consider using NAICS/SIC code or flag on the account or based on account determination code). Send reclass entry to MAIN (residential utility)	
1216	Provide the capability to produce reports for ORTA. Provide the capability to produce the files TC0391 and TC03914 (created annually).	
1217	Provide the capability to establish automated reoccurring revenue transfers	
1218	Provide a report of transportation related sales tax collected by month based on specific NAICS code.	
1219	Provide for an SUW undistributed fund and distribute to appropriate tax type systematically when information becomes available (the undistributed fund, although necessary due to the combined tax form provided to the taxpayers, introduces problems when attempting to reconcile daily, monthly annually). Include on TAM report 38. The reconciliation on a daily, monthly or annual basis is confused by system constraints, bad data, and other variables:	
1220	Provide the ability to generate SAP reports to reconcile to the State's accounting system by MAIN coding blocks. Includes all revenue changes, transfers, incoming deposits, outgoing refunds from SAP to MAIN.	
1221	Provide capability to on a daily basis split/distribute (statutory allocation) all identified Sales, Use, and Withholding transactions as dictated by law and send to MAIN. Allocation percentages must be updatable within a table based on user security (Accounting Services).	
1222	Provide a report for SUW distribution, that can be executed by a single or range of dates, for single or multiple revenue types, for one or multiple business partners.	
1223	Provide the capability to systematically daily reconcile bank files and provide a report or notification if out of balance.	
1224	Map bank file date of deposit to SAPs posting date and SAPs value date and then to 28J 5B interface for MAIN effective date.	
1225	Provide the capability to generate a listing of refunds pending approval. (i.e. Year End Payables) using parameters: None, Date - single or range, Revenue Types - single or multiple, BP - single or multiple.	
1226	Provide the capability to generate a listing of refunds pending processing. (i.e. Year End Payables) using parameters: None, Date - single or range, Revenue Types - single or multiple, BP - single or multiple	
1227	Provide the capability to generate a listing of revenue by type. (i.e. Year End Receivables) using parameters: None, Date - single or range, Revenue Types - single or multiple, BP - single or multiple	
1228	Provide the capability to generate a listing of refunds issued. (i.e. Year End Payables) using parameters; None, Date - single or range, Revenue Types - single or multiple, BP - single or multiple	
1229	Provide year end report of debts that have not gone to STAR - similar to TAM reports 26/27 for refunds.	
1230	Provide a new report to determine change in Credit Forward values by Revenue Type	
1231	Provide the capability to close SAP fiscal years. Any entry for a prior year will post in the current fiscal year. Prevent sub-ledger and general ledger posting dates to prior fiscal years with 4-5 day grace (table ZMAIN in SAP). Any entry (manual, automated, interfaced, etc.) with prior fiscal year posting date receives a RED error and defaults or requires user to input a posting date within the current fiscal year. All posting dates consider grace period then reflect a date within the current fiscal year including and not limited to Reopens, interfaces to/from other systems (STAR/SBT/SUW TACS/uploads), deposits, reversals, manual entries, transfers, IDAs, tax returns, credits, liabilities.	

1232	Provide the capability to Open New Fiscal Years in SAP	
1233	Provide the ability to add revenue types to ZRFDP report but we need unique parameters (using parameters: None, Date - single or range, Revenue Types - single or multiple, BP - single or multiple) to execute by revenue type. Confirm GL accounts that we expect to zero: examples: 020015 Refund reclass, 020016 Credit Forward Reclass	
1234	Automate processing returned items via a bank file, pending outcome of issue tracker (automate NSF)	
1235	Require multiple returned items to process in one reconciliation key. Accurately post to SAP account and GL. Accurately send to STAR. Accurately send to MAIN.	
1236	Provide unique reconciliation general ledgers for each Sales - Use - Withholding (i.e., 020010 = MBT, 020020 = MBR, 020030 = CIT, 020040 = CIR, 020050 = FTW).	
1237	Provide the ability to reconcile SAP GLs daily.	
1238	Provide the capability to post payment in current fiscal year, including payment received with an out of statute return.	
1240	Reconcile SAP/STAR. Provide the capability to generate a listing of Account Receivable reconciliation with STAR. Report parameters: None, Date single or range, Revenue single or mutliple, BP single or multiple	
1241	Provide the capablitlity to interface new SUW debts, corrected debts including computed assessments and all associated transactions with Collections STAR system using STAR's existing tax codes. Provide a report of all that are missing STAR feedback (change Report 17 to include correcteds).	
1244	Provide the capability to timely and accurately report all revenue to MAIN.	

1300	**ASSESSMENTS \ STAR INTERFACE**	
1301	Provide the capability for the system to pass and receive new and corrected assessment information with the State's Collection System based on predefined business rules.	
1302	Provide the capability to automatically issue computed tax due notices to delinquent taxpayers in accordance with business rules.	
1303	The system shall provide reconciliation of assessments from SUW to STAR **(**audit finding) same as MBT functionality (reports).	
1304	If the annual return is paid and computed monthly or quarterly assessments exist, the system shall then correct the computed monthly or quarterly assessments to penalty and interest only.	
1305	The system shall provide the capability to have more than one assessment for the same tax type and the same tax period. (This would accommodate an original return with an assessment and an amended return is filed and creates a new assessment. This capability is needed for all staff not just TCB audit returns.)	
1306	Provide the ability for actions to be taken on one screen to correct or cancel assessments issued and automatically have those actions adjust the assessment information in both the SAP/SUW system and the Collections system. Proper feedback to/from both systems should remain.	
1307	Current SAP interface functionality within STAR needs to be continued and include SUW. Implement all current functionality described in Agency Booklet Interface Specifications, 16A and 16B interface for the SUW Phase II tax types.	
1308	Provide the ability to run delinquency and assessment programs automatically	
1310	Discontinuances will automatically cancel delinquency notices, bills, or computed assessments for post cancellation periods.	
1311	Cancelled computed assessments will trigger corrected assessment (corrected to zero) to STAR.	
1315	Provide the ability to use business rules to timely process an AP return	

1316	Provide the capability to send the appropriate transaction to STAR when moving a return from one account to another account.	
1317	Provide the ability to identify whether an assessment is computed or an actual assessment when it goes to STAR.	
1318	The system shall send a delinquency letter when a taxpayer has failed to file a monthly or quarterly return or annual filer's return. The letter will be sent after a configurable number of days (waiting period) from the filing due date. Delinquency letter will include form text and no dollar amounts.	
1319	For no payment received with a filed return that included tax due (without change to the tax due amount), a final assessment will be issued.	
1320	The system shall generate a computed assessment if taxpayer fails to file or pay tax due after a configurable number of days (waiting period) from sending of the delinquency letter, based on business rules.	
1321	The system shall provide the ability to change the minimum amount and percentage of average tax liability for the computed assessment. Start with 250 as min and 1.5 times of tax liability.	
1322	The system shall send a delinquency letter and assessment correspondence to the last known legal address within SAP.	
1323	The system shall accept address update from STAR if there is a more appropriate last known address for the tax payer (determine latest legal and/or physical address received, based on effective date).	
1324	The STAR system shall combine correspondence of separate Sales, Use, and Withholding assessments for a taxpayer into a single mailing when appropriate.	
1325	The system shall provide the ability to systematically cancel computed assessments using business rules.	
1326	The system shall convert computed assessment(s) (all open periods) based on a prorated amount once an annual return has been filed to actual assessments.	
1327	The system shall place a copy of delinquency letter and assessment correspondence sent to taxpayer in the taxpayer's e-cabinet.	
1328	The system shall provide a configurable threshold to be used by the system to determine whether an assessment is generated.	
1329	The system shall include applicable penalty and interest in generation of assessment.	
1330	Provide the capability for the annual delinquency process to prorate any open periods for which a computed assessment has not been issued.	
1331	The system shall assess a $10/day up to $400 total penalty for failing to file an annual return when required monthly or quarterly returns have been filed.	
1332	Provide the capability to assign the unique return id to new assessments being sent to STAR.	
1333	Provide the capability to automatically generate an NSF assessment upon posting of a return lot for dishonored check and electronic payments.	
1334	Provide the capability to handle STAR write-offs within SAP.	
1335	Provide the capability for SAP to transfer to STAR corporate officer identification number as potentially liable for taxpayer liability.	
1336	For an ACH payment received in SAP for a tax and period already with an assessment sent to STAR, the system shall pass the payment to STAR based on business rules (could be one payment for multiple assessments (S, U & or W)	

1337	When a reversal occurs in SAP for a payment on an assessment due to NSF, the reversal is not getting automatically sent to STAR – this is a manual process. Requirement is to have this automated.	
1338	Allow bankruptcy stops manually or system generated. Items that hit against bankruptcy stops will be workflowed to bankruptcy unit.	
1340	Create a shell registration from STAR feedback of a jeopardy assessment for SUW tax types that was initiated in STAR to be able to post the jeopardy assessment in SAP.	
1341	Provide the capability to systematically trigger or notice to STAR when reopening and not re-billing (before that day's SAP run) a return with an assessment already in STAR.	
1343	Shell registration accounts created by the system must contain enough data to be assessed. IE only a payment is received and is returned NSF.	
1344	RPF – either automated process or report to manually reverse the payments. Currently Receipts Processing is giving paper checks to Support.	
1345	Generate a notice to STAR any time correspondence is received on an SUW account with an assessment in STAR in a collectable state.	
1346	Reflect tax type and tax period on correspondence received by the system (need capability to place hold on specific tax return for a specific period's assessment).	
1347	Add to MARCS/STAR the ability to systematically remove the code 5 status when a corrected assessment posts.	
1348	When a payment and return are received after a computed assessment is issued, SAP needs to correct the assessment balance, and forward the payment to STAR as a specified payment(PSA) with appropriate received date. Should already being done in MBT/CIT.	
1352	For any computed that receives a return, the balance must be corrected to the actual tax due plus applicable penalty and interest.	
1353	If an annual return is received, any computeds within the same file period will be corrected to a prorated amount to be considered actual amount due. If the annual included a payment, the payment will be prorated and sent to STAR as a PSA payment.	
1354	If a computed assessment exists and a return is received, when the period is “re-opened” ensure there is NOT a corrected assessment sent to STAR until the return is closed/completely worked.	
1361	Provide a new report that lists all transactions being sent to Collections for that day, including transactions totals, and dollar totals by tran type, and by tax.	
1362	The system will not display any assessment data in the online view of account data in TPOS.	
1363	Update the Field download process to include all applicable SUW Phase II data.	
1364	The system shall send a Delinquency letter for all open periods for which there is an expectation to file that was not satisfied.	
1365	Provide the capability to mail all computed assessments for a specified period in the same envelope.	
1366	If an annual return is filed all open periods will be prorated and actual assessments issued for those periods.	
1367	Provide the ability to convert Delinquency letters to computed assessments based on a configurable tolerance and configurable time frame after the date of the Delinquency letter.	

1368	Provide the capability, If an annual return is not filed, to issue a computed assessment based on business rules for all open periods in that year. If no actual returns have been filed for the period covered by the annual return, penalty and interest will be determined using the Tax Compliance average penalty and interest model.	
1369	Provide the ability for accelerated taxpayers and taxpayers above a configurable dollar threshold, missing an obligation to file, to receive a Delinquency letter, receive computed assessments 30 days after the date of the Delinquency letter, and for any subsequent delinquencies within 12 months of the Delinquency letter, immediately issue a computed assessment without a Delinquency letter.	
1370	Provide the ability for the computed assessment to include penalty and interest for the 75% payment and the reconciliation payment.	
1371	Collections will need to add a systematically generated "summary" letter to be mailed with the multiple assessments that will be posted to STAR when the assessments are issued post implementation. IE SAL 12/2012, WTH 12/2012, USE 12/2012 Will be 3 assessments post implementations, and only 1 assessment prior to implementation. The "summary" letter will be beneficial for tax payer services and will direct them to the web to file/pay.	
1400	**AUDIT \ DISCOVERY INTERFACE**	
1401	Provide the ability for audit\discovery SUW returns and payments to be loaded to SAP	
1402	Provide the ability for concessionaire returns and payments from Discovery to be loaded to SAP	
1403	Provide the ability to reflect SUW audit results in SAP	
1404	Provide the ability to flag an SUW audit return for a specific period so that processing rules don't run for that return.	
1405	The system shall allow for a different type of attribute for a voluntary disclosure taxpayer. Allow for a certain period of time and then they may revert to a regular taxpayer. Clarification added 10/7/2013: The requirement is for the ability to indicate a taxpayer is VDA (voluntary disclosure) and if so, penalty will not be imposed on the returns filed during the period for which the taxpayer is VDA. The return does not need to be stopped. After an expiration date, returns received for that taxpayer would process normally. Tax Compliance will need the ability to upload returns with zero as a corrected value for the Penalty amount.	
1406	The system shall provide the capability to take in a file (from Audit) through another channel and create a return, including all lines on any SUW forms, similar to current CIT process.	
1407	The system shall provide the ability to upload by tax type, taxpayer's period (monthly OR quarterly OR yearly)	
1408	Provide the capability for a report to be generated and sent to TCB with specific accounts loaded to the system and errors in loading (similar to MBT)	
1409	Provide the ability for uploads from TCB to place the TCB stop/error - no SUW business rules or action allowed on account by specific tax type and tax period marked as TCB (i.e. computed assessment); automatically update the audit table for SUW returns by period.	
1410	The system shall allow manual placement of TCB stop – no SUW business rules or action allowed on account by specific tax type and tax period marked as TCB	
1411	Provide the ability for all users to see if a return is on the TCB stop	
1412	Provide the ability to have As Audited fields for all lines on the SUW forms, for all applicable periods, including penalty and interest	
1413	Provide the ability to send to STAR an assessment with unique PAR codes. If a PAR code is not entered, then the system should automatically use a default code.	
1414	Provide the ability to send to STAR multiple message codes on an assessment.	

1415	Provide the capability for the STAR responsibility codes and status codes to feedback to the assessment in SAP (hearings, tribunals, etc).	
1416	Provide the ability to move overpayment of one tax type and apply to another tax type and revenue is reclassified in MAIN.	
1417	Provide the ability to take audit payments and post to account and not clear until audit staff clears the return.	
1418	Provide the ability for audit staff to generate refund, credit forward, tax due, or transfer transactions to another tax type.	
1419	Provide the ability to apply partial paid to tax/penalty/interest for uncontested amounts, and send the balance to STAR.	
1420	Provide the ability to specify penalty types and amounts including negligence, intentional disregard, fraud (discretionary penalties)	
1421	Audit capabilities provided by the system in CIT need to be provided for SUW	
1422	Provide the ability for TCB staff to send an explanation letter while an account\period is on a TCB stop	
1423	Provide the ability for TCB staff to suppress an explanation letter while an account\period is on a TCB stop	
1424	Provide the ability to upload multiple assessments per tax type and tax period to the system (for all staff not just TCB)	
1425	Provide the ability to send an assessment to STAR with a custom date the tax was due (audit uses yearly average due date to calculate interest)	
1426	The system shall provide the capability to track and search for returns subject to audit and discovery projects.	
1427	Provide a supervisor approval capability for automatic posting of the final audit assessment after calculations are performed and the return is finalized.	
1428	The system shall provide the capability to workflow a return to Tax Compliance based on defined business rules.	
1429	Provide the capability to flag and workflow tax returns to Tax Compliance and generate appropriate letters based on defined business rules. (i.e. similar to account maintenance within SBT)	
1430	Provide the capability for denoting which taxes and which tax periods have been or are under tax compliance audit in order to create a work item should any return be filed for those periods.	
1431	Provide the capability to accept audit returns electronically from Tax Compliance. The process must identify returns as Tax Compliance as well as any payments generated. Functionality is for both Audit and Discovery Divisions.	
1432	Provide the capability for TCB to make adjustments to audited fields on a SUW return and identify these changes as a result of an audit. If there is an assessment for the original return, this would generate a new/additional assessment for the audited return.	
1433	Provide the capability to generate a Delinquency letter specifically for TCB based on defined business rules.	
1434	Provide return channels "Audit Returns" and “Discovery Returns” for both paper and e-file.	
1435	Provide an interface to upload original/amendment to returns in batch mode from Discovery. If there is no existing return, complete return information is required. (e.g. upload of 1000 returns based on Discovery letters that did not get a response)	
1436	Provide a process to load a file of Account Numbers from Discovery into SAP to identify Audit-Discovery initiated returns.	

1437	Provide the capability to identify Voluntary and Taxpayer Initiated Disclosure filers via a table of Account Numbers from Discovery.	
1438	Provide the capability for new payment types for TCB and rules for these payments.	
1439	Provide the capability to generate a control total report for TCB created returns.	
1440	Provide the capability for assessments generated from Tax Compliance to be created with Tax Compliance STAR Project Codes for revenue tracking.	
1441	Provide the capability for monies posted as Audit payments to only be applied to returns identified as Audit returns.	
1442	Provide the capability to create an amended return when "as audited" fields contain data.	
1443	Provide the capability to assess discretionary penalties. This field must be on form to be updated by processing staff. (this does not preclude assessment of non-discretionary)	
1444	Provide the capability to transfer returns from one workflow to another with appropriate security. (i.e. transfer a miss-directed return from return process workflow to discovery workflow on a one-off basis)	
1445	Provide the ability to capture and use employer data (W-2 & SOS~~,etc~~) to identify additional non-filer candidates.	
1446	System needs to accommodate audits that have been submitted covering ranges from the beginning of the audit period to the end of the year, the intervening years and from the beginning of the year to the end of the audit period.	
1447	If an annual return is filed for a period included in the audit table (from a sales, use or withholding audit), the annual return shall be workflowed to Tax Compliance.	
1500	**DATA WAREHOUSE INTERFACE**	
1501	Ready access to all SAP taxes detail (or taxpayer level) information would allow the economic analysts to run real time ad hoc queries and analyze revenue changes and research on other miscellaneous requests. Implement SAP business data warehouse.	
1502	The system shall send SUW payment and return information on a daily basis to the data warehouse.	
1503	The system shall feed hearings/bankruptcies/tribunals to the data warehouse	
1504	Provide the capability to show tax type in the data warehouse without using Main/Sub combinations.	
1505	Key SUW data fields are to be added to the SAP statistical extract program for ORTA.	
1600	**FILENET INTERFACE (includes Return and Payment Images)**	
1601	The system shall provide the ability to view images of SUW returns, payments, and other forms that are stored in Filenet.	
1602	Provide the capability for FileNet images to be available immediately at the desktop.	
1603	Provide the capability to allow all information, including FileNet image link on a payment to move when a payment is transferred.	
1604	Provide the capability to view the image of submitted returns, schedules and checks in the same manner regardless of channel (paper/electronic).	
1700	**FORMS & CORRESPONDENCE (Paper and electronic)**	
1701	Provide the capability to generate correspondence, automatically and on demand based on business rules.	

1702	Provide the ability to send additional information letter and have that letter go to a follow up work list to track whether taxpayer responds. When taxpayer responds, queue the taxpayer letter to the staff member that sent the letter.	
1703	Provide the ability to suppress a letter the system is trying to send (all staff)	
1704	Provide the ability to generate a letter when the system does not think one should be sent (all staff)	
1705	Provide the ability to track information on outbound correspondence including correspondence type, date sent, address sent to	
1706	The system shall provide the ability to auto generate a letter	
1707	Provide the capability to stop letters on the same day of approval regardless of the stage of the refund, across all tax types. Therefore, letters that are erroneously issued are capable of being stopped.	
1708	The system shall Implement 2D barcoding on outbound correspondence.	
1709	When a letter with a 2D barcode comes back into the system, the system shall link that inbound correspondence to a specific taxpayer and the outbound correspondence that was sent.	
1710	Provide the capability to automatically match any correspondence received to the appropriate error return or any return waiting for correspondence (match inbound correspondence to return through use of a barcode).	
1711	Provide the capability to notify the appropriate user when correspondence has been received and has been identified as being relevant to a specific taxpayer. (Workflow)	
1712	Provide the capability to support the sorting of multiple letters, multiple letter types and supporting documentation to the same taxpayer to be combined in one mailing.	
1713	Provide the capability to generate and send correspondence or other types of taxpayer mail electronically.	
1714	Provide the capability to process the following forms and payments for SUW: - E-file Annual/Monthly/Quarterly Return Payment Voucher - Delinquency letter payments	
1715	Provide the capability to generate "Payment Statement" by tax type/contract object.	
1716	Provide the capability to replace the designation "IDA" on payment statement letter with a more descriptive title.	
1717	Provide the ability to systematically or manually generate and send delinquent letters that can be specific to the different taxes and filing requirements (for example; Form 2331, 2332, 2324)	
1718	Provide the ability to systematically or manually generate and send a letter of withholding of sales tax licenses (collections, jeopardy).	
1719	Provide the ability to systematically or manually generate and send disallow discount letter (for example Form 4022)	
1720	Provide the ability to systematically or manually generate and send a notice of reduced credit (example; Form 2452)	
1721	Provide the ability to systematically or manually generate and send a notice of intercepted refund (example Form 2451)	
1722	Provide the ability to systematically or manually generate and send a notice for an annual credit forward (example Form 2453)	
1723	Provide the ability to systematically or manually generate and send a letter for miscalculation of tax by accelerated filers. (Ex: Form 2449, 2367)	
1724	Provide the ability to systematically or manually generate and send a notice for deficiency for an annual return (ex; Form 2454)	
1725	Provide the ability to systematically or manually generate and send an additional information letter constructed from pre-defined message text that can be chosen by the system per business rules or by the user with appropriate security.	

1726	Provide the ability to store and maintain letter messages in a table. Messages are not to be tax year specific. Provide the business user with appropriate security access the ability to maintain the messages.	
1727	Provide the capability to build, store and retrieve canned messages for the purpose of creating pre-defined and custom notices and correspondence.	
1728	Provide the capability to load canned messages from other systems (from Treas Lan)	
1729	Provide the capability to create free form messages.	
1730	Provide the capability for review of all free form messages through an approval process.	
1731	Provide the capability to automatically send a notice to taxpayers who have not filed a required report or return.	
1732	Provide the capability to send a letter to the taxpayer showing corrections and/or adjustments to the return.	
1733	Provide the ability to stop the mailing of paper tax returns to taxpayers that file electronically.	
1734	Provide the capability to prevent non-filer letters from being sent to taxpayers who are identified by Treasury.	
1735	Provide the capability to support multiple page letters and bills ~~that include attachments~~ to summarize the liability on a taxpayer account.	
1736	Provide the capability to support multiple copy letter generation, alternative routing instructions and reprinting both automatically and as requested.	
1737	Provide the capability for allowing notices to be viewed online, before and after printing.	
1738	Provide the capability for allowing letters to be stopped or deleted prior to printing. Provide the capability for authorized users	
1739	Provide the capability to systematically report from Print Center acknowledgement confirmation the number of correspondence received and printed.	
1740	Provide the capability to automatically run spell check and grammar check for all free format correspondence.	
1741	Provide the capability for allowing correspondence to be printed locally and sent to FileNet with administrative approval.	
1742	Provide the capability for allowing correspondence to be printed locally as a DRAFT copy that cannot be sent to FileNet.	
1743	Provide immediate access to correspondence history information.	
1744	Provide a correspondence system with functionality to automatically assess if no response to a letter has been received based on business rules.	
1745	Provide the capability to hold off issuing assessment if a response has been received but not yet worked.	
1746	Provide the capability for the system automatically sends a bill for the monies owed if a partial payment and no correspondence is received.	
1747	Provide the capability to systematically determine date of any letter. Date on letter must be set at time of final approval and post dated to allow for mail handling and not be a Saturday, Sunday or Holiday.	
1748	Provide the capability to produce a breakdown letter of payment transactions by account and tax period.	
1800	**REPORTS**	

1801	The system shall produce Management backlog reports. The Business will design a draft to be used as a model. Various reports may include some of the following: Weekly reports by tax type at division level for returns and payments respectively (for example): • The number in backlog at beginning of week • The number and dollar amount received • The number of exceptions out for review • The number in backlog at end of week For processed returns (for example): • The dollar amount of refunds and tax due and net dollar amount of processed returns. • The number processed by SAP without adjustment • The number of filings with auto adjustment • The number of completed exception reviews • The number of returns by filing channel (electronically filed and paper filed) out in error at end of week • The number of payment errors by exception type and in total at end of week and year to date, by work groups and by tax type. • Capability to drill down to payment or return detail. • Provide separate totals for prior year returns and grand total for all returns. • Report respectively on auto adjustments and manual review adjustments the number and amounts subsequently adjusted after the first clearing of the return by error code and in total. Generate a listing of NR returns, Refund returns by Paper/e-file method Generate a listing summarizing returns processing production statistics. Generate a daily listing of current outstanding errors and a summary of year to date error occurrence by error type	
1802	Provide automatic balancing / reconciliation of reports for scheduling etc. – the system should automatically engage in balancing at appropriate spots and ONLY generate a report or notice if something does not balance	
1803	The system shall provide security features and reports consistent with MBT and CIT.	
1804	The economic analysts use an SUW monthly report (TA12/080) for a wide variety of analysis and projects (i.e. CTF transfer). The TA12/080 SUW system allows the analysts to gather information by SIC code allowing them to answer a wide variety of requests and analyze trends in SUW revenue growth. The new SUW system shall provide this same capability.	
1805	The Daily Balancing of financials is done by printing out 3 individual reports and manually comparing totals to ensure the numbers balance. The system should run reports, determine systematically whether the day balanced or not and send notification for out-of-balance status	
1807	The SUW system shall store the deposit document ID and reclass document ID with each tax type/filing period . Part of reporting	
1808	Provide the ability to produce an assessed and unassessed breakdown of a particular taxpayer's liabilities and payments. Assessed should include paid and corrected to zero assessments.	
1809	Provide the ability to generate a report that lists the returns on all types of "holds"	
1810	The system generated reports are to be developed so that they can be run separately for Sales, Use and WIthholding taxes instead of being added to existing reports for MBT, CIT and FTW taxes.	
1811	Provide the capability for a user to choose whether to view any report on-line, electronically distribute, or to print any report.	
1812	The system shall produce daily reports to ensure that accounts receivables are in balance.	

1813	The system shall provide a control report for every interface. Would like the system to only indicate if there's an imbalance, however we still need the capability to randomly print the reconcilation report to ensure the system is operating as intended.	
1814	Provide the capability to generate reports that show and compare monthly and year to date totals. For example, Gas Credits, Sec of State, MAIN Cutoff and others	
1815	Provide the capability to allow for display or export of data in different formats (spreadsheets, access, graphs, etc.).	
1816	Provide the capability to generate a listing summarizing individual or group production and proficiency statistics.	
1817	The system shall provide the capability to view or print any report based on role.	
1818	Provide the capability to generate a listing of Data Warehouse Record Selection Control Totals (ZMBT_DW_STATISTICS).	
1819	Provide the capability to generate a listing of Overdue Star Feedback. Include new and corrected assessments	
1820	Provide statistical analysis of the effectiveness of all return processing exceptions, identifying co variances between exceptions to promote improved revenue modeling. (i.e. 943 report)	
1821	Provide the capability to generate a listing of control totals for submissions from the direct e-file program.	
1822	Provide the capability to generate a listing of returns run through the e-file business rules that were accepted by tax type. (i.e. e-file posting)	
1823	Provide the capability to generate a listing of returns run through the e-file business rules that were rejected listed by rejection code. (i.e. e-file errors)	
1824	Provide the capability to generate a listing of all acknowledgements submitted and received.	
1825	Provide the capability to generate a listing of manual journal entries.	
1826	Provide the capability to generate a listing of refunds issued. (i.e. Year End Payables)	
1827	Provide the capability to generate a listing of refunds pending approval. (i.e. Year End Payables)	
1828	Provide the capability to generate a listing of refunds pending processing. (i.e. Year End Payables)	
1829	Provide the capability to generate a listing of revenue by type. (i.e. Year End Receivables)	
1830	Provide the capability to generate a listing of balance sheet for General Ledge accounts.	
1831	Provide the capability to generate a listing of AR reconciliation with STAR.	
1832	Provide the capability to generate a listing of payments by type.	
1833	Provide the capability to generate a listing of refunds and rebates.	
1834	Provide the capability to generate a listing of transfers to MAIN.	

1835	Provide the capability to generate a listing of returns that are out in error (Workflow)	
1836	Provide the capability to generate a listing of all assessments that were extracted from SUW that day.	
1837	Provide the capability to generate a listing of assessments that could not be formatted due to an error	
1838	Provide the capability to generate a listing of refunds and interest paid, separately by paper vs. e-file returns.	
1839	Provide the capability to generate a listing weekly and monthly of reconciliation of manually entered payments.	
1840	Provide the capability to generate a listing of revenue by payment type, monthly and fiscal year to date.	
1841	Provide the capability to create an Acknowledgements Control Totals report by tax type. (ZMBT_RP_RPT_42)	
1842	Provide the capability to list the number and percentage of daily e-file and paper returns loaded into 3 categories; Created, In Processing and Billed with a grand total by tax year.	
1843	Provide a control total report for all new interfaces. (i.e. reconciling number of transactions and amounts)	
1844	The system shall provide standardized report headings, titles and display. For existing reports that will incorporate SUW taxes, remove any references to CIT, MBT or any CIT\MBT specific language.	
1845	Provide the capability to create an e-file posting report by tax type. (PRDRPT36_39)	
1846	Provide the capability to create an e-file error report by tax type. (RPRPT20)	
1847	Provide the ability to easily print portal screen views	
1848	The format of reports produced by the system must remain static from year to year.	
1849	Provide the capability to generate a Treasury approved report/file when monies are being transferred from SAP tax to another system. (i.e. online IDA)	
1900	**SECURITY**	
1901	The system shall provide the capability for Security access to be limited by role and function.	
1902	The system shall provide Security features and reports for SUW consistent with what is provided for MBT and CIT.	
1903	The delivered system must be configured to provide only essential capabilities prohibiting and/or restricting unnecessary functions, ports, protocols, and/or services.	

1904	The delivered system will have default passwords for the standard SAP* delivered user master records changed to prevent unauthorized access to the system.	
1905	Provide the capability to systematically inactivate user accounts that have not been used for 90 calendar days and delete after 1 year of inactivity.	
1906	Provide the capability to limit log-on attempts to three (3) attempts before a user is systematically locked out of the application only be re-enabled by a security administrator.	
1907	Provide the capability to automatically log-off an inactive user after a pre-defined period of time. (i.e. session termination due to inactivity)	
1908	Provide the capability to limit the number of concurrent sessions for any user.	
1909	Provide the capability to restrict access to security functions (e.g., System Administrator, Security Administrator, Super User, etc.) and information to authorized personnel.	
1910	Provide the capability to generate an audit log of security administration activity to detect security violations. A standard report must be available for review and monitoring purpose.	
1911	Provide the capability to require both identification and authentication at both the operating system level and the application level when accessing the system.	
1912	Provide the capability for a User ID to uniquely identify a person or an application and must be configured in compliance with Administrative Guide Procedure 1310.18.	
1913	Provide the capability for passwords to meet the following characteristics. - Minimum Length - Eight (8) characters - At least two numeric characters (0 through 9) - A combination of two upper (A through Z) and lower case (a through z) letters. - Any special characters (!, @, #, $, %, ^, &, *, (,), +, =, /, <, >, ?,., :, ;, \) . - UserID in password is not allowed.	
1914	Provide the capability for temporary passwords that must have the following characteristics. - Temporary Password Age - 1 day - Must be randomly chosen or generated - System must force the user to change the initial password at initial login	
1915	Provide the capability to require passwords to be changed every thirty (30) calendar days.	
1916	Provide the capability to restrict releasing locks on userIDs to authorized personnel.	
1917	Provide the capability to not display Password/PIN on the screen during the login process (The exception to this is during selection of a machine-generated password).	
1918	Provide the capability to store and transmit passwords with a minimum of 128-bit encryption. Passwords must be masked when entered on any screen.	
1919	Provide the capability to maintain a record of when a password was changed, deleted, or revoked. The audit trail shall capture all unsuccessful login and authorization attempts for a one year period.	
1920	Provide the capability to keep a password history and perform a check against the history to verify the password has not been used for a minimum of one year.	
1921	Provide the capability to disable the “remember password” feature of the application.	
1922	Provide the capability to enforce strong passwords by prohibiting viewing a previous password by anyone or anything.	

1923	Provide the capability to enforce strong passwords by prohibiting: Reuse of a password for minimum of one year.	
1924	Provide the capability to encrypt confidential and sensitive information in transit with a minimum of 128 bit-encryption.	
1925	Provide the capability to encrypt using HTTPS protocol utilizing SSL encryption certificate containing a key no less than 128 bits in length, or FIPS 140-2 compliant, whichever is stronger, for all internet transmissions. All sessions shall be encrypted and provide end-to-end encryption. i.e., from workstation to point of data.	
1926	Provide the capability to log the portion of SUW records must record all online changes, including additions, modifications, or deletions containing a minimum of: Origin of request, Program or command used to initiate the event, User ID, and Date and time of event.	
1927	Provide the capability to capture all successful and unsuccessful login and authorization attempts in audit log files.	
1928	Provide the capability to capture via change, audit and/or transport logs, all transactional, data, configuration and/or development/code changes made to the system by users. These logs will be additionally supplemented by processes that will promote configuration and development/code changes from the Development system to QA system and tested and evaluated before being approved to move into Production.	
1929	Provide the capability to capture the creation, modification and deletion of user accounts and group accounts in audit log files.	
1930	Provide the capability to capture all changes to logical access control authorities (i.e., rights, permissions) in audit log files.	
1931	Provide the capability to store audit logs and electronic error files containing confidential or sensitive information in Zone 3. Files must be encrypted when stored on any server other than in Zone 3.	
1932	Provide the capability to limit access to audit logs to those who have a responsibility to review the records.	
1933	Provide the capability for defined administrative levels to approve transactions based on roles.	
1934	Provide the capability to define and manage roles for security profile purposes.	
1935	Provide centralized security access so that adds, changes, and terminations in a user or a user's access capabilities are processed universally across all SAP systems (internal and external to core processing), and are only entered once.	
1936	Provide the capability to access security rights by transaction and user.	
1937	Provide the capability to allow security access to returns and images to employees on a need to know basis.	
1938	Provide the capability to restrict the ability of users to change or delete previous comments without security rights.	
1939	Provide the capability for users to view only specific transactions for a given tax type.	
2000	**SAP's TAXPAYER ON-LINE SERVICES (TPOS)**	
2001	Provide the capability to post SUW correspondence to taxpayer via e-cabinet.	
2002	Provide the ability to send automated emails to taxpayers based on configurable business rules.	

2003	The system shall provide the capabiilty for Electronic acknowledgments for e-filed returns and electronic receipts for e-payments will be sent to the appropriate e-cabinet.	
2004	The System shall provide a notification to taxpayers who should have made a payment, but did not - send a reminder to file.	
2005	Provide the ability to produce a statement of account history for the taxpayers. Break down by filing period covering multiple years	
2006	Provide the capability for the taxpayer to view imaged returns and other forms through TPOS.	
2007	The system shall provide the capability to generate a friendly reminder to taxpayers.	
2008	The system shall capture and store taxpayers email addresses.	
2009	The system shall send e-cabinet general notifications to the taxpayer email address.	
2010	The system shall place a copy of delinquency letter and assessment correspondence sent to taxpayer in the taxpayer's e-cabinet.	
2011	Provide a link to the Collections e-pay web site from TPOS for a taxpayer choosing to make a payment on an assessment.	
2100	**SPECIAL FEATURES FOR THIRD PARTY SERVICE PROVIDERS**	
2101	Provide the capability to allow Tax Service Providers to submit data electronically. (Payroll companies)	
2102	Provide a secure web based interface that allows tax service providers to consolidate return/payment data for multiple clients and upload to Treasury's system in a single transaction.	
2200	**OTHER PROCESSES - such as IDAs, Purge, Archive, Auto Dealers, Gas Credits…**	
2201	Provide an Interface with Sec of State system to receive vehicle sales information	
2202	The system shall provide a purge process - the ability to destroy (make unretrievable) accounts based on the retention schedule. Must recognize exceptions for existing liabilities and audit.	
2203	The system shall provide an Archiving strategy for SUW Phase II (in compliance with R&D schedule)	
2204	The system shall provide a statute of limitation process for return processing based on business rules.	
2205	When accounts are recovered from SUW archived (or purged data) the information is not complete. The system shall provide the ability to recover complete archived or purged information.	
2206	Provide the ability to cancel or revise a batch process before it occurs. An "Un-do" feature to allow certain common actions entered in error to be easily reversed. (for example, assessments or letters are pending in the print spool and have not yet been sent - ability to easily update or remove a record)	
2207	Provide the capability for recording notes and/or narratives about actions taken for each taxpayer (at account and return level) and the user who did it and the date it was done in chronological order. The system must auto stamp user name and date.	
2208	Provide the capability to cancel/adjust notes with proper authorization.	
2210	Develop a sweeper program for all SAP taxes for IDAs from Collections	
2211	Provide the ability to recognize the IDA reason code. If the reason code is offsetting a refund, the system must ensure that the refund does not get issued twice.	

2212	Establish integration between SUW and other systems.	
2213	Provide the ability to post manually debits and credits for 1983 Advance Gas Credit.	
2300	**SIEBEL**	
2301	Provide the capability to interface with Siebel using a web service for real time data transfer of SUW Data.	
2302	Enhance the interface between Siebel and SAP. Manually created service requests in Siebel should show in SAP. Must be able to break down by tax type and file period.	
2303	Provide the capability to receive correspondence information from SIEBEL and pass information to STAR related to the assessment referenced in the correspondence	
2400	**SYSTEM, DOCUMENTATION, NAMING CONVENTIONS & STANDARDS**	
2401	The delivered system FRICE-W items developed must adhere to the DIT's naming convention. The name is defined into four components: 1. SAP Requirement - file name begins with "Z_". 2. DIT Requirement, next five characters are "TI04_" for Taxpayer Profile (TP) "TI06_" for Return Processing (RP) "TI11_" for Taxpayer accounting (TAM) 3. DIT Requirement, next 4 characters sequentially assigned, three digit number, "000_" Refer to as; "FRICE-W Number" -See FRICE-W Number Assignment tab. 4. Remaining characters are free form, must be meaningful. e.g. Control Total report may be named Z_TI04_201_NewRegTot	
2402	The delivered system FRICE-W items that produce a file or report must have the FRICE-W name as predecessor characters followed by 'Z" for reports, "Q" for a file and a two digit number that is incremented for each output item. E.g. If FRICE-W application Z_TI04_201 produces two reports, there names will be: Z_TI04_201_Z01_Control and Z_TI04_201_Z02_ErrorList If FRICE-W application Z_TI04_201 produces two files, there names will be: Z_TI04_201_Q01 and Z_TI04_201_Q02	
2403	The delivered system FRICE-W items that produce a report must include a report layout in the Functional Specification package.	
2404	The delivered system custom development items must be documented. This will include Functional and Technical Specifications, File Structure/mapping documents and Report layouts. All supplemental documentation must have same FRICE-W name. e.g. Z_TI04_201_FS.doc (Functional Specification) Z_TI04_201_TS.doc (Technical Specification) Z_TI04_201_Q01.XLS (File Structure/Mapping) Z_TI04_201_Z01.doc (Report Layout)	
2405	The delivered system FRICE-W items developed must include error handling and error reporting, which is to be completely documented in the Functional and Technical Specifications.	

2406	The delivered system reports will use a standard template with the following items: Line 1: 1. left edge, FRICE-W assigned report name 2. Centered, Heading Michigan Department of Treasury 3. right edge, printed Date Line 2: 1. left edge, parameters (e.g. date range) 2. centered, Tax Description (MBT, SUW, etc...) 3. right edge, Printed Time Line 3: 1. left edge, parameters (e.g. date range) 2. centered, Report Title 3. right edge, Page number Every balancing control report shall identify the SAP environment for which it is run.	
2407	The delivered system outbound correspondence must adhere to a standard template as defined by The State. Every template will be designed and approved by Treasury's Forms and Document Services Division. Every outbound correspondence will be unit / integration tested through printing (including names & addresses), approval queue workflow for approval, image indexing and capture in FileNet, and viewable through the SAP document viewer.	
2408	The delivered system functionality must be available for test in a Quality Assurance (QA) environment.	
2409	Provide the capability and support for System and User Acceptance Testing of all system functionality including support for testing files received from the bank, e-file and any other channels.	
2410	Provide the capability to incorporate process controls to ensure that the transactions are processed and recorded in the nightly processing window. The automated job scheduler will log errors and issues	
2411	Provide the capability to maintain a single or synchronized username and password between SAP ECC and Portal.	
2412	Provide the capability to view and edit interactive forms.	
2413	Provide the capability for an electronic document to be formatted for transferring to the image system.	
2414	Provide the capability to allow authorized users to map data items to a tax form by year without losing the previous year form layout and mapping.	
2415	Provide the capability allowing database variables, canned messages, variable paragraphs and free form to be combined in a single document.	
2416	Provide the capability to interface and conform to the State's Consolidated Print Center (CPC) standards.	
2417	Provide the capability to store a Document Locator Number to every document received into the system or generated by the system.	
2418	Provide dates stored in a consistent format.	
2419	Provide the capability to display and print dates in a consistent format (MM/DD/YYYY).	
2420	Provide the capability to insert last day of the month when day is missing.	

2421	Provide the capability to generate all printed material with a print date and page number.	
2422	Provide the capability to systematically schedule the releasing of correspondence.	
2423	Provide for real time processing of transactions.	
2424	Provide the capability to process batches without interrupting or hindering daily processing or performance.	
2425	Provide the capability to use configurable parameter driven tables that are maintained with an SAP transaction used by select business users with appropriate security to configure tolerance level and error color coding.	
2426	Provide the capability to have “total fields” up to 15 digits left of the decimal.	
2427	Provide the capability to display word literals rather than codes where configurable.	
2428	Provide the capability to identify payment channel	
2429	Provide the capability for any form entry to accept 100% data capture.	
2430	Provide the capability to capture developer identification off software generated forms.	
2431	Provide the capability to generate tax forms from e-file XML that replicates a paper filed return.	
2432	Provide the capability to store PDF attachments from e-file returns	
2433	Provide the capability to automatically create a permanent notation that is viewable in the Business Partner Overview (BPO) when a return or transaction, including payments, is moved from one BP to another showing the source and destination BP numbers.	
2434	Provide the capability to display a message in the portal when accessing a return that has been moved to another BP if there is no return remaining for that filing period.	
2435	Provide the capability to eliminate all BRF plus messages associated with a return at the time the status is changed to 'void' or 'duplicate'. This requirement is to 1) prevent the errors from void or duplicate returns being included in error reports, and 2) allow system to rerun rules and re-create errors if status of return is changed from void or duplicate.	
2436	Provide the capability for naming and usage of date fields to be consistent based on defined business rules. (i.e. received date always represents date return or transaction was actually received)	
2437	The system shall retain all batch information and make the batch information searchable for return and payment batches	
2438	Provide the capability to notify users of any changes in law, policy or procedures (Bulletin Board)	
2439	Provide the ability to generate automatic notices to staff	
2440	The system shall have the capability to process Zero vs. Null according to business rules.	
2441	The System must track changes made by users.	
2442	The system shall provide daily scheduling of batch jobs.	
2443	Provide consistent profile information and location is reflected on each screen. Each screen includes the taxpayer’s id number and name.	
2444	Provide the capability to download account data as needed.	
2445	Provide the capability for the system, posting, and taxpayer correspondence dollar amounts to be consistent. (i.e. round or not round the cents)	

2500	**WORKFLOW**	
2501	The System shall provide a work list for returns with errors	
2502	Provides the capability to manually implement priorities of work items on an as needed basis (example; flag an item as high priority)	
2503	Provides the capability to automatically implement priorities of work items over time as the work item goes unattended	
2504	Provides the capability to assign priorities to work items	
2505	Provides the capability to allow a user to transfer a work item assigned to one user to a different user	
2506	Provides the capability to allow a user to place a completion date on a process, giving the process a deadline of when to be completed.	
2507	Provides the capability to allow a supervisor to “push” work items to employees using workflow	
2508	Provides the capability for a user to directly assign a work item to a specific user.	
2509	Provides the capability for a user to “pull” a work item that is unassigned in a workflow queue	
2510	Provides the ability to generate and track automatic deadlines	
2511	Provide capability to process a work item	
2512	Provide capability to create a work item	
2513	Ability to automate refunds with work flow as currently done in SAP	
2514	Provide the capability to stop the mailing of paper tax forms and correspondence based on business rules.	
2515	Provide the capability to utilize workflow technology to sort, prioritize and route work to the appropriate user systematically based on pre-defined business rules that can be maintained by business users with appropriate security.	
2516	Provide the capability for a user to “pull” a work item that is unassigned in a workflow queue.	
2517	Provide the capability to allow a supervisor to “push” work items to employees using workflow.	
2518	Provide the capability to assign priorities to work items.	
2519	Provide the capability to automatically alert supervisor of open work items over time as the work item goes unattended as defined by business rules that can be maintained by business users with appropriate security.	
2520	Provide the capability to manually increment priorities of work items on an as needed basis.	
2521	Provide the capability to allow a user to place a due date on a workflow item(s), giving the workflow item(s) a deadline.	
2522	Provide the capability to allow a user to transfer a work item assigned to one user to a different user or work group.	
2523	Provide the capability for a user to directly assign a work item to a specific user.	
2524	Provide the capability to generate automatic deadlines based on business rules.	
2525	Provide the capability to track automatic deadlines.	
2526	Provide the capability to generate automatic notices to users of work beyond deadlines or as defined by business rules.	
2527	Provide automated populating of work queues to balance business user work load based on defined user groups and/or individuals that can be maintained by business users with appropriate security.	
2528	Provide the capability to add tax type to clarification list, make list sortable. Ability to display tax type at the line item level in clarification and reclassify as needed.	
2529	Intelligent work distribution - similar to IWD… we need to be able to automatically push work to staff based on their experience, or based on age of work, refund vs. paid etc. We must be able to create and push work so as to affirmatively work errors and be able to adjust priority parameters based on current needs.	
2530	Provide the capability to workflow all assessments that would appear on the	

	assessment filter report (TAM_rpt_102).	
2531	Provide the ability to have a workflow approval process for IDAs. a. Between taxes in SAP b. Between SAP and STAR c. Between SAP and MAIN d. Payment reversal in SAP that should be reversing back into STAR e. Reconciliation reports	
2600	**TAXPAYER ACCOUNT MAINTENANCE**	
2601	Provide the capability for users to make adjustments to accounts in order to correct out-of-balance conditions.	
2602	Provide the capability to track money received. (e.g. Money that is not associated to a specific taxpayer but is to a specific tax type and/or reporting period until it is properly associated with a specific taxpayer, tax type and credited to that taxpayer's account, and generates the proper accounting transactions) (Clarification List)	
2603	Provide the capability for business user to correct improperly posted transactions regardless of the type of transaction (e.g. change payment type annual to monthly or quarterly and generate the appropriate accounting transfer).	
2604	Provide the capability to capture an address off the return, update the taxpayer account and store prior addresses according to business rules. Requirement applicable If address information is added to the redesigned return.	
2605	Provide the capability to accept external sources (ex: STAR, SOS, Eskort, Tribal, SST) of data to update taxpayer files.	
2606	Provide the capability to indicate and display to business users that a taxpayer has been consistently filing late returns. Clarification added 10/10/2013: This requirement is to provide a Summary Screen which will reflect that there are late payments in a manner similar to what the legacy system SMY Screen currently does.	
2607	Provide the capability to, if approved by administration, send electronic notices to taxpayers that are not statutorily required to be sent by paper.	
2608	If the taxpayer has voluntarily changed to a more frequent filing frequency, the system must recognize this and not set them back to a less frequent filing frequency based on thresholds.	
2609	The system must allow taxpayer to have different filing frequencies for different taxes	
2610	The system shall provide a display of an account summary that includes total payments, total liabilities, average payment (similar to the current SMY screen)	
	Ability to include/attach electronic copies to user account (e-cabinet)	
2611	Provide the capability for the Business Partner Overview (BPO) view to be automatically defaulted and pre-sorted by tax type	
2612	Provide the capability to handle material persons accounts differently. Clarification added 10/7/2013: The requirement is the ability to indicate that a taxpayer is a material person. There will be special business rules needed for the accelerated return penalty provisions for material persons. The ability to accept quarterly returns (potentially paper) from the material persons in addition to their regular accelerated returns for their cash sales at the taxpayer's sole discretion under the statute will also be needed.	
2613	Provide the ability to change filing frequencies manually during the year and send a notice.	
2614	Provide the ability to systematically switch an account on or off of an accelerated filing based on configurable threshold. Provide the ability to systematically calculate total of prior year payments (per statute to determine filing frequency)	
2615	The system shall provide Year end programs for a systematic annual account analysis to set up the next year's obligations	
2616	Provide a clean and simple way to display ledgers including associated notations.	

	Ability to add notes that are not on the ledger.	
2617	Provide the ability to put a stop action on an account, both manually and automatically, by FEIN, tax year and tax period, so that delinquency notice or computed assessement can be stopped. Provide an expiration date capability for the stop action.	

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

August 23, 2013

CHANGE NOTICE NO. 9
to
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Mark Seidenfeld	mseidenfeld@deloitte.com
333 Bridge ST, N.W., Suite 700	TELEPHONE	CONTRACTOR #, MAIL CODE
Grand Rapids, MI 49504	(415) 783-6791	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	John Karlik	(517) 335-4062	KarlikJ@michigan.gov
BUYER	DTMB	Steve Motz	(517) 241-3215	MotzS@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: MBT/MIITAS

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
9/15/2007	12/31/2010	2, 1 Yr. Options	December 31, 2013
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS:

N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☐ No ☒ Yes	☐	☒	2 Years	12/31/2015

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$51,890,010.00

Effective immediately, the optional extension language provided in the contract is exercised and this Contract is hereby EXTENDED two years December 31, 2015. The following modifications outlined in the attached documents are hereby included in the Contract:

1) Change notice 9, Item 1 – CIT/FTW Design Changes
2) Change notice 9, Item 2 – SUW Release 1 Implementation
2) Change notice 9, Item 3 – CIT/FTW/MBT/SUW Release 1 Design Changes
4) Change notice 9, Item 4 – The addition of the Safeguard language

All other pricing, terms and conditions remain the same.

CN #9, ITEM 1

1.0 Business Terms and Conditions

This Change Notice Item 1, effective October 1, 2012, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B8200018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. Where conflicts arise, this Change Notice Item 1 shall govern.

2.0 Statement of Work

2.1 Line 10 (Gross Receipts) on form 4891 (Change Controls 31529 and 31536)

Form 4891 for CIT will be modified to raise a yellow 14 error if line 10 (gross receipts) on form 4891 is $0 or blank. Form 4891 line 9c will be modified to calculate the as-determined value as equal to the greater of (lines 9a + 9b) or the as-filed amount of line 9c:

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $4,178 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.2 Data Warehouse extract report updates (Change Control 31559) The Data

Warehouse extract report will be modified as follows:

The report header will change from:

MICHIGAN DEPARTMENT OF TREASURY
Return Process
MBT Return Extract for Data Warehouse from SAP

To:

MICHIGAN DEPARTMENT OF TREASURY
Return Process
Return Extract for Data Warehouse from SAP

Revenue Types for MBT, CIT, FTWQ, and FTWA will be added to the report header section. Below are examples:

A. If the extract contains single tax data (e.g. MBT), "Revenue Type: MBT' will be displayed in the report header

B. If the extract contains multiple tax data (e.g. MBT, CIT, and FTWA), "Revenue Type: MBT, CIT, FTWA" will be displayed in the report header (there is no rule for the order of revenue type displayed)

These changes will be implemented at no additional cost.

2.3 CIT E-file and BRF rule changes for financial institutions (Change Control 31595)

The e-file schema and load program will be modified to allow a negative number on form 4910, line 14A-E: Equity Capital. In addition, an SAP rule will be modified for the form and line to line 14A-E: Equity Capital. In addition, an SAP rule will be modified for the form and line to

allow a negative number. Bank rules and XI will also be configured to allow negative numbers. Additionally, Form 4910, line 22 will be modified to allow negative numbers, and the rule stating that if line 22 is less than zero then enter zero will be eliminated.

The BRF rules for form 4908 will be modified for UBGs to state that if the amount is less than zero then enter zero.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $6,267 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.4 Filter character ^ from being allowed in Notes field (Change Control 31588)

The Notes field currently allows any characters to be entered. The character ^ is a reserved character, however, that is used to create variable-length, delimited extract files. When this character is used in the Notes field and the Notes field is extracted, it invalidates the extract record. To remedy this problem, the ^ character will be filtered from the Notes field upon saving.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $4,874 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.5 Form 4895 BRF updates to align with form instructions (Change Control 31548)

Per the State's instructions for form 4895, line 1, business income and shareholder disqualifiers must be calculated on an annualized basis for a non-UBG. As a result, line 1 will be modified to accept as-filed values for a UBG for short period returns only.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $3,714 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.6 MBT 2012 e-file business rules (Change Control 31570)

Currently all MBT 2012 returns (lead forms 4567, 4588 and 4590) have to include form 4946. This is not true for insurance and financial entities. To address this issue, Rule R0000-006 will be modified to apply only to form 4567 filers, and two additional rules will be added for insurance and financial filers to reject all filers that do not have a CIT calculation form:

A. Rule #: R0000-006
   Form: 4567
   Line: Return
   Element:
   Exception Text: Form 4946 and Form 4947 must be present.
   Severity: Reject
   Error Category: Missing Document
   Updated: TY2012

B. Rule #: R0000-007
Form: 4588 Line:
Return Element:
Exception Text: Form 4974 must be present. Severity:
Reject
Error Category: Missing Document Updated:
TY2012

C. Rule #: R0000-008
Form: 4590 Line:
Return Element:
Exception Text: Form 4975 and Form 4947 must be present. Severity:
Reject
Error Category: Missing Document Updated:
TY2012

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $7,659 in conjunction with the invoice for deliverable 4 as described in Item 3, section 3.1 of Change Notice #8 to the Agreement. Payment terms will be net 30 days.

2.7 Remove Ineligibility Letter Sent report from MBT 2012 scope (Change Control 31473) Item 3, Section 2.3.1.2 of Change Notice #8 to the Agreement is modified to eliminate the Report for Ineligibility Letter Sent for TCB from the MBT 2012 Development and Configuration scope.

As a result of this reduction in effort, Deloitte Consulting will issue a credit to the State for $9,900 in conjunction with the invoice for deliverable 4 as described in Item 3, section 3.1 of Change Notice #8 to the Agreement.

2.8 Sub-form for MBT 2012, form 4966 (Change Control 31624) Form 4966 will be modified to include sub-forms.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $7,191 in conjunction with the invoice for deliverable 4 as described in Item 3, section 3.1 of Change Notice #8 to the Agreement. Payment terms will be net 30 days.

2.9 Processing requirements when a CIT return filed and MBT return filed (Change Control 31516)

Appendix 1 – CIT HL Business Requirements of Change Notice #7 to the Agreement is modified to include the following requirements:

Requirement Number	Requirement Description
564	Provide the capability to generate a yellow error when a CIT return is filed and an MBT return for the same filing period has been loaded and is not in a void status
565	Provide the capability to manually generate an ineligibility letter to taxpayers notifying then they are not eligible for filing a CIT return when a CIT return is filed and an MBT return for the same filing period has been loaded and is not in a void status.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $16,708 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.10 Change dunning lock to 60 days (Change Control 31557)

The MBT dunning lock will be reduced from 90 days to 60 days for both newly filed and audited returns.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $7,195 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.11 Change Hard Filter to Stop Assessments for a Taxpayer for a Specific Tax and Year A filter will be created to prevent an assessment or corrected assessment for a specific taxpayer/tax/year combination from posting to STAR.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $10,212 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

CN #9 ITEM 2

1.0 Business Terms and Conditions

This Change Notice Item 2, effective February 4, 2013, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. This Change Notice Item 2 replaces Change Notice #2 to the Agreement in its entirety. For the purposes of this Change Notice, the term "Parties" means the State and Deloitte Consulting. Where conflicts arise, this Change Notice shall govern.

The SAP software platform will provide the framework for the Michigan Integrated Tax Processing and Administration System (MIITAS) to which all mainframe Tax and Revenue systems will transition in future projects. This Change Notice defines the Services that Deloitte Consulting will provide related to MIITAS SUW Release 1 – Business Registration ("SUW Release 1" or "Project"). SUW Release 1 is the first release of the overall MIITAS SUW Phase. Services to support the second release are not included in this Change Notice but will be included in another Change Notice to be negotiated prior to the completion of SUW Release 1. As described in Article 1, Section 1.001 of the Agreement, the State elects to exercise its option to obtain a statement of work (SOW) for optional MIITAS Services.

2.0 Statement of Work

2.1 Project Background

The State has begun its process of moving all of its end-of-life core tax and revenue functions from its existing legacy systems to the new SAP software platform. The first MIITAS phase implemented the SAP software platform for the new Michigan Business Tax (MBT). Subsequently Corporate Income Tax (CIT) and Flow-through Withholding (FTW) have been implemented. This Change Notice defines the first release of a multiple-release implementation of the Sales, Use and Withholding Tax and Business Tax Registration system. The Business Tax Registration system is the foundational component for all business taxes and is a prerequisite for the implementation of all future tax functions. The function is currently provided by a computer system that is 30 years old and coded with a language no longer in common use. These legacy systems no longer meet the current needs of the business and are an obstacle to streamlining business operations and to enhancing revenue collection opportunities. The new Business Tax Registration system will meet these needs and provide a platform sufficiently flexible to support any future changes to the State's tax structure and policies. It will also provide better customer service to taxpayers.

2.2 Project Method and Approach

Deloitte Consulting will continue to leverage tools and approaches from our Enterprise Value Delivery for SAP methodology (EVD). Deloitte will use standards defined in EVD in planning, estimating and scheduling tasks to implement the scope defined in this Change Notice.

The detailed project schedule, phases, gateways, and project milestones will be defined in collaboration with the State and the Project Control Office (PCO). The PCO will monitor and control the project.

The EVD method consists of the EVD phases described below. The Parties' roles and responsibilities with respect to the deliverables covered by this Change Notice are described in Section2.6 of this Change Notice.

2.2.1 Phase 1 - Project Preparation

Project Preparation is the Project's start-up phase, during which the Parties will plan and prepare for subsequent phases of the Project. Project Preparation activities include assisting the Project Control Office in the development of a project charter, project and quality management processes, and work plan. During this phase, the Parties establish the Project organization structure and assign resources.

2.2.2 Phase 2 - Blueprint

During the Blueprint phase, the Parties establish a common understanding of how SAP will be used at the State for SUW Release 1. Workshops are conducted to design business processes and business roles. Fit/gap analysis is performed in order to determine options for gap resolution. A plan for data cleansing is developed and cleansing activities are initiated. Configuration design and functional specifications are documented. Traceability documentation is established.

2.2.3 Phase 3a - Realization - Build

The Realization - Build phase focuses on SAP configuration and documentation, security role configuration, technical specifications, and software development. Report layouts are created. Data cleansing is performed. The State will develop end user training materials and configure security roles, including role to position mapping. Go-live plans are developed. Unit and string testing are conducted.

2.2.4 Phase 3b - Realization - Test

The Realization - Test phase focuses on various types of testing to confirm that the business and technical requirements have been addressed. This consists of developing test cases and conducting testing and defect resolution. Test types may include unit, string, integration, user acceptance, regression, performance, stress, and batch schedule testing, and Go-live dress rehearsal. During this phase, end user training schedules are finalized and go/no-go criteria is defined. During this Phase, the State will have responsibility for developing test cases, and managing and conducting testing. Deloitte Consulting will have responsibility for addressing defects related to its design, configuration, and development work.

The table below includes the scope of testing to be performed during the Project, some of which may occur sequentially.

Test type	In scope?	# of cycles	# of weeks per cycle	Data/Comments
Unit	Yes	N/A	N/A	Mock
String	Yes	1	2	Mock
Integration	Yes	3	2	Converted production data

Test type	In scope?	# of cycles	# of weeks per cycle	Data/Comments
User Acceptance Testing	Yes	1	2	Converted production data

Performance	Yes	3	2	Concurrent with Integration testing.

2.2.5 Phase 4 - Final Preparation

During the Final Preparation phase, the production SAP system and end users are prepared for go live. This consists of end user training, go-live execution, and mobilization of production support organization and procedures. The go-live is executed, which includes loading data into the production systems, confirming that the data is loaded, managing transports, validating traceability documentation completeness, and creating the end user system access.

2.2.6 Phase 5 - Go Live & Support

The Go Live and Support phase is the transition from the readiness activities of a preproduction environment to conducting business operations in the production system. Production support is provided, system transactions are monitored, support is transitioned to the production support organization, and the Project is closed.

2.3 Scope of Services

Deloitte Consulting will assist in the design, development, unit testing, string testing, and integration testing defect resolution (the "Services") for the SUW Release 1 Project. For SUW Release 1, Deloitte Consulting will also provide production support and a 12-week warranty as described in section 4.0 of this Change Notice Item 2. Production support for previously implemented functionality, data cleansing, integration test management, training and training development, security and controls design and development, and change management are specifically excluded from this Change Notice and will be the responsibility of the State.

For the Development and Configuration Scope listed in section 2.3.1 of this Change Notice Item 2, Deloitte Consulting will be responsible for the following changes and updates to MIITAS and related documentation, including:

- Functional specification creation or updates
- Technical specification creation or updates
- Configuration documentation updates, if relevant
- System configuration, if relevant
- Programming
- Unit testing
- String testing
- Integration testing defect resolution
- Production support and warranty for 12 weeks from the go-live date.

2.3.1 Development and Configuration Scope

The following configuration and development objects are planned to meet the functional requirements included in Appendix 1.

2.3.1.1 Forms

Name	Description	Change Summary
Form 151	POA (151) form for Power of Attorney updates and creation. Logic defined here would apply to paper submissions or electronic submissions.	Create the form
Form 3683	Payroll Service Provider (3683) form for Payroll Service Provider information. Logic defined here would apply to paper submissions or electronic submissions.	Create the form
Form 518	Registration (518) form for new tax registrations. Logic defined here would apply to paper submissions or electronic submissions.	Create the form
Form 163	Notice of Change (163) form for changes to existing tax registrations. Logic defined here would apply to paper submissions or electronic submissions.	Create the form

2.3.1.2 Reports and Correspondence

Name	**Description**	**Change Summary**
POA Correspondence Report	Enables mailing to multiple addresses, including POA rules.	Create the enhancement
Activity Log BP, CA, CO Report	Provides an audit trail of all activity related to taxpayer contract partner, contract accounts and contract objects profiles, and general business partners and vendor partners by keeping track of who created or modified the profile and when the creation or modification took place.	Create the report
Account Totals Report	Provides totals by tax type, the number of active accounts, registrations in process, discontinued accounts and total accounts.	Create the report
Filing Frequency Report	Monthly report by tax type and tax type combinations. Shows accelerated, monthly, quarterly and annual filing frequencies.	Create the report
Ownership Type Report	Report grouping by kind of ownership and tax type and showing total by each ownership type or combination of ownership types as listed on the 518.	Create the report
Active Taxpayers Report	Shows Active Taxpayers by type of ownership, the size of annual taxes (Size Code), filing type, and fiscal filing dates.	Create the report
Monthly Taxpayer Master Report	Taxpayer Master File Summary control totals (monthly) - total taxpayer masters, and problem address accounts.	Create the report
Employee Proficiency Report	Weekly report of employee proficiency/productivity: Work List Items assigned Work List Items worked Work List Items pending Work List Items not assigned One page per work list itemized by day, sorted by employed ID and message code.	Create the report
Monthly Work List Notification Message Report	Monthly Report of Work List Notification Messages. Totals for each message, beginning, new messages, messages cleared and ending totals.	Create the report

Name	Description	Change Summary
Updates to Browsing Report	Updates to existing browsing report listing all new transactions.	Update Browsing Report with required fields
Monthly System Proficiency Report	Monthly System Proficiency Report; totaling all system correct items from Business Rules.	Create the report
BP Changes By User Report	Report by user id (one or many) to see what changes we were made to the BP.	Create the report
Address Change Report	Daily Report on all BP's whose address was manually changed and that shows any recent refunds that have gone out to that BP.	Create the report
Monthly Taxpayer Master Activity Report	Monthly Taxpayer Master Activity Report showing Total Beginning Accounts, Total SUW, Total MBT, Total CIT, Total FTW, Total SBT, Total MF, Total MC, Sub-Total counts (Pending accounts, Changes, Request ST license, Request SUW returns, SUW-New-Liabilities) by New, Reinstate Account, Add Tax, Discontinue account, Stop Tax, Total Active. Separate totals at bottom - Pending New Accts, Account No. Changes, Changes, Request sales tax license, Request SUW Returns, Request, SUW-New Liabilities. Total Activity for the month for all tax types.	Create Report
User Information Security Report	Report that shows all users (User ID, First & Last Name), their roles, when those roles were created and when they expire, last login, whether or not they have access to Portal, and what Department they are with. This will be used for Annual Access Rights review and user inactivity.	Create Report
Payroll Service Provider (3683) Missing Info Letter	Letter to Payroll Service Provider generated when insufficient information exists to process 3683.	Create Letter
Missing Info Letter	Letter to taxpayer when insufficient information is provided to fully register taxpayer.	Create Letter
Sales Tax License Revoked Letter	Letter to taxpayer when Sales Tax license in revoked	Create Letter
Unable to Process 163 Letter	Letter to alert taxpayer that changes were not applied based on missing information or other issue with received 163 or change request.	Create Letter
Unable to Process 151 Letter	Letter to alert taxpayer that the POA form cannot be applied based on missing information or other issue.	Create Letter
Unable to Process 3683 Letter	Letter to Payroll Service Provider generated when an issue other than insufficient information is causing a failure to process 3683 form.	Create Letter
Filing Frequency Change Letter	Letter to taxpayer confirming a change in Filing Frequency based on automatic update in the system or taxpayer request.	Create Letter
Change in Ownership Letter	Letter to taxpayer confirming a change in business ownership.	Create Letter

Name	Description	Change Summary
Bad Address Letter	Letter to legal address of taxpayer indicating that another address provided is not valid.	Create Letter
ME Number Assigned Letter	Letter to taxpayer including ME number information when an ME number is assigned.	Create Letter
TR Number Assigned Letter	Letter to taxpayer including TR number when a TR number is assigned.	Create Letter
Partial Registration Letter	Letter to taxpayer indicating that they are provisionally registered, but that additional data is needed to complete their registration.	Create Letter
General Message Letter	Letter configurable by the user to include messages and custom text.	Create Letter
Verify FEIN Letter	Letter to taxpayer indicating that validation of their FEIN is required.	Create Letter

2.3.1.3 Interfaces

Name	Description	Change Summary
Inbound www.census.gov to SAP	Periodically load data from census.gov for NAICS code update	Create Interface
Outbound SAP to external vendor	Send Master Data information to external vendor for the purpose of updating NAICS code	Create Interface
Inbound Experian to SAP	Receive response back from external party for NAICS code update	Create Interface
Inbound TACS to SAP interface (Update to INT3)	Update Interface from TACS to SAP to convey information for address changes or other updates conveyed from external systems through TACS	Update TACS Interface
Outbound SAP to FileNet (update to FileNet Interface)	Update FileNet interface to include new forms being developed for Registration	Update FileNet Interface
SAP to Print Vendor	Communication with Print Vendor to create Sales Tax booklets or other bulk correspondence	Create Interface
Outbound SAP to TRIBAL Legacy	Communication to TRIBAL system to convey registrations that indicate tribal affiliation.	Create Interface
Outbound SAP to Siebel	Updates to the Siebel batch interface to pass master data elements. This is separate from the real-time Siebel web service used for viewing tax return information.	Update Siebel batch Interface
Webservice SAP to Postal Soft to SAP	Pass address information for cleansing to PostalSoft and receive cleansed response for update into the SAP system. Includes error handling for non-response or inconclusive response.	Create Interface
Outbound SAP to Data Warehouse (updates to INT12)	Updates to the Data Warehouse interface to include new data elements included in Registration.	Update Data Warehouse Interface

Name	Description	Change Summary
Inbound Interface from SST system	Real-time interface meeting SST standards to accept registrations via the SST registration system.	Create Interface
Inbound Other Tax Division to SAP	Standard file-based interface to allow other tax division – including Discovery and Collections – to register tax payers.	Create Interface
Inbound TRIBAL System to SAP	Accept data updates from the Tribal system for registered taxpayers.	Create Interface
Outbound SAP to TACS (updates to INT3)	Pass registration data changes from SAP to TACS to keep the two systems in sync for Master Data.	Create Interface
Webservice One-Stop to SAP to One-Stop	Accept user information from One Stop and Taxpayer Registration information from UIA in a real time webservice including response from the target system.	Create Interface
Inbound Payroll Service Providers	Accept data updates from payroll service providers	Create Interface

2.3.1.4 Configuration

Name	Description	Change Summary
Configuration for defining custom fields at CO and LOCATION level	Addition of custom fields to support full required registration data for MIITAS	Update Configuration
Configure relationship types and cardinality	Addition of relationship types and rules to support required relationships in registration.	Update Configuration
Configurable STOP actions and related information	Configuration of holds and limitations to taxpayer activity based on rules and user input	Update Configuration

2.3.1.5 Conversion

Name	Description	Change Summary
TACS to SAP Conversion	Major conversion effort to load taxpayer data from TACS into SAP	Create Conversion
NAICS to SIC Cross -Reference Data Conversion	Conversion of any cross reference and existing SIC data from TACS for SAP	Create Conversion
Payroll Service Providers for Withholding Tax Taxpayers Conversion	Conversion of relationship data for Withholding and other relationship information currently stored in TACS.	Create Conversion

2.3.1.6 Enhancements

Name	Description	Change Summary

Name	Description	Change Summary
DBA Name Enhancement	Additional data elements and rules to support usage of DBA Names	Create Enhancement
Assign TR Numbers for Blank FEIN Enhancement	Functionality to assign TR numbers when required,	Create Enhancement
Prevent Duplicate Account Registration Enhancement	Functionality to search for specified criteria to prevent duplicate registrations	Create Enhancement
Flag Registration for Outstanding Debt Enhancement	Functionality to flag taxpayer with outstanding STAR or GAL debt from registering	Create Enhancement
Multiple User Name Types for Taxpayers Enhancement	Addition of multiple User Names associated with specific accounts for online access.	Create Enhancement
TPOS Screen Design Enhancement	Addition of screen elements and configuration of TPOS to line up with MI Standards.	Create Enhancement
Preview and Print License Enhancement	Preview functionality for license printing within TPOS.	Create Enhancement
Payroll Service Relationship Enhancement	Extension of relationship rules to cover specific payroll service provider functionality.	Create Enhancement
POA Number Assignment Enhancement	Number assignment and unique identification of POA entities.	Create Enhancement
Deceased Taxpayer Updates Enhancement	Functionality to end relationships and update master data for deceased taxpayers.	Create Enhancement
Active Debt Status Data and GUI Update Enhancement	Updates to display active debt status for an account as required.	Create Enhancement
Out of Business Updates Enhancement	Functionality to end relationships and update master data for Out Of Business taxpayers. Includes rules to establish predecessor/successor relationship if business is sold.	Create Enhancement
Address Field Validation Enhancement	Functionality to process inbound data from Postal Soft webservice interface.	Create Enhancement
Automated Correspondence Generation Enhancement	General enhancement to send automated letters when specific conditions are met.	Create Enhancement
Search Enhancement	General enhancement to allow searches of taxpayers using master data as defined in the requirements.	Create Enhancement
Generate Unique Barcode for Outbound Correspondence Enhancement	Bar Code generation for placement on all outbound correspondence defined as part of registration.	Create Enhancement
Shared Secret Authentication Enhancement	Functionality to allow shared secret authentication and to prevent access to TPOS information until this is validated.	Create Enhancement
Variable Correspondence Recipient by Correspondence Type Enhancement	Functionality to determine correspondence recipient based on relationships in place for taxpayer.	Create Enhancement

Name	Description	Change Summary
Location-level Address Enhancement	Functionality to add, cleanse, and maintain multiple addresses at the Location level for taxpayers.	Create Enhancement
TPOS Change/Audit Log Enhancement	Functionality to track and store changes made using TPOS at levels defined in the requirements.	Create Enhancement
Reporting Frequency Change History Enhancement	Functionality to track history of filing frequency changes.	Create Enhancement
Account Profile Notes Enhancement	Functionality to record notes with data and user name on the Account Profile.	Create Enhancement
Stop Action Process Update Enhancement	Functionality to apply rules to data updates, tax processing for SAP taxes, and correspondence based on a STOP action.	Create Enhancement
TPOS Data Element Enhancement	Addition and display of required TPOS data elements.	Create Enhancement
CO and Location Level Data Element Enhancement	Addition of and rules associated with required CO and Location Level additional data elements.	Create Enhancement
Linkage for Encrypted User Data Between OneStop and SAP Enhancement	Functionality to support establishing a session between TPOS and OneStop and sharing user information with OneStop.	Create Enhancement
Add/Remove Tax Type Registration TPOS Enhancement	Addition of functionality in TPOS to add or end tax type registrations.	Create Enhancement
TPOS Data Element Update Rules Enhancement	Addition of rules to TPOS data entry based on requirements.	Create Enhancement
POA Correspondence Enhancements	Functionality to allow multiple addressees and to match up returning POA correspondence with the correct taxpayer.	Create Enhancement

2.3.2 Security Scope

The State will be responsible for all development and maintenance of SAP Security. Deloitte Consulting will provide information on any new transactions to the State security team so that each transaction can be added to appropriate roles or new roles as necessary. Transactions and roles as well as any unique security requirements will be documented in the relevant Functional Specifications.

2.3.3 Technical Scope

The State will be responsible for the technical infrastructure, design, implementation, maintenance, and support for the SUW Release 1 project. All hardware, software licensing, and network connectivity and bandwidth will be responsibility of the State.

2.3.4 End User Training Scope

All training material development and training delivery will be the responsibility of the State.

2.4 High Level Timeline

The planned timeline for the SUW Release 1 project will begin on or about February 4, 2013 with a planned go-live on March 3, 2014. The project will be shut down for one week during November and for

two weeks during December and January for the holidays. Below are the planned dates for major activities to be completed by the Parties:

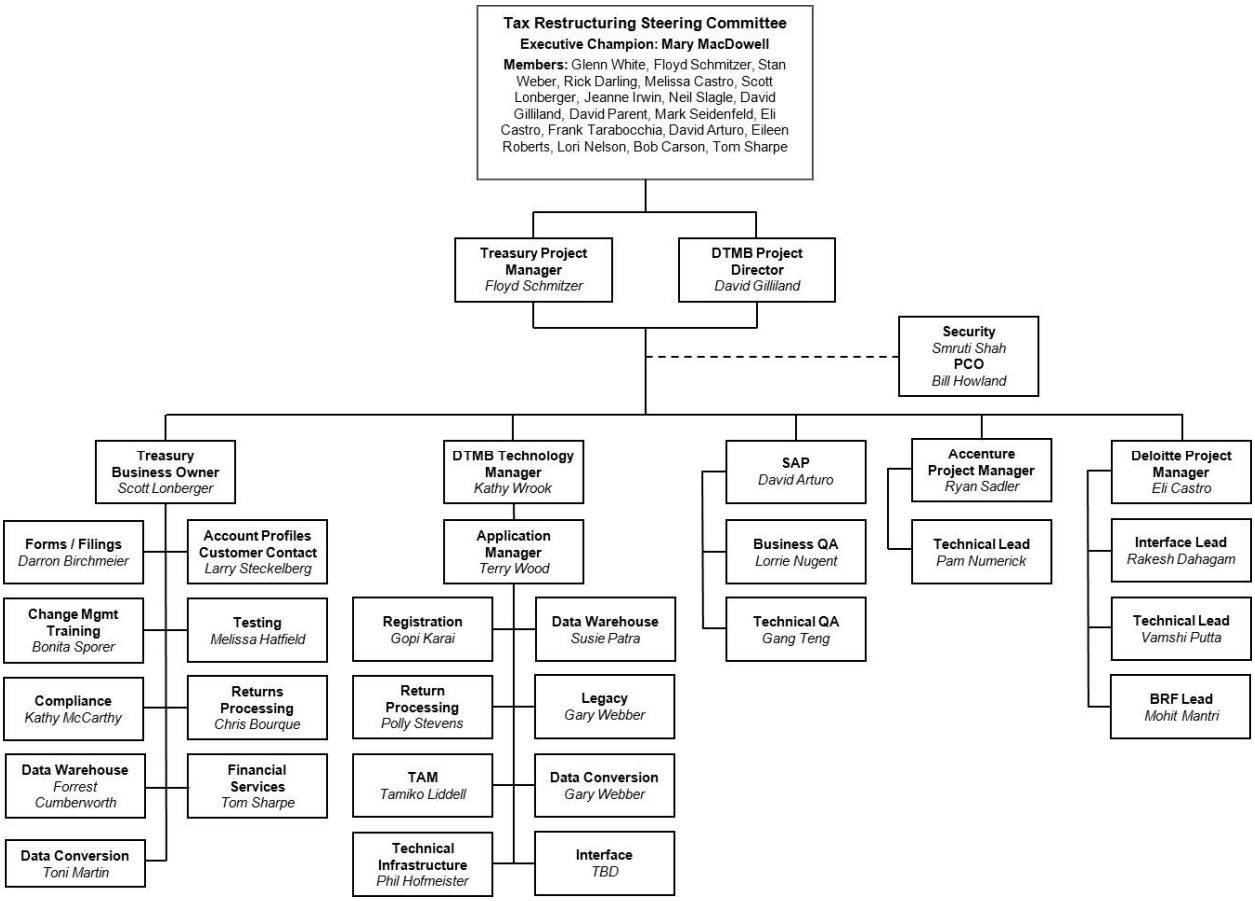
SUW Release 1	Planned Start Date	Planned End Date
Project Preparation	2/4/2013	2/8/2013
Blueprint Sessions	2/11/2013	4/12/2013
Rule Writing Sessions	4/15/2013	4/26/2013
Blueprint	2/11/2013	7/29/2013
Re-plan	4/22/2013	5/3/2013
Technical Design	5/7/2013	8/15/2013
Code and Unit Test	5/21/2013	11/8/2013
String Test	11/11/2013	11/22/2013
Client Build	12/2/2013	12/6/2013
Integration Test	12/9/2013	1/31/2014
User Acceptance Test	2/3/2014	2/14/2014
Implementation	2/18/2014	3/2/2014
Go Live	3/3/2014	3/3/2014

2.5 Project Organization

The following Organization Chart illustrates Deloitte Consulting's planned leadership and its organization relative to the State's overall Tax Restructuring project:

Change Notice Number: 9

Contract Number: 071B8200018



2.6 Project Responsibilities

In the following chart, "Deloitte Consulting" includes State resources specifically allocated to this project, as defined in section 2.7 of this Change Notice.

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Project Workplan	The Project Work Plan is a deliverables-based execution plan showing the responsibilities, dependencies, schedule, and planned effort for SUW Release 1 tasks.	Secondary	Secondary	Primary
Blueprint	The Blueprint consists of the business process descriptions, process flow models, gap analysis, configuration inventory for the relevant functional scope described in section 2.3.1 and Appendix 1 of this Change Notice. It will also include any required Chart of Account revisions and provide traceability for all functional requirements as described in Appendix 1.	Secondary	Primary	
Functional Specifications	Functional Specifications are created for each functional object and define how each object will work.	Secondary	Primary	
Technical Specifications	Technical Specifications are created for each technical object in the system and defines the specific implementation approach for that object. There may be one or more technical specification for each functional specification, and multiple functional specifications may be consolidated into a single technical object and specification.	Secondary	Primary	
Configuration Documentation	Configuration documentation shows the configuration values and locations within SAP where these values are set. Configuration documents will also indicate the reasoning for each configuration setting.	Secondary	Primary	
Development Objects	The development required to realize the functional design of the SUW Release 1 implementation.	Secondary	Primary	
Unit Test Documentation	Unit tests are completed for each technical object. The inputs and results of each unit test are reflected in the unit test documentation for that object.	Secondary	Primary	
Go-Live Plan	The go-live plan indicates the required steps to bring SUW Release 1 into production, including dependencies, time schedule and responsible party.	Primary	Secondary	
Integration Test Scripts and Results	Integration test scripts define the test cases that will be run to test the integrated functionality of MBT 20SUW Release 1, including regression test scripts. Results reporting shows the pass/fail status of each script.	Primary		Secondary
User Acceptance Test Scripts and Results	User Acceptance test scripts define the test cases that will be run to validate the integrated functionality of MBT 2012, and assess go-live readiness. Results reporting shows the pass/fail status of each script.	Primary		
Training Materials	Training material includes any updates to existing materials to prepare Treasury staff to operate the system, such as end user procedures, training course slides, course exercises, and training environments.	Primary		

2.7 Staffing Model

The following table describes the planned staffing model. It includes only the core staff required for the SUW Release 1 implementation. Additional staff from the State and the Project Control Office will be required to review Deliverables, provide subject matter expertise, manage and conduct testing, manage

and conduct training and change management, and manage the SUW Release 1 project within the wider DTMB and Treasury enterprise project portfolio.

The State will provide qualified full-time resources as listed in the following table:

Project Start through Blueprint Design Sessions	February 4 – April 12, 2013	1
Functional Specification Development through Unit Testing	April 15 – November 22, 2013	5 ½ (3 ½ from June 2 – November 22, 2013)
Integration Test through Go-Live	November 25 2013 – March 3, 2014	5 ½
Production Support	March 3 – May 23, 2014	3

These resources will be mutually agreed upon in writing by both Parties, they will be co-located with the Deloitte Consulting resources and will continue in a production support role after the SUW Release 1 go-live. Two of these resources will be reassigned to 2013 Tax Updates, a separate project managed by the State, during the period from June 2, 2013 to November 15, 2013. During their time on the SUW Release 1 Project, these resources will report to the Deloitte Consulting Project Manager on a day-to-day basis, taking their direction and assignments from Deloitte Consulting. Deloitte Consulting will escalate any issues with State performance to David Gilliland, Project Director supporting Treasury, or his designee as notified in writing to Deloitte Consulting. Where Deloitte Consulting has responsibility for Deliverables as described in section 2.6, these resources will be considered as Deloitte Consulting resources for the purposes of this project. The State may assign these resources to various additional tasks as it deems necessary if they are not otherwise assigned to tasks by Deloitte Consulting under this Change Notice Item 2 after communicating such additional assignments to Deloitte Consulting. These resources will not be removed by the State except upon replacement with qualified resources mutually agreed upon in writing by both Parties. The State resources will be scheduled for a minimum of 6.5 hours per day.

Role	Team	Number	Resource Source
Engagement Director	Project management	1	Deloitte Consulting
Project Manager	Project management	1	Deloitte Consulting
Solution Architect	Project management	1	Deloitte Consulting
BRF Lead	Technical	1	Deloitte Consulting
Development Lead	Technical	1 0.5	1 Deloitte Consulting 0.5 State
Functional Lead	Functional	1	Deloitte Consulting
BRF Team	Technical	3	2 Deloitte Consulting 1 State
Development Team	Technical	9	6 Deloitte Consulting 3 State
Functional Team	Functional	1	1 State
Project Management Team	Project management	1	1 Deloitte Consulting

Deloitte Consulting and the State during the term of this Change Notice Item 2 agree to maintain a Steering Committee to provide executive oversight and guidance to the members of the Implementation Team. The Steering Committee will be composed of senior management from the State, Deloitte Consulting, and SAP, along with PCO representatives. The Steering Committee will meet in person at least every quarter or as frequently as mutually agreed, and will discuss topics such as the following:

s) Overall management and oversight of the Services described in this Change Notice Item 2 and any subsequent Change Notices.

t) Change Notices requiring additional funding.

u) Issues escalated to the Steering Committee, providing agreed-upon direction to the Implementation Team.

The State will also appoint one individual designated as the State Key Contact, and Deloitte Consulting will appoint one individual designated as the Deloitte Consulting Engagement Director and another designated as the Deloitte Consulting Project Manager. The State will also staff and maintain a PCO. These individuals will be responsible for the performance of the following tasks:

The Deloitte Consulting Engagement Director will:

ee) Have prime responsibility and final authority for the execution and delivery of Deloitte Consulting responsibilities under this Change Notice Item 2.
ff) Provide guidance to the State Key Contact and Deloitte Consulting Project Manager relative to design, support, budget, and contract management.
gg) Escalate issues, change requests, and risks when necessary.
hh) Work with the State Key Contact and Deloitte Consulting Project Manager to review support procedures and documentation standards, and approve Change Notices on behalf of Deloitte Consulting.
ii) Participate in Steering Committee meetings as needed.

The Deloitte Consulting Project Manager will:

x) Manage the day-to-day delivery of Services, including managing work done by functional and technical resources.
y) Conduct weekly status meetings with the State Key Contact to review project status and issues.
z) Resolve issues and escalate issues as appropriate.
aa) Participate in Steering Committee Meetings as needed.

The State Key Contact will:

rr) Act as a single point of contact in the execution and delivery of the Services and responsibilities under this Change Notice Item 2.
ss) Enforce agreed-upon processes and related controls among the State Implementation Team members.
tt) Ensure clear and open lines of communication exist between the State and Deloitte

uu) Consulting Implementation Team members.
vv) Assist the Deloitte Consulting Project Manager in the day-to-day management of the project and resolution of issues.
ww) Approve Service Changes as needed.
xx) Participate in Steering Committee meetings as needed.
yy) Provide prompt notification to Deloitte Consulting of any issues, concerns or disputes with respect to the Services provided.

The PCO will, at minimum:

p) Maintain and monitor the project workplan as provided by Deloitte Consulting.
q) Provide project management reporting as needed.
r) Coordinate Steering Committee communications, meetings, and reporting.

2.8 Deloitte Consulting Key Resources

The following individuals are considered Key Personnel from the beginning of the Services provided under this Change Notice to the Go-Live Date for SUW Release 1, as defined in section 4.0 of this Change Notice Item 2:

- Project Manager–Eli Castro
- Solution Architect–Vamshi Putta
- Development Lead–Rakesh Dahagam
- BRF Lead–Mohit Mantri
- Functional Lead-Hal Asgedom

It is acknowledged that unauthorized removal of Key Personnel will interfere with the timely and proper completion of the Services, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result of any unauthorized removal. Therefore, Deloitte Consulting and the State agree that in the case of any unauthorized removal, the State may assess liquidated damages against Deloitte Consulting.

For the unauthorized removal of any of the Key Personnel listed above, the liquidated damages amount is $25,000.00 per individual if Deloitte Consulting identifies a replacement approved by the State, which approval shall not be unreasonably withheld, and assigns the replacement to the Project to work with the Key Personnel who is leaving for a Transition Period of at least 30 calendar days before the Key Personnel's removal. It is understood that consultants may have valid reasons for leaving the project outside the control of Deloitte Consulting, including termination of their employment, serious illness, or other leaves of absence, and replacement of Key Personnel for such reasons shall not be considered an unauthorized removal.

If Deloitte Consulting fails to assign a replacement to work with the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 liquidated damages for an unauthorized removal, Deloitte Consulting must pay the amount of $833.33 per day for each day of the 30-day period that the replacement does not work with the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per unauthorized removal and failure to provide 30 days of transition must not exceed $50,000.00 per individual

In cases of authorized removal of resources, Deloitte Consulting will use diligent efforts to propose suitable replacement personnel. Where possible, replacement staff will overlap their role with their predecessor to ease knowledge transfer.

2.9 Business Requirements

The high-level business requirements that describe the functionality that will be implemented as part of the SUW Release 1 project are included in Appendix 1.

3.0 Fees and Expenses

3.1 Fee Schedule

Deloitte Consulting will perform the Services described in this Change Notice Item 2 on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $6,119,854, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following table:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	SUW Release 1 Workplan	$277,807	February 8, 2013
2	Blueprint Workshops Completed	$277,807	April 12, 2013
3	First 20 Functional Specifications Developed	$277,807	May 9, 2013
4	Second 20 Functional Specifications Developed	$277,807	June 6, 2013
5	Third 20 Functional Specifications Developed	$277,807	July 4, 2013
6	Business Blueprint	$555,615	July 29, 2013
7	First 20 Technical Specifications Developed	$277,807	June 28, 2013
8	Second 20 Technical Specifications Developed	$277,807	July 26, 2013
9	Third 20 Technical Specifications Developed	$277,807	August 23, 2013
10	Technical Specifications Developed	$277,807	September 20, 2013
11	First 20 Development Objects Programmed and Unit Tested	$277,807	August 16, 2013
12	Second 20 Development Objects Programmed and Unit Tested	$277,807	September 13, 2013
13	Third 20 Development Objects Programmed and Unit Tested	$277,807	October 11, 2013
14	Configuration and Development Objects Ready for String Testing	$277,807	November 8, 2013

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
15	Configuration and Development Objects Ready for Movement to QA Environment	$555,615	November 22, 2013
16	Configuration and Development Objects Ready for Acceptance Testing	$277,807	January 31, 2014
17	Configuration and Development Objects Ready for Movement to Production Environment	$555,620	February 14, 2014
18	Post go-live Functional and Technical Specification Updates Completed	$140,927	March 21, 2014
19	Warranty, as described in Section 4.0 of this Change Notice Item 2	$422,779	May 26, 2014
	Total	**$6,119,854**	

The State will conduct a user acceptance test of the SUW Release 1 Configuration and Development Objects in the Quality Assurance environment in accordance with the SUW Release 1 Project Workplan before approving such Configuration and Development Objects as ready for movement. Unless otherwise mutually agreed, the criteria for approval shall be:

- All user acceptance test scripts have been executed
- All high-severity defects identified during user acceptance testing have been reclassified as lower-severity defects or resolved. Severity levels will be as defined in Section 2.7.4 of Change Notice #7 to the Agreement.

3.2 Warranty Payment

Upon completion of the warranty period as described in Section 4.0 of this Change Notice Item 2, Deloitte Consulting will invoice the State $422,779.

3.3 Hourly Rates for Additional Services

From time to time the State may request additional changes to these Services. Any additional Services will be processed as described in Section 11.0 of Change Notice #7 to the Agreement, and payment will be based on an hourly rate basis and invoiced monthly in accordance with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	**Hourly Rate (through December 31, 2013)**	**Hourly Rate (through December 31, 2014)**
Account Manager	$328	$335
Project Manager	$303	$309
Solution Architect	$281	$287
Senior PS-CD Specialist	$281	$287
PS-CD Specialist	$227	$232

Senior BRF Specialist	$227	$232
BRF Specialist	$179	$183
Senior Developer	$227	$232
Developer	$179	$183

3.3 Deliverable Acceptance

Deliverable acceptance timeframes will be in accordance with Section 2.015 of the Agreement, with the following exceptions:

Deliverable	Initial Review	Deloitte Response	Final Review
Configuration Item	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

3.4 Change Management

Change Management will be conducted in accordance with section 11.0 of Change Notice #7 to the Agreement.

4.0 Warranty

For the purposes of this Change Notice Item 2, Deloitte Consulting will warrant for a period of 12 weeks following the Go-Live Date of the SUW Release 1 project that the System will conform in all material respects to the requirements of the System as set out in this Change Notice Item 2 and the accepted deliverables. The definition of "Go-Live Date" as used in this section shall be the date on which the configuration and development objects ready for movement to the production environment (Deliverable 17 in section 3.1 of this Change Notice Item 2) are moved to the production environment. The definition of "System" as used in this section and in Section 2.507 of the Agreement shall be all custom configuration and application code developed by Deloitte Consulting and delivered to the State with respect to this Change Notice Item 2.

5.0 General Provisions

5.1 Schedule and Project Management

- This project will observe the following holidays. State employees will observe all applicable State holidays.
    - President's Day – Monday, February 18, 2013
    - Memorial Day – Monday, May 27, 2013
    - Independence Day – Thursday, July 4, 2013
    - Labor Day – Monday, September 2, 2013
    - Veterans Day – Monday, November 11, 2013
    - Thanksgiving Day – Thursday, November 28, 2013
    - Day after Thanksgiving – Friday, November 29, 2013
    - Christmas Eve – Tuesday, December 24, 2013
    - Christmas Day – Wednesday, December 25, 2013
    - New Year's Eve – Tuesday, December 31, 2013
    - New Year's Day – Wednesday, January 1, 2014
    - Martin Luther King Day – Monday, January 20, 2014
    - President's Day – Monday, February 17, 2014
- The project schedule calendar has blocked out the week beginning November 25, 2013 and the weeks beginning December 23, 2013 and December 30, 2013 with no new tasks planned to begin during these weeks.
    - The project will start on or about February 4, 2013.
    - Deloitte Consulting staff typically perform the Services on-site Monday through Thursday and work remotely on Friday.
    - Any delays caused by any activity not a part of this Change Notice will result in a Service Change for any extended staff.

5.2 Project Staffing

- State resources for CIT/FTW production support are being reallocated to SUW Release 1. Any delays caused by requests for these resources to assist with projects other than SUW Release 1, including production support, will result in a Service Change for any extended staff.
- State resources will be available on a timely basis to review and approve project Deliverables.
- The State will take primary responsibility for the following areas:

- Legacy interface development
- Role-to-position mapping for new SAP users

- External communications and change management, including stakeholder management
- Management of communications and timely scheduling with external parties for all stages of testing
- Integration test
- User acceptance test
- Go-live planning
- All aspects of end user training including curriculum development and training schedules, business process procedures/end user procedures, course materials, and instruction
- Completion of all internal State approval processes

- The State will be responsible for all production support for the System unrelated to SUW Release 1, including MBT and CIT/FTW tax processes.

5.3 Solution and Approach

- Updates to existing functional specification documents will be limited to content impacted by SUW Release 1. The base document will not be updated to address existing errors that are not directly associated with SUW Release 1 content.
- The PCO will coordinate the functional specification review and approval process. If multiple approvers have been identified for a given functional specification, comments will be held by the PCO until all approvers have responded.
- Functional specification and configuration documents will identify transaction codes being utilized to support business processes.
- Updates to the current MIITAS Blueprint document are not in scope for this project, except where aspects of the Blueprint are directly modified as a result of SUW Release 1.
- The State will be responsible for management and execution of integration and acceptance testing. Testing will be performed within the timeframes listed in the project plan and will be tracked using HP Quality Center software to be provided by the State.

5.4 Security and Controls

- The State will be responsible for transaction security design, and security configuration, development, testing, and implementation.

5.5 Technology and Infrastructure

- SAP software licenses and all hardware required for the SUW Release 1 project will be provided by the State. The implementation will utilize SAP ECC 6.0 Enhancement Pack 5.

- The State will be responsible for all system infrastructure planning, procurement, testing, implementation, maintenance, and support (commonly known as SAP Basis services. Any material delays caused by a disruption in the system

landscape will result in a Service Change for any extended Deloitte Consulting Implementation Team members.

- The QA hardware will be used for Disaster Recovery. The State will be responsible for Back-Up and Disaster Recovery.
- The Deloitte Online Collaboration System (eRoom) will be used to store in-process documents and Deliverables. As documents and Deliverables are approved during the project, they will be moved to Serena. Deloitte Consulting will be responsible for the administration of the eRoom.
- The State will be responsible for application of SAP Notes.

5.6 Data

- The State will be responsible for data cleansing for conversions.

6.0 Other

The parties agree that this Change Notice Item 2 shall be excluded from Section 2.306 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything to the contrary in Section 2.306 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice Item 2, regardless of the form of action, shall be limited to $6,000,000 or professional fees paid under this Change Notice Item 2 whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice Item 2.

Neither Deloitte Consulting nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting; to claims covered by other specific provisions of the Agreement calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice Item 2.

Appendix 1—Functional Requirements

Requirement Number	Requirement Description	Comments
100	**Conversion**	
105	SAP will become the "Master Registration File" for Treasury. The Registration File located in Treasury's legacy system known as "TACS" must remain and will be considered the SECONDARY Registration and SAP system will be the Primary. The two systems must stay in sync with all Registration updates occurring in SAP and interfacing with TACS. All taxpayers that are selected for conversion will be sent through an address standardization prior to loading to SAP. Once loaded to SAP the Registration must be exported and returned to Legacy Registration to deliver the standardized address and Business Partner Number (BPN). BPN will be used to aid in future updates.	
110	Extract and transform Treasury Business registration data (active and discontinued accounts) into SAP. Approximately 350,000 active business accounts Approximately 400,000 discontinued accounts Exceptions: personal identification number accounts (PIN accounts - 115,000) and individual accounts (SSNs) 3,400.	
115	Addresses stored in SAP that originated from Treasury's Legacy system, must be extracted, transformed and sent back to Treasury's Legacy mainframe system to ensure all Business Partners (SAP and Legacy) are in sync.	
120	Addresses stored in SAP that originated from Treasury's Legacy system must also be extracted, transformed and sent to Siebel, Treasury's Customer Contact Center.	
125	The name and Doing Business As (DBA) name shall be in separate field(s) from the address data.	
130	Create a process and table (if not standard) to load and store valid NAICS codes and description. State to provide valid codes and values. Table to be used in validating NAICS codes received on tax returns, self-help entries or user entries.	
135	Source table for NAICS will be obtained from www.census.gov. New process must be able to input downloaded spreadsheet into the systems NAICS table.	
140	Create a process that will provide a file to a third party vendor from the new Registration system and a process that will accept returned results for the purpose of populating NAICS codes.	This will consist of a batch interface with a third party vendor sending out master data and returning additional matching master data elements for loading into SAP.

Requirement Number	Requirement Description	Comments
145	Every NAICS code must be cross referenced to SIC code. State will provide 1:1 mapping between NAICS and SIC code to enable cross-reference.	
150	SIC and primary NAICS code will be a data item in the SAP to TACS interface.	
155	Convert current withholding payroll service providers information for each registered partner registered for withholding tax that has payroll service provider information.	
160	System will record any lockbox, jeopardy, or probationally filers as monthly filers during conversion and during regularly daily activity	
200	**Converting ME-Account Numbers**	
205	Michigan Established (ME) Account Numbers. Originally established to allow multiple filing locations for one FEIN. Commonly used to setup Payroll Service Providers for receiving withholding tax payments on behalf of a taxpayer. Convert ME accounts to a contract account under the taxpayer's FEIN. Each ME account shall have one to many tax types for either sales, use and withholding. The conversion from TACS will send the account to SAP with the ME as the primary Account for a single tax type with its related FEIN. SAP must create the proper contract account or contract object for the taxpayer under the primary FEIN. Update feedbacks must recognize that the account information being updated is for a location that was originally assigned an ME in TACS and send the update transaction to TACS with the ME-Number as the primary number for updating TACS. A second update record may be required to update the FEIN account in TACS also. Because Registration is being implemented prior to SUW a temporary process to assign ME-Account number is needed. Legacy SUW is dependent on this.	
210	The System shall provide the ability to track taxpayers who have multiple locations and an ability to identify each location separately and assign a ME-Account Number if the location will submit payments in addition to the primary location.	
300	**New Registrations**	
305	**There are 5 expected channels that a new Registration can be delivered:** **1. Web Filing. These registrations come to Treasury through the State's Business One Stop/e-Registration process. The e-registration process is a shared process with Unemployment Insurance Agency (UIA). Currently an overnight batch process. Update to real time.** **2. Data Entry. Paper 518 Registrations are keyed entered in-house. Expected to be moved to JP Morgan Chase.** **3. Streamline Sales Tax. SST is a national project involving more than 35 states, the National Governor's Association, The National Conference of State Legislatures, the Federation of Tax Administrators and the Multistate Tax Commission. An electronic interface with the Streamlined Sales Tax Registration System (SSTR) is established and new registration received daily.** **4. Manual Entry. Applications entered directly into the Registration System.** **5. Standard interface that can be used by multiple divisions. Primary purpose will be to accept new registrations from Tax Compliance**	

Requirement Number	Requirement Description	Comments
	Discovery Division special projects (i.e. Voluntary Disclosure).	
310	The System shall provide the ability to process new registrations when a FEIN has not yet been assigned or where the FEIN is unknown. Treasury's current process is known as assigning a Treasury “TR" number. The TR number takes the place of a missing FEIN and is a nine digit field with the prefix TR (TR9999999).	
315	The system shall accept a web-service interface from Michigan Business One Stop (e-Registration) to allow **new** businesses to register in a real time environment. The interface will be two way providing acknowledgements and exception messages and additional documents for completed registrations.	
320	Failed or passed Business rules will generate a status record that must be sent back to the e-Registration website, acknowledging receipt of application and whether or not the registration has been successful or describing what additional actions are needed to complete the registration. This process must be repeatable until registration is complete. Only store applications that pass predefined business rules.	
	The following Tax Types must be maintained.	
	Tax Type: Sales Tax The following requirements further define the tax type Sales. It is critical that these attributes are captured and stored. Payment and Return Processing will use this information in writing Business rules:	.
335	**Tax Type: Sales Tax** "**Streamlined"** is an attribute of **sales tax** that needs to be separately captured. Add this attribute requirement separately relating to sales tax.	
340	**Tax Type: Sales Tax** **"Concessionaire"** is an attribute of **sales tax** that needs to be separately captured. Add this attribute requirement separately relating to sales tax.	
345	**Tax Type: Sales Tax** **"Accelerated” is** an attribute of sales or *use* tax that needs to be separately captured. These taxpayers who pay $720,000 annually in tax, by law are require to file on an Accelerated schedule and must file electronically (EFT).	
350	**Tax Type: Sales Tax** **"Refiner Terminal Operator/Importer"** payer of **sales tax** on gasoline is an attribute of sales tax that needs to be separately captured. - State will manually set prepayment rates based on motor fuel licensing. Discounts apply.	

Requirement Number	Requirement Description	Comments
355	**Tax Type: Sales Tax** **"Pre-Payer" is** an attribute of **sales tax** that needs to be separately captured. These are sales tax money paid by Automotive Dealers to the Michigan Department of State - New/used car sales. Discounts apply.	
360	Tax Type: **Use Tax** The following requirements further define the tax type Use. It is critical that these attributes are captured and store. Payment and Return Processing will use this information in writing Business rules:	
365	**"Use Tax on Purchases"** is an attribute of **use tax** that needs to be separately captured.	
370	**"Use tax on Sales and Rentals"** is an attribute of **use tax** that needs to be separately captured.	
372	**Tax Type: Use Tax** "**Streamlined"** is an attribute of **use tax** that needs to be separately captured. Add this attribute requirement separately relating to sales tax.	
375	Tax Type: **Income Tax Withholding Tax** The following requirements further define the tax type Withholding. It is critical that these attributes are captured and store. Payment and Return Processing will use this information in writing Business rules:	
380	**"Payroll Service Providers"** is an attribute of **income tax withholding tax** that needs to be separately captured.	
385	**"Accelerated" is** an attribute of **withholding tax** that needs to be separately captured. These taxpayers who pay $480,000 annually in withholding tax, by law are require to file on an Accelerated schedule and must file electronically (EFT).	
390	Tax Type: **Michigan Business Tax (MBT**) The following requirements further define the tax type **Michigan Business Tax (MBT)**. It is critical that these attributes are captured and store. Payment and Return Processing will use this information in writing Business rules	
395	**"Retaliatory (MBR)"** is an attribute of **Michigan Business Tax (MBT)** that needs to be separately captured.	
400	Tax Type: **Single Business Tax (SBT)** SBT is decommissioned tax however activity on taxes still exists. This tax type must be loaded and maintain in SAP. Every Account will have a discontinued (Stop) date. No money transactions are expected for this tax type in SAP.	

Requirement Number	Requirement Description	Comments
405	Tax Type: **Corporate Income Tax (CIT)**	
410	**"Retaliatory (CIR)"** is an attribute of **(CIT)** that needs to be separately captured.	
415	Tax Type: **Flow through Withholding**	
420	Tax Type: **Motor Fuel** No obligation to file in SAP at this time.	
425	New registration for Motor Fuel Tax Types will send necessary Motor Fuel Registration documentation to the taxpayer. E-Registration taxpayers will receive additional forms via PDF through One Stop. Paper Filers will receive additional forms via a workflow item to Special Taxes Division.	
430	Tax Type: **IFTA motor carrier**. No obligation to file in SAP at this time.	
435	New registration for IFTA Tax Types will send necessary Registration documents to the taxpayer. E-Registration taxpayers will receive additional forms via PDF through One Stop. Paper Filers will receive additional forms via a workflow item to Special Taxes Division.	
440	Tax Type: **Motor Carrier.** **No obligation to file in SAP at this time**	
445	New registration for Motor Carrier Tax Types will send necessary Registration documents to the taxpayer. E-Registration taxpayers will receive additional forms via PDF through One Stop. Paper Filers will receive additional forms via a workflow item to Special Taxes Division.	
450	Tax Type: **Tobacco Tax** No obligation to file in SAP at this time	
455	New registration for Tobacco Tax Types will send necessary Registration documents to the taxpayer. E-Registration taxpayers will receive additional forms via PDF through One Stop. Paper Filers will receive additional forms via a workflow item to Special Taxes Division.	
460	Other Business Partner types with direct relationship to all tax types (non 518). Registration must be a central point for capturing all demographics about a taxpayer. Additional non-518 demographic data will be captured through self-help or other batch processes.	
465	**Airport Parking Tax** (APT) Obligation to file will be expected in Phase 2	
470	Tax Type: **Convention Facility Development Tax** (CFD) Obligation to file will be expected in Phase 2	

Requirement Number	Requirement Description	Comments
475	Tax Type: **Tribal Tax**; Tribes, Tribal Members and Tribal Entry retailers having sales subject to tax sharing under the terms of an implemented Tax Agreement with the State. Obligation to file will be expected in Phase 2.	
480	Aviation fuel	
485	Commercial Mobile Radio Service	
490	Diesel Motor Fuel	
495	Environmental- Michigan Underground Storage Tank Financial Assurance (MUSTFA)	
500	Estate Tax	
505	Farmland and Open Space Preservation Tax Credit	
510	Gasoline	
515	Gas and Oil Privilege Fee	
520	Health Insurance Claim Assessment	
525	Industrial/Commercial Facilities	
530	Inheritance	
535	Insurance Company Retaliatory	
540	Intangibles	
545	Liquefied Petroleum Gas	
550	Off Road Vehicle, Watercraft and Snowmobile Fuel	
555	Real Estate Transfer	
560	Severance of Oil and Natural Gas	
565	State Education	
570	Utility Property	
575	911	
580	**Additional General Business Partners**	
585	Tax Preparation Providers A tax preparer can be taxpayer liable for state taxes or a General Business Partner who has relationships with other tax payers	
590	Software Developers A Software Developer can be taxpayer liable for state taxes or a General Business Partner who has relationships with other tax payers	

Requirement Number	Requirement Description	Comments
595	Must have ability to communicate bi-directional with Michigan Business One Stop via WEB-Service using XML format standards.	
600	Must store channel the new registration arrive in.	
605	Must capture and store the external username for the new registration from One Stop.	
	.	
650	**Self-Help**	
655	All returning tax payers will be initially authenticated through Michigan Business One Stop. If the taxpayer is already registered in SAP the taxpayer will be directed to SAP's Taxpayer On-Line Services (TPOS) to allow taxpayer Self-Help functionality. Additional authentication for taxpayers entering into SAP will be required. It has been determined that One Stop authentication is secure and acceptable by Treasury to allow taxpayers to be directed to SAP.	
660	Provide a public facing website that allows **existing** customers to add/discontinue taxes by selecting from a list of MI business taxes. Website must be able to Query/Update State defined registration information from SAP for the authenticated taxpayer. The website must allow customers to review, add new tax types, and update all personal/demographic/POA related data.	
665	The web must be developed in accordance with the State Standards defined by e-Michigan Web Development, This will include Web design, customer authentication, security and technical protocols. Prepare an exception document where necessary for solutions that cannot be developed because of restrictions within SAP. There are exceptions for COTS packages such as SAP.	
670	The Web registration system use same business rules for new registrations and self-help. (i.e. valid street, city, state, zip, NAICS, FEIN, SSN, etc…)	
675	Users of self-help must go through an authentication that involves tax identifying a list (minimum of 3) of shared secrets.	
680	Users who pass the authentication process must be identified in the taxpayer account as accepted user. Authentication process will consist of shared secrets methodology.	Note that an outstanding question remains regarding how often users will be prompted to enter shared secrets. This will be addressed early in design activities.
685	Process to check for existing tax debts from the GAL and STAR systems and apply business rules (disallow registration updates with taxpayer notification, send correspondence).	

Requirement Number	Requirement Description	Comments
690	Ability to prompt customer for confirmation on critical entry fields, discontinuance, addresses, POA.	
695	Electronic signature technology will be required to meet State of Michigan data requirements. Electronic signature requirements will be satisfied by user-provided information - a field for the user to type their name, zip code and birthdate and click a checkbox indicating that they acknowledge this field as their signature.	
700	The online registration process upon authentication will provide the option for the customer to download a PDF copy of their Sales Tax License and Use Tax Certificate for local printing by the taxpayer.	
705	Must provide functionality for entering and storing multiple business locations by tax type.	
710	The System shall provide the ability to assign ME-Account Numbers to taxpayers who have multiple locations and indicated that they will be filing payments and/or returns from that location separate from the primary location. Treasury's current process is to assign ME numbers for SUW taxpayers who require multiple locations for payment submission. Each location will have a unique ME number. Treasury maintains 3 number ranges that SAP must also maintain. Below are the Range identifications currently established by Treasury. These ranges will require further determination: ME-0100000 - ME-0199999 is Sales and/or Use tax ME-0200000 - ME-0299999 is Withholding ME-0300000 and greater reserved for special account usage. This is functionality that is needed for SUW taxpayers. Once SUW is converted into SAP this functionality is no longer needed.	The final ranges will be determined during design.activities.
750	**Daily Interface SAP-to-TACS**	
755	SAP must keep Treasury's Legacy mainframe Registration system updated and in-sync with specifically identified Account Profile data stored in SAP. Provide interfaces and detailed interface control reports on SAP and mainframe sides of this daily interface. SAP will become the "System of Record" for Registration, meaning all updates to registration data will be done in SAP and sent to Legacy. Legacy on-line updates will be shut down.	
760	Must provide at minimum a daily interface from SAP to Legacy Registration.	
765	Must provide acceptable controls (reports) to ensure data transfer success and integrity (SAP to Legacy Registration)	

Requirement Number	Requirement Description	Comments
770	Must be able to concatenate parsed address data items into one Legacy address field(s).	
775	Identify tax types that have a ME-Account Number relationship and send ***additional*** ME update transaction to TACS	
780	Transactions must be identified by type of update: Discontinue Tax, Discontinue Account, Remove location, Update address. This must be further refined in the design phase.	
800	**Daily Interface TACS-to-SAP**	
805	Batch processes in Legacy that updates Registration (STAR, Motor Fuel, SUW) will continue to do so. The updates that are performed by these processes will be captured and forward to SAP on a daily interface. Likely updates include but not limited to: Collections debt flag, tax type discontinuance, bad address indicator, file class change, file frequency, business size code. The current daily interface called INT3 could work for this process with some enhancements.	
810	Must provide acceptable controls (reports) to ensure data transfer success and integrity (TACS to SAP)	
850	**Daily Interface SAP-to-Siebel**	
855	SAP must be able to keep Siebel Business Registration updates in sync through daily interface. Provide interface and detailed interface control reports on SAP and Siebel sides of this daily interface.	
860	Must provide acceptable controls (reports) to ensure data transfer success and integrity (SAP to Siebel)	
900	**Daily interface SAP-to-Data Warehouse**	
905	New data structures will be built in the States Data Warehouse environment (Teradata). Daily extract from SAP of new and changed Registrations must be performed. Two Registration databases will reside in the Data Warehouse. Once the New Registration tables are populated they can be linked to existing MBT/CIT/FTW tables. Other processes then can be modified to use the new registration tables when prudent. The idea is the same as keeping the Legacy Registration as a secondary system, "to support the other legacy tax systems". Once all warehouse processes have migrated to the new data warehouse Registration system the 'old' DW Registration system can be decommissioned.	
910	SAP must be able to keep Data Warehouse Business Registration Data updated and in sync. Provide interfaces and detailed interface control reports.	
915	Must provide acceptable controls (reports) to ensure data transfer success and integrity (SAP to Data Warehouse)	

Requirement Number	Requirement Description	Comments
950	**JP Morgan Chase Interface**	
955	The current in-house data-entry process (Data Coding and Report -DCR system) will continue to exist for capturing the paper 518 application. The following requirements will also apply to the in-house process. The State will integrate both processes (JPMC and In-House) into a single feed to SAP.	
960	Provide and interface to load Paper 518 Applications that have been data capture by Treasury's Banking Partner JP Morgan Chase and Treasury's in-house DCR process.	
965	Must provide acceptable controls (reports) to ensure data transfer success and integrity.	
970	Interface must also accept filing of form 163 Notice of Change.	
975	Process must be able to update existing accounts or add new registration.	
980	Process must be able to workflow any exceptions.	
985	Process must provide link to paper image stored in State's FileNet System.	
1000	**Periodical Interface with Payroll Service Providers**	
1005	The system must be able to accept files from withholding payroll services. Purpose is to maintain relationships between payroll service providers and their customers (taxpayers). The file will need to provide add and deletes. If the service provider is a new provider a General Business Partner will need to be established. Payroll service information prevents the mailing of return booklets since these payroll services prepare their own withholding returns for each client and their 3683 provides Power of Attorney authorization and possible basis for corporate officer assessments.	
1010	Accept electronic updates of client lists to add/delete payroll service FEIN relationship number in related contract account or contract object data for partners' having a withholding tax.	
1015	Create a Business Partner for new service providers.	
1020	Automate sending a request (correspondence) to payroll services to submit 3683 Combined POA form for Payroll Services where it has not been received.	
1025	Within each business partner's withholding tax type information, where present, keep a record of the payroll service companies who have provided this service and the related return periods for which they were contracted to file the withholding return.	
1100	**Streamline Sales Tax Interface**	

Requirement Number	Requirement Description	Comments
1105	**Streamlined Sales Tax (SST) registration data when received and validated, an acknowledgment file is created and sent back to the National SSTR system confirming that data has been successfully validated. Currently, there are 10 different types of SST records (two each SSN/FEIN). They are;** **A New Registration - SSN/FEIN,** **Updated Registration - SSN/FEIN,** **Discontinued Registration - SSN/FEIN,** **Unvolunteered Registration - SSN/FEIN and** **Delete Registration - SSN/FEIN.** **All records will be processed through a set of business rules determining how each application type is loaded to SAP. If during applying business rules that there are any applications that cannot be loaded to SAP, they must be identified and work flowed to the Registration Web Service team. Correspondence requesting additional data will NOT be used for SST data.** **Treasury currently has processes that retrieves and acknowledges SST files. This process will remain. An XML formatted file will be delivered daily to SAP.** **For more detail information on SST, visit: http://www.streamlinedsalestax.org**	
1110	General Sales and use tax types can be received via SST interface.	
1115	SAP SST registrations shall capture the SST account number as a cross-reference, and back feed the legacy TACS Registration system with the SST number so that TACS can create the cross-reference in TACS.	
1120	The system shall accept add/changes and discontinuances of registration/account profile data.	
1200	**Standard interface for batch load from other Tax Divisions**	
1205	Provide an interface that will allow other divisions in Treasury to load new registration for taxpayer that are identified in special projects. Primary user of this interface will be Tax Compliance Division -Discovery Section.	
1210	Design Standard file format that can be input to SAP.	
1215	File must contain minimal data to ensure the identity and register the taxpayer.	
1220	File must contain source information. Division providing the registrations.	
1225	Must be able to load Business Partner with specific tax attributes.	
1250	**Power of Attorney**	
1255	Power of Attorney (POA) forms must be captured / tracked. POA Sources: Form# 151 and IRS 248 Limited POA – particular Tax Clearance purposes only, filed on form 3840 Any tax return where preparer box "authorize to discuss" is marked yes.	

Requirement Number	Requirement Description	Comments
	3683 Payroll Service POA. Scope is limited to these sources. There are other sources in Treasury (Collections, Discovery, Audit) that are not part of this scope. Ultimately they will need to be combined in the Self-help component with notifications sent to affect areas in Treasury. *note: Pending case will impact this requirement (FRADCO)* Listed are items to address when establishing process(as) for POA:	
1265	Ability to send correspondence in parallel, one to taxpayer and to potentially multiple POA's.	
1270	Provide functionality for the taxpayer to indicate 'send all correspondence to my designated person'	
1275	From the IRS form a unique identifier call Centralized Authorization File (CAF) No. is available and must be captured.	
1280	Currently there is no unique identifier on the Treasury POA form the system assign one similar to the IRS CAF No.	
1285	Deceased Taxpayer will automatically expire a POA (sole proprietors, individuals).	
1290	Need ability to have multiple POA's.	
1295	Need ability to establish relationship between a single POA to many taxpayers.	
1305	POA can be for a set for a specific time period or Unlimited	
1310	Must define the Treasury enterprise POA framework to accommodate future growth.	
1315	Ability to indicate what types of correspondence or information would be sent (i.e., correspondence, assessments, TBOR, etc.) per POA.	
1350	**Electronic Funds Transfer Registration**	
1355	Ability for taxpayers to register for Electronic funds transfer via the WEB Self-help or with a new registration.	
1360	If multiple tax types have electronic filing (EFT), require only one sign up for electronic filing (especially if already signed up).	
1365	EFT attributes to be required and maintained: Date of Request First affect filing Period Date Stopped	

Requirement Number	Requirement Description	Comments
	Contact Person (Name, Phone, Fax, email) Tax Types requested Tax Types Mandated New Application/Recertification Additional data items needed (see forms 2248, 2328 & 4515)	
1400	**Centralized Stop Action Process**	
1405	There are many scenarios where Treasury has a need to identify a Taxpayer that has some action being taken against them. This functionality needs the ability to identify these actions in a uniform method but uniquely identifying the actions. Based on the type of stop action a return or payment process can use this information to stop or take another course of action on a return or payment.	
1410	Ability to uniquely identify a stop action. A configurable data item that uniquely identifies the action. (Audit, In Hearings, Jeopardy, Potentially Dangerous, Constitutionally Challenged Taxpayer (tax protestor), Fraud Risk, In criminal proceeding, Habitual Late Filer, Voluntary Disclosure, Tax Enforcement, etc….)	
1415	The stop action must have a time period.	
1420	The Stop action must identify the source of the action.	
1425	The stop action must be viewable with security restrictions.	Security settings will be used to hide or show fields based on security level. Fields will not be hidden or shown based on the content stored in those fields
1430	The stop action must have a tax period or range of tax periods.	
1435	The stop action must have ability to be by tax type, multiple tax types or entire account.	
1450	**Security**	
1455	Creating and maintaining the name and DBA name field(s) shall be restricted to users authorized to update the account.	
1465	Store username use to authenticate in Business One Stop. This data item must be used to identify taxpayer activity, updates performed and use in all historical information.	
1470	Provides an audit trail of all activity related to taxpayer contract partner, contract accounts and contract objects profiles, and general business partners and vendor partners by keeping track of who created or modified the profile and when the creation or modification took place.	

Requirement Number	Requirement Description	Comments
1475	Secure coding guidelines must be followed so that applications are not vulnerable to, at a minimum, the following: a. Injection flaws, particularly SQL injection, OS command injection, LDAP and Xpath injections. b. Buffer overflow c. Insecure cryptographic storage d. Insecure communications e. Improper error handling f. Cross-site scripting (XSS) g. Improper Access Control (such as insecure direct object references, failure to restrict URL access, and directory) h. Cross-site request forgery (CSRF).	
1480	**Encryption** (e.g., personal, confidential and sensitive data, encryption keys, passwords, shared secret). The system shall use SSL (128 bit or higher) for secure communication between the user's browser and the system. SSL will be utilized for: a.log-on process (authentication information –User ID and passwords). b. Specific field in the HTML forms and links (URLS) within the pages. c. Cookies. d. Session ID. e. Confidential and sensitive data files. f. Encryption keys, certificates, and passwords. g. Audit log file.	
1485	SSL Certification on the web servers.	
1490	The system shall use form-based authentication to retrieve application data.	
1500	The system shall lock a user account after a defined number of invalid login attempts	
1505	Session management e.g., randomly generate unique session IDs, encrypt sessions, enforce session expiration date, establish time-out setting for inactive session	
1510	Input validation controls to avoid shell commands, system calls, and malicious codes,	
1515	Audit logs will record all authentication and authorization events, logging in, logging out, failed logins)	
1520	The web application is subject to a security vulnerability scanning and	

Requirement Number	Requirement Description	Comments
	assessment by the Office of Michigan Cyber Security.	
1525	Security Access will be limited to function- Currently AP transaction codes are all or nothing- This phase should limit the screens to fields by the business process.	
1550	**Tribal Taxes**	
1555	The system must support both agreement and non-agreement Tribal, Tribal Member, and Tribal Entity filings for a variety of taxes.	
1560	The rules and related forms are different for those Tribes (including their members and Tribal Entities) with a valid tax agreement with the State of Michigan and those without one. Therefore, the system must distinguish between the two. For agreement Tribes (including their members and Tribal Entities), this can be accomplished by matching names and account numbers (FE or Social Security numbers) with either the Business or the Resident Tribal Member lists provided by Tribal Affairs (both lists are updated monthly through an upload). There are twelve federally recognized Indian tribes in Michigan. All have been issued a unique number from one to twelve.	
1565	Requirement numbers 1565 through 1615 are for Tribes (and their Tribal Members and Tribal Entities) who have a valid tax agreement with the State of Michigan.	
1570	Identify Resident Tribal Members (those members who live inside of the Agreement Area of their own tribe and who are listed on the RTM list).	System will record when Resident Tribal Member lives inside the Agreement Area of their tribe based on taxpayer confirmation that they live in such an area.
1575	System must reflect Tribes that have opted for an RTM sales and use tax refund method.	
1580	System must reflect Agreement Tribes that have opted for a Tribal refund method.	
1590	System needs to reflect the tribal and business status as reflected in below. What type of election the tribe has made and the filing requirements for the business must be reflected in the registration system. Tribal, Tribal Member, and Tribal Entity retailers are subject to sales and use tax sharing where they are located, and the taxable activity takes place, within the Tribe's Tribal and Trust Lands (entities subject to sharing will be identified on the Business list). Each Tribe may opt to create and share its	

Requirement Number	Requirement Description	Comments
	own sales tax or to file and pay Michigan use tax. If the Tribe chooses to enact its own tax, it will require all Tribal, Tribal Member, and Tribal Entity retailers located and transacting within the Tribe's Tribal and Trust Lands to pay the Tribal Sales tax to the Tribe. Once the Tribe collects from all of the filers it files a form 4042 with the State where it remits the State's 1/3 share (1/2 on gross receipts in excess of $5,000,000). Where the Tribe opts to pay the Michigan use tax, all Tribal, Tribal Member, and Tribal Entity retailers located and transacting within the Tribe's Tribal and Trust Lands must each file their own 4017 directly with the State. Once the State has received a 4017 from each required filer, it shall issue a single check to the Tribe representing the Tribe's 2/3 sharing payment (1/2 on gross receipts in excess of $5,000,000). Both the 4042 and 4017 filings are quarterly. Business entities subject to sharing will be identified on the business list.	
1600	Tribal entity owned businesses that are exempt for CIT, MBT, FTW and eligible for certain sales and use tax refund claims and must be reflected in their registration.	
1605	The system must be able to load new Entities/Members in batch from electronic files from the Tribe.	
1610	The system must be able to interface the Tribal registration data to the current Tribal legacy system.	
1625	The system must identify accounts who need to accommodate special assessment instructions. Tribal Affairs shall notify Return Processing of any Tribes opting for this method. This needs to be reflected in the Tribe's registration information.	
1635	Requirement numbers 1635 through 1650 are for Tribes (and their Tribal Members and Tribal Entities) who do **not** have a valid tax agreement with the State of Michigan.	
1645	System needs to reflect the member of a federally recognized Indian tribe.	
1700	**General Functionality (Client and Self-help)**	
1705	Need indicator on the Business Partner account to identify that the taxpayer has an "open assessment" or active debt with the State.	
1710	Business rules housed in SAP will determine if enough information has been captured for a successful registration through electronic registration or paper applications.	

Requirement Number	Requirement Description	Comments
1715	A. Business rule(s) will identify missing information and generate correspondence to the Taxpayer asking for the missing information to complete the registration. The letter must be dynamic to only ask for the missing items.	
1720	SAP allow manual and batch update change of existing TR, FEIN or SSN for existing Registered account.	
1725	Allow for Multiple identification numbers (FEIN, TR, ME, SSN, Driver License, SST ID, Preparer ID), ability to distinguish between Contract Partners (FEIN, TR, SSN) and General business partners (may carry more than one of these numbers simultaneously for GBPs – SSN, Driver License, Preparer ID).	
1730	Establish business relationships (LCC, Partnerships, POA, Payroll Service, Tax Preparer, blank, etc…) to contract partner account(s) and vice versa.	The specific types of business relationships that may be established will be defined in design activities.
1735	Identify customer (taxpayer) preferred or mandatory filing methods. (Paper/e-file/Web Self Service) by tax type. This detail is not intended to prohibit the taxpayer from filing using other filing methods.	
1740	Store legal address for account. Legal address is the address of record.	
1745	Store multiple addresses (Mailing, multiple filing locations) by tax type	
1747	Provide functionality for the taxpayer to indicate "send all correspondence to my designated person"	
1750	Store multiple business physical locations	
1755	Ability to change any account number (i.e. FEIN, TR, SSN,) and retain the old value when new value is received. Need ability to find account with the old retained account number.	
1760	Change address	
1765	Change business types (NAICS) and SIC	
1770	Change kind of ownership	
1775	Change locations	
1780	Change or add relationships and related cross-reference numbers (SSN, TR, ME, FEIN, SST, blank)	
1785	Correct or update filing frequency.	

Requirement Number	Requirement Description	Comments
1790	Ability to identify filing frequencies by tax type (accelerated, monthly, quarterly, annual).	
1795	Ability to identify the taxpayers chosen or mandated payment method by tax type (paper, EFT debit, EFT Credit, e-file).	
1800	Ability to add comments why the various changes are made and identified by date made and user code of individual making the change. Comments must be recorded at a return and account (BP/CO/Location) level.	
1805	Ability to revoke a Sales Tax license with appropriate correspondence being generated.	
1810	Ability to reinstate Sales Tax license	
1815	Ability to reissue Sales Tax license based on taxpayer requests. (multiple copies). Electronic through Self-help or mailed.	
1820	Ability to reissue SUW booklet request based on a taxpayer request (multiple copies of the License).	
1825	Implement a process to consolidate or separate multiple accounts manually and automatically such as changes to UBGs or other reorganizations, (relationships for specific tax periods).	
1830	Ability to add tax types	
1835	Enter/change start and discontinue dates for tax types with appropriate authorization	
1840	Ability to maintain Registration source - new e-Registration, new paper Registration (JPMC), SST Registered from return/payment (including Return or Payment ID), Registered from Standard Interface Manually Entered and related entry date for contract partner	
1845	Requirement to 'LOCK" an account from being updated on-line or batch without proper authorization.	
1850	Develop a complete PSCD Data Model for Sales, Use and Withholding and related business tax types mentioned above.	
1855	Detect and prevent duplicate taxpayer accounts based on FEINs, TRs, SSNs, ME s from being registered via WEB or manual entry of paper registration.	

Requirement Number	Requirement Description	Comments
1860	Maintains versions of taxpayer profile information by always adding new information, never updating existing information. Old and new values and who updated must be visible in displays.	
1865	Provides a mechanism to make sure no liabilities exist for a taxpayer prior to issuing any licenses within a tax type and /or for all taxes as determined by business rules.	
1870	Provides the capability for viewing taxpayer profile summary information. The Business Partner and all their registered tax types.	
1875	Provides the capability to inquire on demographic data and the ability to summarize taxpayer data by tax type.	
1880	Provides the capability to inquire on demographic data and the ability to summarize taxpayer data by location by tax type	
1885	Provides the capability to inquire on demographic data and the ability to summarize taxpayer data by business class.	
1890	System maintains a history of the reporting frequencies, by tax, for each taxpayer. This history is to include the applicable dates for which the reporting frequency was in effect, and related discontinued periods between active periods by tax type.	
1895	System supports 13 reporting periods (four-week reporting periods by tax type or group(s) of tax types) Reporting on four-week periods, the system maintains a taxpayer-supplied schedule of the beginning and ending dates for each four week filing period	
1900	System supports monthly reporting periods.	
1902	System supports accelerated reporting periods.	
1905	System supports quarterly reporting periods.	
1910	System supports calendar year and fiscal year annual reporting periods by tax type or group(s) of tax types. Also short and multiple annual reporting periods in one calendar or fiscal year	
1915	System supports short annual reporting periods and multiple annual reporting periods in one calendar or fiscal year.	
1925	For taxpayers reporting on four-week periods, the system maintains a taxpayer-supplied schedule of the beginning and ending dates for each four-week filing period by tax type or group of tax types.	

Requirement Number	Requirement Description	Comments
1930	System supports taxpayers with irregular reporting requirements (ex. Seasonal Businesses creates filing obligations only for applicable months each year).	
1935	For taxpayers reporting irregularly, the system maintains a schedule of when the taxpayer **will** be conducting business.	
1940	System allows for changes manually and programmatically to taxpayer reporting from one frequency to another and maintains history of changes.	
1950	Provide the capability for changes to taxpayer reporting from one fiscal tax year to another by tax type through manual update or automatically through interfaces.	
1955	Provide the ability to indicate a business change of ownership on the taxpayer profile including new owner's name and tax identification number and start and end dates of same. Capture and index both predecessor and successor business accounts from applications or entered manually.	
1960	Provides the ability to indicate a business change of ownership on the business profile including new owner's name and tax identification number.	
1965	Provide the capability for optionally recording notes and/or narratives about actions taken for each taxpayer and the user who did it and the date it was done. The system must auto stamp user name and date in notes or comments fields. Note: The SAP standard change history is not acceptable for this requirement. It will be custom development to auto stamp user name and dates in notes field. It is already developed for the Account Profile work list notification's notes field.	
1970	Provide a means to denote that the taxpayer is out of business for each tax and all taxes, the source of the information and the effective date by tax. Source date, effective date, user id who entered.	
1975	Provide the capability to indicate on the account that all correspondence will have the option to have paperless interaction Needs business rules about when, who authorizes, who enters, type of electronic interaction, electronic addresses as they change and by tax type -	
1980	Provides the ability to create work list for exception cases for online follow-up for incomplete registrations.	
1985	Ability to process discontinuance from the following channels: Manually from working a Notice of change or Discontinuance (163) form or correspondence? TACS-to-SAP Interface SST	

Requirement Number	Requirement Description	Comments
	Self-Help JPMC Interface	
2005	The system will automatically track, display, and support reporting of Discontinuances dates and reversal of Discontinuances dates as part of its stored history. By tax type and for whole account.	
2010	The system will track the entire liability start and stop date history for each tax for each taxpayer as part of its stored history.	
2015	Ability to take information off a tax return processed in SAP and update to registration (like addresses, NAICS, discontinuances, and/or other data items as identified in design).	
2020	Ability to Print Registration Application forms for registrations filed electronically.	
2100	**Correspondence Functionality**	
2105	Create a process that will uniquely Identify all outbound correspondence so automated processes (workflow) can be built to handle returned mail both undeliverable, expected or unexpected mail. Each piece of mail must be work flowed to a predefined location. Work flowed items may come from Seibel or may stay in Seibel. Each piece of outgoing correspondence with expect return or not be planned for return workflow. Customer Contact (Siebel) is the initial entry point and then between Seibel and SAP the work item must be routed to the proper business unit.	
2110	Identify unique keys that will be printed on outgoing correspondence.	
2115	Identify location on printed correspondence for printing unique key information. Must be standard location on all correspondence templates.	
2120	For inbound correspondence identified as undeliverable mail, create a workflow item to a workgroup to reissue the letter to a different address.	
2125	Provide workflow for inbound correspondence such that identify items get routed to defined workgroups.	
2130	Record outbound correspondence images and meta data into FileNet/Siebel.	
2135	Provide a process that will provide a file to be sent to the State's contracted printer to print Sales Tax License and returns booklet. Provide necessary data for: pre-identified coupons, bar codes, worksheet data, annual return form data (referenced hereon as "Sales Tax Booklet")	
2140	Any Return containing data that came from an IRS source will be noted as an IRS-data return. Security restrictions will be put in place based on this designation. Any Business Partner where Master Data has been updated from an IRS source will be noted as an IRS-data Business Partner. Security	

Requirement Number	Requirement Description	Comments
	restrictions will also be put in place for these business partners	
2200	**ADDRESS STANDARDIZATION**	
2205	The system must be able to communicate with the State's Business Objects™ Data Quality XI 3.0 (aka Postal Soft): The Data Objects provides a framework and APIs that allow you to write applications that use SAP Business Objects Data Quality technology, such as parsing, standardization, correction, and matching of data. This project will use address verification software to verify/standardize addresses for both added and updated addresses. Standardize Address will result in, parsed street address (Street Number, Name and directional indicators), use of postal standard directional abbreviations, (N, S, E, W. NE, NW, SE, SW), Street abbreviations (ST, AVE, DR, RD), suite/apartment, "attention/care of" and Postal Office Box use. Address from Tax Filings (Returns) must also be standardized. Net result, all posted addresses will be standardized.	
2210	The system automatically identifies and assigns the correct city and state based on entry of a 10 digit zip code with dash, 9 digit zip code, 5 digit with Street address or combinations thereof.	
2215	The system automatically identifies and assigns the correct 9 digit zip code based on entry of a street, city, and state address..	
2220	The system automatically posts foreign addresses including country codes and foreign postal codes. Formatting based on the Country automatically done for mailings.	
2225	The system automatically assigns county codes based on zip code based on table provided by State and maintainable by authorized business users.	
2230	The system automatically identifies and assigns the proper Local Government Office (city or township) to each taxpayer based on county code and/or zip code and assigned a Local-Share-Code as identified in a table provided by State..	
2300	**Correspondence Mailings**	
2305	As taxes are added/removed for each Taxpayer, an appropriate mailing (licenses / tax returns) must be issued / mailed to multiple addresses or a work flow responses to the tax division needing the information.	
2310	Returns / Licenses must be generated from many different activities, such as: a. Triggered by change in filing frequency b. Triggered by Business or Owner Name Change c. Triggered by addition of Withholding taxes or other tax types (if determined withholding will be filed on a separate return from sales & use taxes) d. Triggered by address change e. Less frequent or more frequent filer would trigger a print request for	

Requirement Number	Requirement Description	Comments
	applicable returns f. Triggered by account number change g. Triggered by the assignment of a TR-number	
2315	Automate sending letter when insufficient data is received to complete full registration.	
2320	Provide the capability to stop the mailing of registration forms and correspondence When the print request is still pending.	
2325	Provide real time access to outbound correspondence history information for Registration and ability to filter by tax type or security access rights of user.	
2330	Allow outbound correspondence to be viewed online, before printing. The print preview must accurately depict the document to be printed.	
2335	Provide the capability to flag an account for incoming taxpayer correspondence to be routed to a specific user.	
2340	Provide the capability to automatically match any inbound correspondence received to the appropriate registration or any incomplete registrations waiting for correspondence.	
2345	Provide the capability by tax type and related location(s) to address and send forms and other types of information and identify when, what, and where they were sent and by whom. State will provide rules about what Registration letters to send.	
2350	All outbound correspondence must create, store and line a pdf copy into the State's FileNet system.	
2400	**SEARCH CAPABILITIES**	
2405	Ability to search by user input name that will return an alphabetical list of all matching names with ability to scroll through the list.	
2410	Provide the capability to search for existing taxpayers by input of an address and displaying all taxpayers in the database having that same address. Ability to filter by city, state, zip.	
2415	Provide the capability to search for existing taxpayers by input of an FEIN, ME, TR, SSN, etc. and displaying all taxpayers in the database having that same account number (both for currently active account number and account numbers with a validity end date) from General Business Partners	The ability to search for existing taxpayers can be provided by input of FEIN, ME, TR, SSN, and any other field stored in the taxpayer master data, although search speed will be dependent upon whether such field is indexed.

Requirement Number	Requirement Description	Comments
	or any other Business Relationships.	
2420	Provide the capability to search for existing taxpayers by input of an SSN and displaying all taxpayers in the database having an association with that same SSN (both for currently active account number and account numbers with a validity end date).	
2500	**Cross Reference/Relationships**	
2505	Provide for multiple relationships at both the entity (taxpayer) and account (tax type) levels.	
2510	Provides the capability to link taxpayers related in a parent and subsidiary relationship.	
2515	Provides the capability to link corporate officers, sole proprietorships, general partners, etc., including social security number, driver license number, date of birth where available.	
2520	Provide the capability to link to and from businesses that have merged to form a new entity. Distinguish these predecessor /successor relationships from other types of predecessor / successor relationships. Provide start and end dates of these relationships. These can be one-to-many relationships.	
2525	Provide the capability to link to and from businesses that have divested to form new entities. Provide start and end dates of these relationships.	
2530	Provide the capability to link to and from general partners of partners, sole proprietors, and corporate officers, by tax identification numbers, to any related account.	
2535	Identify shareholders of subchapter S corporations and for flow-through entities.	
2540	Provide for multiple associations. Relationships should be established at the Taxpayer Level and provide ability to further modify and expand at the Tax Type (Account) level as needed.	
2545	Provide a view to display all relationships for a Business Partner	
2600	**Documentation/Naming Conventions & Standards**	
2605	All FRICE-W items developed for Registration must adhere to the DTMB's naming convention. The name is defined into four components: 1. SAP Requirement - file name begins with "Z_". 2. DTMB Requirement, next five characters are "TI04_"	

Requirement Number	Requirement Description	Comments
	3. DTMB Requirement, next 4 characters sequentially assigned, three digit number, "000_" Refer to as; "FRICE-W Number" -See FRICE-W Number Assignment tab. 4. Remaining characters are free form, must be meaningful. e.g. Control Total report may be named Z_TI04_201_NewRegTot	
2610	File Names: Any FRICE-W item that produces a file or report must have the FRICE-W name as predecessor characters followed by 'Z" for reports, "Q" for a file and a digit number that is incremented for each output item. E.g. If FFRICE-W application Z_TI04_201 produces two reports, their names will be: Z_TI04_201_Z01_Control and Z_TI04_201_Z02_ErrorList If FFRICE-W application Z_TI04_201 produces two files, their names will be: Z_TI04_201_Q01_Payments and Z_TI04_201_Q02_ErrItems	
2615	All custom development must be documented. This will include Functional and Technical Specifications, File Structure/mapping documents and Report layouts. All supplemental documentation must have same FRICE-W name. e.g. Z_TI04_201_FS.doc (Functional Specification) Z_TI04_201_TS.doc (Technical Specification) Z_TI04_201_Q01.XLS (File Structure/Mapping) Z_TI04_201_Z01.doc (Report Layout)	
2620	Every report produced by the system will use a standard template with the following items: Line 1: 1. Left edge, FRICE-W assigned report name 2. Centered, Heading Michigan Department of Treasury 3. Right edge, printed Date Line 2: 1. Left edge, parameters (e.g. date range) 2. Centered, Tax Description (MBT, SUW, etc...) 3. Right edge, Printed Time Line 3: 1. Left edge, parameters (e.g. date range) 2. Centered, Report Title 3. Right edge, Page number Every balancing control report shall identify the SAP environment for which it is run.	

Requirement Number	Requirement Description	Comments
2625	Every outbound correspondence must adhere to a standard template as defined by The State. Every template will be designed and approved by Treasury's Forms and Document Services Division (FDS). Every outbound correspondence will be unit / integration tested through printing (including names & addresses), approval queue workflow for approval, image indexing and capture in FileNet, and view ability through the SAP document viewer. FDS must sign off all outbound correspondence testing (unit/integration).	
2700	**Reports**	
2705	Report that totals by tax type, the number of active accounts, registrations in process, discontinued accounts and total accounts. Grand total all registered accounts on file by business account number types (business accounts, SSNs, special usage accounts, etc.) by specified reporting date	Business account number types will be defined during design activities.
2710	Monthly Filing Frequency Report by tax type and tax type combinations. Filing frequencies: accelerated, monthly, quarterly and annual.	
2715	Kind of Ownership Report Group by tax type and in total by each ownership type or combination of ownership types as listed on the 518.	
2720	"Summary of Active Taxpayers" by type of ownership by the size of annual taxes (Size Code) & filing type - by ownership kind, and by Fiscal Filing Dates.	
2725	Taxpayer Master File Summary control totals (monthly) - total taxpayer masters, and problem address accounts.	
2730	Weekly report of employee proficiency/productivity: Work List Items assigned Work List Items worked Work List Items pending Work List Items not assigned One page per work list itemized by day, sorted by employed ID and message code.	
2735	Monthly Taxpayer Master Activity Report Total Beginning Accounts, Total SUW, Total MBT, Total CIT, Total FTW, Total SBT, Total MF, Total MC, Sub-Total counts (Pending accounts, Changes, Request ST license, Request SUW returns, SUW-New-Liabilities) by New, Reinstate Account, Add Tax, Discontinue account, Stop Tax, Total Active. Separate totals at bottom - Pending New Accts, Account No. Changes, Changes, Request sales tax license, Request SUW Returns, Request, SUW-New Liabilities. Total Activity for the month for all tax types. Not all are listed above.	

Requirement Number	Requirement Description	Comments
2740	Monthly System Proficiency Report; totaling all system correct items from Business Rules.	
2745	Monthly Report of Work List Notification Messages. Totals for each message, beginning, new messages, messages cleared and ending totals.	
2750	Security Reports- Report by user id (one or many) to see what BP was changes and how	
2755	Daily Report on all BP's whose address was manually changed (Requirement 1865)	
2760	Report that shows when a BP's address was changed and a refund has gone out within X amount of days.	
2765	Current MBT/CIT Browsing Report is changed to include additional data (see remedy notes)	
2770	Report that shows all users(user id, first & last name), their roles, when those roles were created and when they expire, last login, whether or not they have access to Portal, and what Department they are with. This will be used for Annual Access Rights review and user inactivity.	
2800	**Outbound Correspondence (Letters)**	
2805	Incomplete forms / unable to process letter relating to and trigger by: Registration for Michigan Taxes (form 518)	
2810	Incomplete forms / unable to process letter relating to and trigger by: Notice of Change or Discontinuance (form 163)	
2815	Incomplete forms / unable to process letter relating to and trigger by: Authorized Representative Declaration (form 151)	
2820	Incomplete forms / unable to process letter relating to and trigger by: Payroll Power of Attorney Authorization (form 3683)	
2825	Filing Frequency Change letter: (i.e. Annual SUW Return letter (less than $750 dollars collected annually)	
2830	Change in ownership, need new application letter	
2835	Request for Better Address Letter, that has been work-flowed by return mail process (also asks for identification information if business was sold, or if business permanently discontinued).	
2840	ME account number issued letter. Until SUW return processing is in SAP, the need for ME assignments will be required.	
2845	Consolidating ME account numbers into FEIN account number.	

Requirement Number	Requirement Description	Comments
2850	TR account number assigned letter (asks for FEIN number). Automatically send letter when a TR account is setup.	
2855	Letter to taxpayer that payroll service is going to file withholding for them (asks for POA Form 3683) and ability to resend when missing signatures on 3683.	
2860	Letter of partial tax type registration and reasons not for other taxes.	
2865	Registration from a Tax Return letter Provide website for setting up user account for self-help. (requesting completed application)	
2870	Requests application due to : (selected message) -return filed for a business tax and / or payment we were unable to locate -information indicating you will be paying business taxes, but account has been inactive for over 6 months -information indicating you will be using (variable) as your payroll service -business not registered, please complete via the WEB site or file form 518	
2875	Need to verify FEIN letter To properly process a taxpayer's return, payments and correspondence, Treasury needs to verify the FEIN. (e.g., used when application received from a third person using an FEIN from an already registered FEIN)	
2880	All developed forms used as outbound correspondence must be approved before and after development and before testing begins.	
2900	**Documentation**	
2905	Documentation of the following must be provided in an electronic format, and in two hard copies for the following work products:	
2910	• Specification documentation (Functional and Technical)	
2915	• Cutover and Conversion Plan	The State has primary responsibility for the cutover and conversion plan, referred to as the go-live plan elsewhere in this Change Notice. Deloitte Consulting will assist with its development.
2925	• Data Element Dictionary - to be documented within Technical, Functional Specifications and with SAP's DED table.	SAP's DED table is extremely large and will not be provided in hard copy form. The State can print it from SAP if desired.
2930	• Interface Documents – Data Mappings. - to be documented within Technical and Functional Specifications	
2935	All updates of documentation must be maintained during the term of the Contract and maintenance/warranty agreement.	

CN #9 ITEM 3

1.0 Business Terms and Conditions

This Change Notice Item 3, effective January 1, 2013, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. Where conflicts arise, this Change Notice Item 3 shall govern.

2.0 Statement of Work

This Statement of Work includes 21 subsections. The total compensation to be paid to Deloitte Consulting for this effort is $184,606, as described in each of the subsections below.

2.1 Changes to Forms 4594 and 4574 (Change Control 31836)

Form 4594 will be modified on line 24 so the data is now obtained from Form 4567, line 49, and lines 30 and 31 will be deleted. Form 4574, line 15, will be changed to a credit from Form 4594, line 29.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $4,642 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.2 FTW Annual Return Calculating Incorrect Refunds (Change Control 31927)

A yellow error will be added to the FTW annual return with the following rules:

1. If the as determined 7a1+8a is greater than or less than the amount on 7a by $1,000 – yellow message
2. If the as determined 7b1+8b is greater than or less than the amount on 7b by $1,000 – yellow message

The $1,000 will be configurable with a new yellow message that states "verify opt-out and/or resident individual income."

The compensation for this additional effort was calculated at $5,106. As a result of Deloitte Consulting production support efficiencies, however, Deloitte Consulting will implement this change at no additional cost.

2.3 Changes to FTW 2012 Forms 4918 and 4919 (Change Control 31844)

Form 4918 will be changed for the 2012 tax year as follows:

1. Lines 5 a-b and 6 a-b will be changed to allow these lines to be blank and accept figures on lines 5c and 6c if they are blank. Intermediate flow-through entities will be instructed to weight their apportionment factor to account for income from the source and enter the weighted factor in 5c and/or 6c.

2. Lines 5c and 6c will be changed to have apportionment factors greater than 100%.

Form 4919 will be changed for the 2012 tax year on lines 2 a-b to allow these lines to be blank and accept a figure on line 2c if they are blank. Intermediate flow-through entities will be instructed to weight their apportionment factor and enter the weighted factor in 2c which carries over to form 4918.

The compensation for this additional effort was calculated at $3,714. As a result of Deloitte Consulting production support efficiencies, however, Deloitte Consulting will implement this change at no additional cost.

2.4 Change Sort Order in Clearing (Purge) Variant (Change Control 31862)

The sort order in the clearing variant – 30 – account maintenance – will be modified to clear purge assessments to interest, penalty and tax.

Interest main/subs will clear against interest (do not include $)

Penalty main/subs will clear against penalty (do not include $)

Tax main/subs will clear against tax (do not include $)

Only money can cross clear interest, penalty, and tax, once its respective type is paid off. All money should clear after the other main/subs have been cleared against interest, penalty and tax.

Interest money should clear all remaining interest off of SAP, and if any remains, it should be applied to penalty first and then tax:

6000 0175 STAR IDAs – Audit Interest

6000 0160 STAR IDAs – Interest

6000 0120 STAR Payment on Assessment – Audit Interest

6000 0110 STAR Payment on Assessment - Interest

The same processing should occur with Penalty and Tax. If there is a difference between SAP and STAR at the time of purge, SAP should adjust the difference off.

The compensation for this additional effort was calculated at $3,946. As a result of Deloitte Consulting production support efficiencies, however, Deloitte Consulting will only invoice the State an additional $1,625 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.5 Raise Yellow Error for MBT-CIT Returns when an Unbilled Prior Year Exists (Change Control 31868)

When a prior year MBT or CIT return exists on the system and is not billed, the system will be modified to raise a yellow error on the current MBT or CIT return. This error should look across tax types for MBT and CIT.

The compensation for this additional effort was calculated at $4,874. As a result of Deloitte Consulting production support efficiencies, however, Deloitte Consulting will implement this change at no additional cost.

2.6 Change Rules to Allow the Re-submission/Acceptance of a Previously Rejected Return (Change Control 29806)

E-file business rule R0000-002 will be modified to allow the re-submission and acceptance of a return previously rejected for Unauthorized Software Vendor (R0000-001). The unauthorized software vendor reject currently is a conditional rejection. Because it is conditional, the return gets loaded, but put into a "Hold Return" user status until Electronic Filing determines whether or not the return should be accepted. The duplicate reject code looks for an existing return for the same taxpayer and file period. Currently, there is no requirement to check the user status of the existing return in determining if it was a true duplicate. The system will be modified to ignore any return that is in a "Void Return" user status in this case and not reject a subsequent filing as a duplicate return.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $13,462 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.7 CIT and FTW Letters to Include Refund or Credit Forward Amount Out the Door (Change Control 31870)

For all CIT and FTW lead forms, when an original return is reopened, it will reverse the RF and post a refund recoup. When the return is subsequently rebilled, the system will post a clearing reset RP document to offset the recoup. The associated letter currently will only show the difference between the as filed and as determined amounts. The CIT and FTW letters will be updated to show the amount of a refund or credit forward that is "out the door" if an original return is reopened.

The compensation for this additional effort was calculated at $9,284. As a result of Deloitte Consulting production support efficiencies, however, Deloitte Consulting will only invoice the State an additional $3,017 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.8 Use 'As Determined' Fields for all Audit/Discovery Loaded Returns (Change Control 31729)

The SAP system currently uses the 'As Filed' values for any fields not supplied with an Audit/Discovery loaded return. Audit/Discovery use as their starting point for an audit/discovery project the 'As Determined' fields. The system will be modified to use the 'As Determined' fields during the load rather than the 'As Filed' fields. The following assumptions are associated with this change:

1. The system will use the previous taxpayer filed return for the source of 'As Determined' field values
2. To cancel a credit, Audit/Discovery will either upload zeros for the credit or deactivate the impacted forms after SAP performs the upload and merge.
3. The system currently brings forward tables that are not part of the upload. However if a change is required to a table, the upload must include all rows of the table whether they include a change or not. Changes to this functionality to allow only the changed portion of tables to be uploaded is not in scope for this change control. A separate request will be submitted to address this change.

The compensation for this additional effort was calculated at $9,812. As a result of Deloitte Consulting production support efficiencies, however, Deloitte Consulting will implement this change at no additional cost.

2.9 Change 112 and 118 Errors from Red to Yellow (Change Control 31681)

For MBT, CIT, and FTW, the 112 and 118 error messages will be modified from red to yellow.

The compensation for this additional effort was calculated at $2,321. As a result of Deloitte Consulting production support efficiencies, however, Deloitte Consulting will implement this change at no additional cost.

2.10 Change to Processing Form 4947 for Line 12 (Change Control 31685)

For MBT, the BRF rules will be updated to accept the as-filed value on form 4947 line 12.

The compensation for this additional effort was calculated at $1,161. As a result of Deloitte Consulting production support efficiencies, however, Deloitte Consulting will implement this change at no additional cost.

2.11 MBT/CIT Liability Comparison, Incomplete Calculation - Form 4946 (Change Control 31814)

Modify the system as follows:

> If gross receipts are less than $350,000 (annualized and/or apportioned, as applicable) on form 4567 - line 53 (TOT_LIAB_B4_CR) then make this line as 0. Otherwise, if the Annual method is checked on form 4567, multiply line 26b (A_PRORATEDTOTALAPPORTINCOME) by 0.06, else multiply 26a (A_TOTALAPPORTIONEDINCOME) by 0.06.

The compensation for this additional effort was calculated at $1,857. As a result of Deloitte Consulting production support efficiencies, however, Deloitte Consulting will implement this change at no additional cost.

2.12 Add IRS Data Flag to TCB Stop Table (Change Control 31631)

The system will be modified to meet the following requirements:

1. The system will flag SAP returns that contain IRS data by tax payer and tax period when the tax return data in SAP reflects changes resulting from Federal Tax Return Information (FTI).

2. The system will pass an IRS flag (showing that the data contains FTI) to the data warehouse.

3. The system will retain the FTI notation for archiving a return when the return has been flagged with IRS data.

4. All existing records within SAP containing FTI will be updated with the appropriate IRS flag.

5. The TBOR process will be updated to systematically include a message in the TBOR letter that it includes information generated under section 6103D of the Internal Revenue Code (IRC) if the return is flagged on the audit table. The message text has been previously defined within SAP.

6. If a return includes information generated under section 6103D of the IRC, the system will display a pop-up dialogue with a message that a user must acknowledge when accessing a return that is flagged on the audit table.

To meet these requirements, the following modifications will be made to the system:

1. Extend the existing audit table and associated functionality to also accommodate an FTI flag.
2. Update the data warehouse outbound interface as appropriate.
3. Update the TBOR letter and process to indicate FTI data when required.
4. Display a pop-up dialog box when viewing a return with FTI data
5. Update the outbound Siebel interface when transmitting FTI data

No data warehouse extract will be developed as part of this change control. In addition, Deloitte is making these modifications at the request of the Treasury Department and will provide no assurance that such modifications will bring the system into compliance with IRS 1075 regulations.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $55,705 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.13 35 Report (Change Control 32066)

The 35 report will be modified to allow the State to enter a date range for the static report to provide the ability to see the number of errors created for each error code within the date range.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $6,035 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.14 Statute of Limitations (Change Control 30396)

For MBT the system will be modified to provide the ability to stop a refund request as a result of an expired statute of limitations. A configurable date will be provided that will default to four years from due date or extended due date of the return, and it will be modifiable should the date for the statute of limitations be extended due to audit. For a tax due return, the system will be modified to accept a return that is beyond the statute of limitations, subject to certain limitations on assessments if the taxpayer has already filed one return with the State.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $11,373 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.15 Unique FTW Audit Code Message (Change Control 31928)

The Audit Table is a hold table manually maintained by users in the system. Any account on this table is prevented from automatic processing with a yellow error. The audit table will be enhanced with an additional descriptor code, and the yellow error message will be enhanced to include the text associated with the hold code.

1 - Audit

2 - Discovery

3 - Hearings

4 - Litigation

5 - Bankruptcy

6 - Hold.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $6,963 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.16 Business Requirements Modification (Change Control 32218)

The requirement description of Requirement 1315 of Appendix 1—Functional Requirements of this Change Notice Item 2 to the Agreement is modified to state:

> Ability to indicate what types of correspondence or information could be provided to the authorized representative (i.e. correspondence, assessments, TBOR, Etc.) per POA.

This requirement will be met with no additional cost.

2.17 MBT Credit Forward (Change Controls 31804 and 31805)

The system will be modified for MBT as follows:

- If a return is reopened with a prior approval completed, only the increased amount of the credit forward will require approval. The amount of the increase will be used to determine the required approval levels. An unchanged or reduced credit forward amount will not require an approval if a prior approval process was completed.
- If the credit forward approval is in process at the time of reopening or rebilling of the return, the system will restart the approval process for the total credit forward amount.
- If a return is reopened and it consumes an amount less than the total credit forward from the prior year, no approval is needed for the remaining amount carried forward. If a return is reopened and it results in an amount carried forward greater than the prior year's amount credit forward, then only the difference between the current year and prior year amount carried forward requires an approval.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $41,546 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.18 Remove ^'s from the A_DESCRIPTION (C_ and D_ too) field on the 457C Extract Records (Change Control 32034)

The system will be modified to remove ^'s from the A_DESCRIPTION, C_DESCRIPTION, and D_DESCRIPTION fields on the 457C extract records.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $6,035 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.19 Add Return ID to Payments in the Data Warehouse (Change Control 32039)

When a return is billed, the reference ID field in all payments consumed by the return in the billing/invoicing process will be populated with the Return ID. Currently the reference ID field is only populated for payments that are created by the billing/invoicing process, such as payments with a document type of TR or RF. This data is needed in the data warehouse for linking all payments associated with a return.

In addition to modifying the rules for newly billed/invoiced, payments that are already billed will also be updated.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $20,657 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.20 Business Loss Carry-Forward (Change Control 32036)

The MBT business rules will be modified for all non-refundable credits to prevent a business loss from being carried forward to future years if form 4583 is filed in a previous return.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $8,672 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

2.21 Transaction FPTRCO Includes All Open Postings (Change Control 32037)

When a refund is currently process using transaction FPTRCO, the transaction brings up all open items, including open nonrefundable credits and business loss carry-forwards with the potential for these credits and carry-forwards to be refunded to the taxpayer. As a result, the FPTRCO transaction will be modified to restrict the display to refundable open items for further processing.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $4,874 upon movement to production of all system changes associated with this functionality. Payment terms will be net 30 days.

CN #9 ITEM 4

EXHIBIT 7. CONTRACT LANGUAGE FOR TECHNOLOGY SERVICES

I. PERFORMANCE

In performance of this contract, the contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:
(1) All work will be done under the supervision of the contractor or the contractor's employees.
(2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the contractor will be prohibited.
(3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
(4) The contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
(5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
(6) All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
(7) No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
(8) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
(9) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

II. CRIMINAL/CIVIL SANCTIONS:

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony

punishable upon conviction by a fine of as much as $5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than $1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as $1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of $1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, *IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information and* Exhibit 5, *IRC Sec. 7213 Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION:

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **September 11, 2012**
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909 OR 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 8
to
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Kathy Karich	kkarich@deloitte.com
333 Bridge ST, N.W., Suite 700	TELEPHONE	CONTRACTOR #, MAIL CODE
Grand Rapids, MI 49504	(917) 741-2140	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	John Karlik	(517) 335-4062	KarlikJ@michigan.gov
BUYER:	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: MBT/MIITAS

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL OPTIONS INCLUDED	REVISED EXPIRATION DATE
September 15, 2007	December 31, 2010	Two One-Year	December 31, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ YES ☒ NO

DESCRIPTION OF CHANGE NOTICE:

OPTION EXERCISED:	IF YES, EFFECTIVE DATE OF CHANGE:	NEW EXPIRATION DATE:
☐ NO ☒ YES	August 23, 2012	December 31, 2013

Effective immediately, the optional extension language provided in the contract is exercised and this Contract is hereby EXTENDED one year and three months to December 31, 2013. The following modifications outlined in the attached documents are hereby included in the Contract:

1) Change notice 8, Item 1 - Changes for Release 1 and Release 2
2) Change notice 8, Item 2 - Changes for Release 3
3) Change notice 8, Item 3 - MBT 2012 changes

All other pricing, terms and conditions remain the same.

Per vendor agreement and DTMB Procurement approval.

VALUE/COST OF CHANGE NOTICE:	$0.00
ESTIMATED AGGREGATE CONTRACT VALUE:	$51,890,010.00

Change Notice #8 – Item 1- Release 1 and Release 2 Changes

1.0 Business Terms and Conditions

This Change Notice—Item 1, effective January 2, 2012, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. Where conflicts arise, this Change Notice shall govern.

2.0 Statement of Work

2.1 Business Requirements Modifications

Appendix 1 – CIT HL Business Requirements of Change Notice #7 to the Agreement is modified to include the following requirements:

Requirement Number	Requirement Description
531	Provide the capability to register taxpayer for both CIT and FTW.
532	Provide the capability to use TR number to register taxpayer in CIT as in MBT. Require FEIN for FTW Annual Distribution.
533	Provide the capability to accept Annual, Quarterly, and Estimated payments from the bank.
534	Provide the capability to send tax type information to MAIN
535	Provide the capability to report paid Penalty and Interest by tax type for use in updating MAIN.
536	Provide the capability to display generic tax report and tab titles - change any tab titles that contain specific "MBT" language to use generic language.
537	Provide the capability to reclassify/change posted payments type based on manual input. Update 5B to make sure that MAIN transfers include doc type changes. Restrict Contract Object transfer to allowed doc types for the target account. Restrict security.
538	Provide the capability to reclassify/change payments in clarification to another payment type, tax type, taxpayer or period.
539	Provide the capability to add tax type to clarification list, make list sortable. Ability to display tax type at the line item level in clarification and reclassify as needed.
540	Provide the capability to capture tax type from the bank during the payment load.
541	Provide the capability to post all payments to an open period - including clarification and transfers.
542	Provide the capability to apply all payments that come in on a SUW estimate form for 2012 or later to CIT. If earlier version of the form, apply to MBT.
543	Provide the capability to specify tax type in any manual payment postings.
544	Provide the capability to show tax type indicator on FP30.
545	Provide the capability to generate "Payment Statement" by tax type/contract object.
546	Provide the capability to link the payment and the return via a bank-provided identification number.

Requirement Number	Requirement Description
547	Provide the capability to alert appropriate user when a payment lot fails to load.
548	Provide the capability to replace the designation "IDA" on payment statement letter with a more descriptive title.
549	Provide the capability to adjust the received date (net due date) of a payment to recalculate penalty and interest.
550	Provide the capability to manually transfer payments to SAP.
551	Provide the capability to manually transfer payments from SAP into another system.
552	Provide the capability to automatically approve the extension request when it is received before the return due date (the approval would involve accepting the extension payment, updating the deferral date and sending out the extension letter of approval).
553	Provide the capability to systematically deny extensions when the request is received past the due date and send out letter of denial.
554	Provide the capability to update deferral date for 2012 fiscal filers, DTMB/treasury will identify taxpayers for extension, send out letters and provide the list to Deloitte. Process: Deloitte to generate list of C-Corp fiscal filers. Treasury to perform mail merge to create letters. Deloitte to update extension date in SAP.
555	Provide the capability to match NSF payment to the NSF Fee by matching the amount ($50) when payment is received in a period subsequent to the assessment period and sent over to STAR.
556	Provide the capability to record the tax type for the NSF penalty, should be designated as belonging to a particular tax type.
557	Provide the capability to choose and designate the NSF fee to one of the accounts when a bad check covers multiple tax types (Since penalty would still be $50 for the one check that was dishonored).
558	Provide the capability to grant extension to 4/30/13 if the extension request would result in a deferral date prior to 4/30/13.
559	Provide the capability to use a renamed Contract Account (from "MBT" to "Tax") to cover CIT, MBT, FTW and possible future taxes.
560	Provide the capability to show tax type in the data warehouse without using Main/Sub combinations.
561	Provide change to the mailbox that report 13 goes to. Should be enhanced to have the ability to add multiple mailboxes to which this could be sent.
562	Provide change to reports for standardized report headings, titles and display. Remove any references to MBT or any MBT specific language.
563	Provide the capability to assign CIR revenue type based on NAICS/SIC code.

The requirements listed above will be met with no additional cost.

Appendix 2 – FTW HL Business Requirements of Change Notice #7 to the Agreement is modified to include the following requirements:

Requirement Number	Requirement Description
133	Provide the capability to register taxpayer for both CIT and FTW.
134	Provide the capability to use TR number to register taxpayer in CIT as in MBT. Require FEIN for FTW Annual Distribution.
135	Provide the capability to accept Annual, Quarterly, and Estimated payments from the bank.
136	Provide the capability to send tax type information to MAIN
137	Provide the capability to report paid Penalty and Interest by tax type for use in updating MAIN.
138	Provide the capability to post pre-distribution FTW revenues to Suspense Account for FTW.
139	Provide the capability to display generic tax report and tab titles - change any tab titles that contain specific "MBT" language to use generic language.
140	Provide the capability to specify tax type in any manual payment postings.
141	Provide the capability to link the payment and the return via a bank-provided identification number.
142	Provide the capability to manually transfer payments to SAP.
143	Provide the capability to match NSF payment to the NSF Fee by matching the amount ($50) when payment is received in a period subsequent to the assessment period and sent over to STAR.
144	Provide the capability to record the tax type for the NSF penalty, should be designated as belonging to a particular tax type.
145	Provide the capability to choose and designate the NSF fee to one of the accounts when a bad check covers multiple tax types (Since penalty would still be $50 for the one check that was dishonored).
146	Provide the capability to show tax type in the data warehouse without using Main/Sub combinations.
147	Provide change to the mailbox that report 13 goes to. Should be enhanced to have the ability to add multiple mailboxes to which this could be sent.

The requirements listed above will be met with no additional cost.

2.2 New CIT/FTW Release 2 Development Objects

Existing plans were developed with the understanding that a return could be generated from an automated clearinghouse (ACH) payment. The assumption was that the return would be consistent with the basic structure provided by existing return interfaces, where all return data is received at once. However, the scenario requires satisfaction of the following business requirements:

1. Quarterly ACH payments for FTW will be received separately for Corporate and Individual tax lines.
2. Returns will be created at quarter-end on the basis of payments made for the relevant business partner as determined through master data
3. These returns will treat the sum of Corporate and Individual payments as the total as-filed values for the created return
4. When the return is amended, the merge function will be updated to create the amended value by summarizing all tax payments and posting that amount as the new as-amended value

5. When the return is reopened, there will be an additional automated step to recalculate the as-filed amount according to the ACH payments received on the account

As a result the following development objects will be added to the CIT-FTW Release 2 plan. These development objects are the result of the new FTW requirements listed above:

1. ACH Return Creation Enhancement—this enhancement will provide the capability to generate a quarterly FTW return from an ACH payment received according to the requirements above.
2. Merge Quarterly FTW Return Enhancement—this enhancement will provide the capability to merge duplicate or amended ACH returns
3. Unmerge Quarterly FTW Return Transaction—this new transaction will provide the capability to unmerge duplicate or amended ACH returns that have already been merged

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $89,139.60 upon acceptance of the Release 2 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.3 FTW Quarterly Enhancements

Using an event in the process used by SAP to unlock payments (event 1121), the system will be enhanced to generate a warning message to a user that the FTWQ return must be reopened before the payment is used in another way (transferred or refunded through the manual process). This message will only appear if the FTWQ return for that quarter has been billed.

In addition, business logic will be adjusted to generate a yellow error when an ACH payment is received for a quarter that includes an NSF or otherwise returned ACH payment. This enhancement will prevent the automated summation of the amounts as would be the case with most ACH payments, and allow an authorized user to adjust the liability for the account. In this way, the system will allow auto-summation without doubling the liability for NSF returns. The solution will be implemented in BRF+ as part of the business rules for the FTWQ return.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $23,690 upon acceptance of the Release 2 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

Change Notice #8 – Item 2 - Release 3 Changes

1.0 Business Terms and Conditions

This Change Notice—Item 2, effective May 17, 2012, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. Where conflicts arise, this Change Notice shall govern.

2.0 Statement of Work

2.1 Business Requirements Modifications

Appendix 1 – CIT HL Business Requirements of Change Notice #7 to the Agreement is modified as described in the Modification column in the table below:

Requirement Number	Requirement Description	Modification
182	Provide the capability to process the following forms for CIT: --Extension	Requirement description is modified as shown at left
187	Provide the capability to apply money paid by a taxpayer in a single check to multiple returns and/or tax due notices automatically	Requirement is deleted
196	Provide the capability to issue computed tax due notices to delinquent taxpayers in accordance with business rules	Requirement description is modified as shown at left
237	Provide the capability to generate a listing of balance sheet for General Ledger accounts	Requirement is deleted
249	Provide the capability to generate a listing of revenue by payment type, monthly and fiscal year to date	Requirement is deleted
280	Provide the capability to enter data from returns in a batch mode using data Treasury receives from e-file, Discovery, Audit, and bank to the system	Requirement description is modified as shown at left
282	Provide the capability to enter data from schedules in a batch mode using data Treasury receives from sources external to the system	Requirement is deleted
364	Provide the capability to prevent non-filer letters from being sent to taxpayers who are identified by Treasury	Requirement is deleted
396	Provide the capability to track and report by user of BP, CIT return inquiries or changes via portal or the SAP client that includes user performing the transaction, date and time transaction was performed, Business Partner (BP) of return, and tax year of return.	Requirement description is modified as shown at left
419	Provide the capability to notify users of any changes in law, policy or procedures (Bulletin Board)	Requirement is deleted
421	Provide the capability to allow for multiple tax rates per tax period	Requirement is deleted
439	Provide the capability to generate tax forms from e-file XML that replicates a paper filed return and can be provided to a tax payer	Requirement description is modified as shown at left
517	Provide the capability to suspend the mailing of correspondence based on business rules	Requirement is deleted
542	Provide the capability to apply all payments that come in on a SUW estimate form for 2012 or later to CIT. If earlier version of the form, apply to MBT	Requirement is deleted

Appendix 2 – FTW HL Business Requirements of Change Notice #7 to the Agreement is modified as described in the Modification column in the table below:

Requirement Number	Requirement Description	Modification
005	Provide the capability to distribute withholding payment monies to individual first than remaining received monies to corporation when posting to MAIN.	Requirement is deleted
074	Provide an interface to TC01 to register corporations from filing of annual flow-through withholding reconciliation return when an entity is listed as an owner but not currently registered.	Requirement is deleted
076	Provide the capability to track and report by user or BP, FTW return inquiries or changes via portal or the SAP client that includes user performing the transaction, date and time transaction was performed, Business Partner (BP) of return, and tax year of return.	Requirement description is modified as shown at left
109	Provide the capability to include flow-through withholding on the CIT return.	Requirement is deleted
111	Provide the capability to include flow-through withholding on MBT return form for those corporations that have ownership in a flow-through entity.	Requirement is deleted
112	Provide the capability to distribute withholding to individual flow-through corporate withholding accounts based on content of annual flow-through withholding reconciliation return (i.e. using the corporate distribution documented with the return).	Requirement is deleted
113	Provide the capability to transfer withholding to a flow-through individual withholding account based on content of annual flow-through withholding reconciliation return. (i.e. using the individual distribution documented with the return).	Requirement is deleted
119	Provide the capability to process a refund of flow-through withholding overpayment with the annual withholding reconciliation return. Return will need to determine refund for individuals, corporations, and an overall refund.	Requirement is deleted
148	Provide the capability for quarterly ACH payments for FTW to be received separately for Corporate and Individual tax lines.	Requirement is added
149	Provide the capability for returns to be created at quarter-end on the basis of those payments for the relevant business partner as determined through master data.	Requirement is added
150	Provide the capability that the sum of Corporate and Individual ACH payments be the total as-filed values for the created FTW return.	Requirement is added
151	Provide the capability that when an FTW return is amended, the merge function will create the amended value by summarizing all tax payments and posting that amount as the new as-amended value.	Requirement is added
152	Provide the capability that when reopened, an additional automated step will recalculate the as-filed amount according to the ACH payments received on the account.	Requirement is added
153	Provide the capability for the system to pass transactions (payments, adjustments, etc.) to the State's Collection System based on predefined business rules.	Requirement is added
154	Provide the capability for the system to pass new and corrected assessment information to the State's Collection System based on predefined business rules.	Requirement is added

2.2 Automated Letters for CIT Duplicate Returns, and FTW Annual Returns without a Distribution Schedule (Change Controls 31022 and 31025)

CIT duplicate returns will be handled as follows:

- The load program will reject any duplicate CIT annual return, load it as a duplicate and not run it against the business rules.
- A letter will be automatically sent to the taxpayer informing them that a duplicate return has been received, it has not been accepted, and if they meant to file an amended return, then they must use the amended return form.

FTW annual returns without a distribution schedule will be handled as follows:

- If a distribution schedule does not exist for an FTW annual return, the return will be loaded and voided.
- A letter will be automatically sent to the taxpayer to inform them of the situation

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $37,769 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.3 New Forms Required for Unitary Relationships with Flow-Through Entities (Form 4900) and CIT Schedule of Flow-Through Withholding for Insurance and Financial (Form 4911) (Change Controls 30871 and 30874)

Public Acts 2011 PA 308 and 2011 PA 310 have generated two new forms requirements:

1. Form 4900—Unitary Relationships with Flow-Through Entities. In addition to the new form, BRFPlus tables will also be required to process and display the data, and integration will be required with other forms and processes.
2. Form 4911—CIT Schedule of Flow-Through Withholding for Insurance and Financial

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $49,486 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.4 Revised Development Objects as a Result of Flow-Through Withholding Distribution Changes (Change Control 30960)

The requirements modifications described in section 2.1 result in the need for additional forms as follows

1. 4903—CIT Withholding Opt-Out Schedule
2. 4920—Flow-Through Withholding Opt-Out Schedule

As these forms are accompanied by a corresponding reduction in effort elsewhere, they will be developed for no additional cost.

2.5 Capability to Manually Generate an Explanation Letter and Include Payments (Change Control 31027)

The process flow will be modified to provide the capability to manually generate an explanation letter and include payments, including line by line changes between as-filed and as-determined values. The system will prompt the user after billing the return to decide whether to generate the letter. The letter text will be different than the text included in a TBOR.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $21,800 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.6 Capability to Customize STAR Information for Individual Assessments for non-TCB Returns (Change Control 31047)

In the current process, the system derives STAR values based on penalty type (using hard coded values). The system will be modified to support additional assessment message codes. A table of approved assessment message codes will be created, and a user will then be able to choose up to four codes to be sent to STAR from a drop-down list.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $12,283 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.7 Capability to Delay the Date Underpayments are Interfaced to STAR (Change Control 31064)

The system will be modified to delay the date an FTW underpayment will be interfaced to STAR until 2 days after the due date. This change will allow ACH payments to be applied against paper returns and prevent an assessment from being sent to STAR.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $3,676 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.8 Capability to Reopen and Rebill a Return when Payments are Open on Account for the Same Filing Period (Change Control 31090)

The system will be modified so that when a payment (any payment except audit payments, unless it is an audit return) posts to an account for the same filing period (start and end date are the same) on a billed return, even though it may be in an approval queue, the return will be automatically re-opened and rebilled. If the return is in the approval queue, it will be removed. If the return is not in the queue and previously generated a TBOR, the system will reopen the payment to wait for the expiration of the lock and then reopen and rebill the return. If tax is still due, the system will not generate a second TBOR letter; instead it will go directly to STAR as an Intent to Assess.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $20,890 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.9 Interface 16C Changes (Change Control 31107)

The interface will be modified to provide data by tax type (separate CIT, FTW quarterly, and FTW annual information) that can then be uploaded to revenue officers' laptops.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $3,716 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

2.10 Elimination of Correspondence Suppression (Change Control 31070)

No business rules were identified for suppression of correspondence, resulting in a reduction in effort.

As a result of this reduction in effort, Deloitte Consulting will issue a credit to the State for $9,495 in conjunction with the invoice for the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement.

2.11 SAP to MAIN Reconciliation Report (Change Control 31284)

A new report will be created to satisfy requirement CIT 352—Provide the capability to reconcile to the State's financial accounting system.

This report will be developed at no additional cost.

2.12 All MBT Assessments Generated from Audit will go to STAR as Intent (Change Control 31055)

Currently they system checks for the existence of a TBOR to decide if the assessment will go to STAR as Intent or Final. The system will be modified so that if an account is in the TCB Audit table, all assessments will go to STAR as Intent rather than Final.

As compensation for this additional effort, Deloitte Consulting will invoice the State an additional $11,372 upon acceptance of the Release 3 – Configuration Ready for Movement to QA deliverable described in section 2.7 of Change Notice #7 of the Agreement. Payment terms will be net 30 days.

Change Notice #8 – Item 3 - MBT 2012 changes

1.0 Business Terms and Conditions

This Change Notice-Item 3, effective August 20, 2012, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting , dated September 15, 2007 (the "Agreement") and all subsequent Change Notices and Amendments. Where conflicts arise, this Change Notice shall govern.

2.0 Statement of Work

2.1 Project Background

The State has undertaken an initiative to replace legacy tax processing applications with a single integrated tax system, starting with the Michigan Business Tax (MBT). In 2011, the State began the process of repealing MBT and replacing it with the Michigan Corporate Income Tax, establishing specific certain criteria taxpayers had to meet in order to continue filing MBT. These criteria are spelled out in House Bill 4362, enacted in Michigan on May 25th, 2011 as Public Act 39 of 2011. The scope of MBT 2012, the project contemplated under this Change Notice, includes updates to the MBT business rules, forms, and processing as a result of this Act.

2.2 Project Method and Approach

Deloitte Consulting will continue to leverage tools and approaches from our Enterprise Value Delivery for SAP methodology (EVD). Deloitte will use standards defined in EVD in planning, estimating and scheduling tasks to implement the scope defined in this Change Notice.

The detailed project schedule, phases, gateways, and project milestones will be defined in collaboration with the State and the Project Control Office (PCO). The PCO will monitor and control the project.

2.3 Scope of Services

Deloitte Consulting will assist in the design, development, unit testing, string testing, and integration testing defect resolution (the "Services")for the MBT 2012 project. Warranty support, ongoing production support, integration test management, training, and change management are specifically excluded from this change order.

For the Development and Configuration Scope listed in section 2.3.1 of this Change Notice, Deloitte Consulting will be responsible for the following changes and updates to the Michigan Integrated Tax Administration System (MIITAS) and related documentation, including:

- Functional specification creation or updates
- Technical specification creation or updates
- Configuration documentation updates, if relevant
- System configuration, if relevant

- Programming
- Unit testing
- String testing
- Integration testing defect resolution

2.3.1 Development and Configuration Scope

2.3.1.1 Forms

Name	Description	Change Summary
Form 3581	Michigan Historic Preservation Tax Credit	Form tax year date and line reference updates
Form 3614	Michigan Historic Preservation Tax Credit Assignment and Reassignment	Form tax year date and line reference updates
Form 4567	Michigan Business Tax Annual Return	Add lines for CIT adjustment and Flow-Through Withholding payments Form tax year date and line reference updates
Form 4568	Michigan Business Tax Nonrefundable Credit Summary	Remove Biofuel Infrastructure Credit and add Poly-Silicon and Traction Battery Credits Form tax year date and line reference updates
Form 4569	Michigan Business Tax – Single Business Tax (SBT) Credit Carryforwards	Form tax year date and line reference updates
Form 4570	Michigan Business Tax Credits for Compensation, Investment, and research and Development	Form tax year date and line reference updates
Form 4571	Michigan Business Tax Common Credits for Small Businesses	Adjusted business income ceiling and text for Reduced Credit updates Form tax year date and line reference updates
Form 4572	Michigan Business Tax Charitable Contribution Credits	Form tax year date and line reference updates
Form 4573	Michigan Business Tax Miscellaneous Nonrefundable Credits	Remove Biofuel Infrastructure Credit and add Poly-Silicon and Miscellaneous Battery Credits Form tax year date and line reference updates

Name	Description	Change Summary
Form 4574	Michigan Business Tax Refundable Credits	Remove Historic Preservation, Brownfield Redevelopment, and Tobacco Sellers Credits and add Poly-Silicon and Miscellaneous Battery Credits Form tax year date and line reference updates
Form 4575	Michigan Business Tax Loss Adjustment for the Small Business Alternative Credit	Form tax year date and line reference updates
Form 4577	Michigan Business Tax Schedule of Shareholders and Officers	Form tax year date and line reference updates
Form 4578	Michigan Business Tax Schedule of Partners	Form tax year date and line reference updates
Form 4579	Michigan Business Tax Qualified Affordable Housing Seller's Deduction	Form tax year date and line reference updates
Form 4580	Michigan Business Tax Unitary Business Group Combined Filing Schedule for Standard Members	Add lines for unused Poly-Silicon and Battery Credits Add line for Flow-Through Withholding payments Form tax year date and line reference updates
Form 4582	Michigan Business Tax Penalty and Interest Computation for Underpaid Estimated Tax	Add line for CIT adjustment Form tax year date and line reference updates
Form 4584	Michigan Business Tax Election of Refund or Carryforward of Credits, and Calculation of Historic Preservation and Brownfield Redevelopment Carryforward	Remove Historic Preservation and Brownfield Redevelopment Credits Add Poly-Silicon and Miscellaneous Battery Credits Form tax year date and line reference updates
Form 4585	Michigan Business Tax Investment Tax Credit Recapture From Sale of Assets Acquired Under Single Business Tax	Form tax year date and line reference updates
Form 4586	Michigan Business Tax Schedule of Business Activity Protected Under Public Law 86-272	Form tax year date and line reference updates
Form 4587	Michigan Business Tax Schedule of Recapture of Certain Business Tax Credits and Deductions	Add lines to recapture Miscellaneous Battery Credits Form tax year date and line reference updates

Name	Description	Change Summary
Form 4588	Michigan Insurance Company Annual Return for Michigan and Retaliatory Taxes	Remove a duplicate of Total Michigan Business Tax line Add Accelerated Payout received, CIT adjustment, Flow-Through Withholding payments, and CIT comparison calculation Form tax year date and line reference updates
Form 4590	Michigan Business Tax Annual Return for Financial Institutions	Add CIT adjustment and Flo-Through Withholding payment lines Form tax year date and line reference updates
Form 4594	Michigan Farmland Preservation Tax Credit	Form tax year date and line reference updates
Form 4595	Michigan Business Tax Renaissance Zone Credit Schedule	Add check box to track a Renaissance Zone Credit Form tax year date and line reference updates
Form 4596	Michigan Business Tax Miscellaneous Credits for Insurance Companies	Remove Historic Preservation Credit and Brownfield Redevelopment Credit Form tax year date and line reference updates
Form 4752	Michigan Business Tax Unitary Business group Combined Filing Schedule for Financial Institutions	Add Flow-Through Withholding payments Form tax year date and line reference updates
Form 4946	Michigan Schedule of Corporate Income Tax Liability for a Michigan Business Tax Filer	New form to calculate CIT tax liability for a standard taxpayer
Form 4947	Michigan Schedule of Certified Credits	New form to document certified credits claimed
Form 4966	Michigan Business Tax Schedule of Flow-Through Withholding	New form to document flow-through withholding withheld on behalf of a taxpayer
Form 4974	Michigan Schedule of Corporate Income Tax Liability for a Michigan Business Tax Insurance Filer	New form to calculate CIT tax liability for an insurance filer
Form 4975	Michigan Schedule of Corporate Income Tax Liability for a Michigan Business Tax Financial Filer	New form to calculate CIT tax liability for an financial filer
Form Billing Actions 1-8	Billing Actions 1 - 8	Billing Actions 1 - 8 will require validation and modification based on changes made for MBT 2012

2.3.1.2 Reports and Correspondence

Name	Description	Change Summary
Report for Ineligibility Letter Sent for TCB	List of ineligibility letters sent on behalf of TCB	Provide the capability to generate a report of ineligibility letters sent for tax compliance for an MBT 2012 tax year return
MBT Ineligibility Letter	Letter to taxpayer indicating they are ineligible to file MBT	Provide the capability to generate an ineligibility letter/report for an MBT 2012 tax year return filed paper or e-file
MBT Processing Modification	MBT Processing Modification	Accommodate high level requirements for Payment & Return Processing for MBT 2012
Election Letter	Letter to taxpayer indicating they have elected to file MBT	Provide the capability to generate an election letter

2.3.1.3 Interfaces

Name	Description	Change Summary
Interface 4D	Bank Inbound Tax Return Data	XI – Changes to mapping in XI to account for new MBT schedules ECC – Changes to interface to account for new MBT schedules
Interface 7A	Inbound returns data from the IRS	XI – Changes to mapping in XI to account for new MBT schedules ECC – Changes to interface to account for new MBT schedules
Interface 12	Financial data sent to the State's data warehouse	Updates to extract fields introduced with new MBT schedules
Interface 7B	Acknowledgements back to the IRS	Changes to accommodate additional MBT 2012 rules
Interface 5B	Summary records for update of MAIN GL	Updates to interface and/or GL MAIN table to support use of CIT payments within MBT

2.3.1.4 Configuration

Name	Description	Change Summary
BRF Baseline Configuration	SAP Configuration to support "fit" requirements	Update the following SAP configuration to support MBT 2012: • Main and Sub • BRF Baseline • Clearing Rules • New GL Accounts • GL Account Assignments
E-file and Paper Mapping Tables	E-file and Paper Mapping Tables	Updates to E-file and Mapping table to account for new schedules

2.3.2 Geographic Scope

Deloitte Consulting's work on the MBT 2012 project will be conducted on-site in the designated space in the Operations Center in Dimondale and from remote on-shore locations using State provided secure VPN tokens.

Locally-based Deloitte Consulting staff will work on-site Monday through Friday. Traveling staff will arrive in Lansing as early as possible on Monday and work on site through Thursday. On Fridays, traveling staff will work from their home offices, using the provided secure token for system access.

2.3.3 Security Scope

The State will be responsible for development and maintenance of SAP Security. Deloitte Consulting will provide information on any new transaction to the State security team so that each transaction can be added to appropriate roles.

2.3.4 Technical Scope

The State will be responsible for the technical infrastructure maintenance and support for the MBT 2012 project. All hardware, software licensing, and network connectivity and bandwidth will be responsibility of the State.

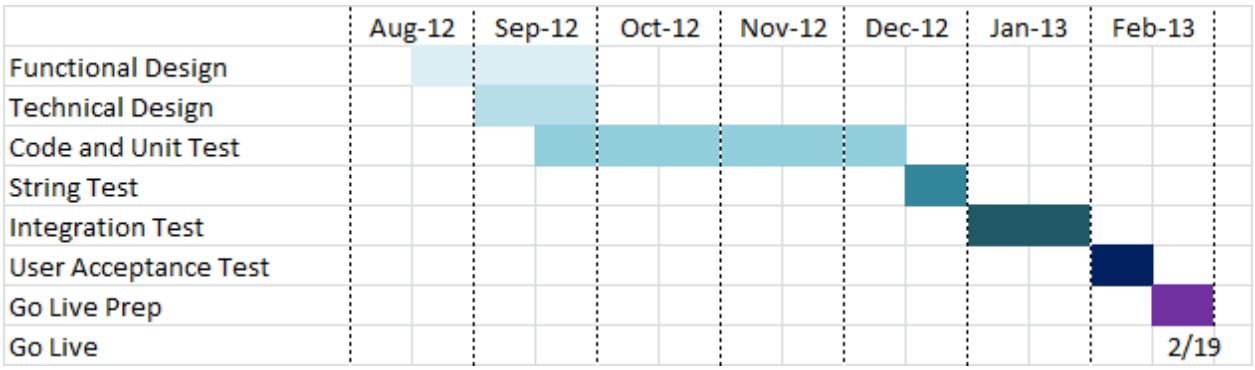
2.3.5 End User Training Scope

All training material development and training delivery will be the responsibility of the State.

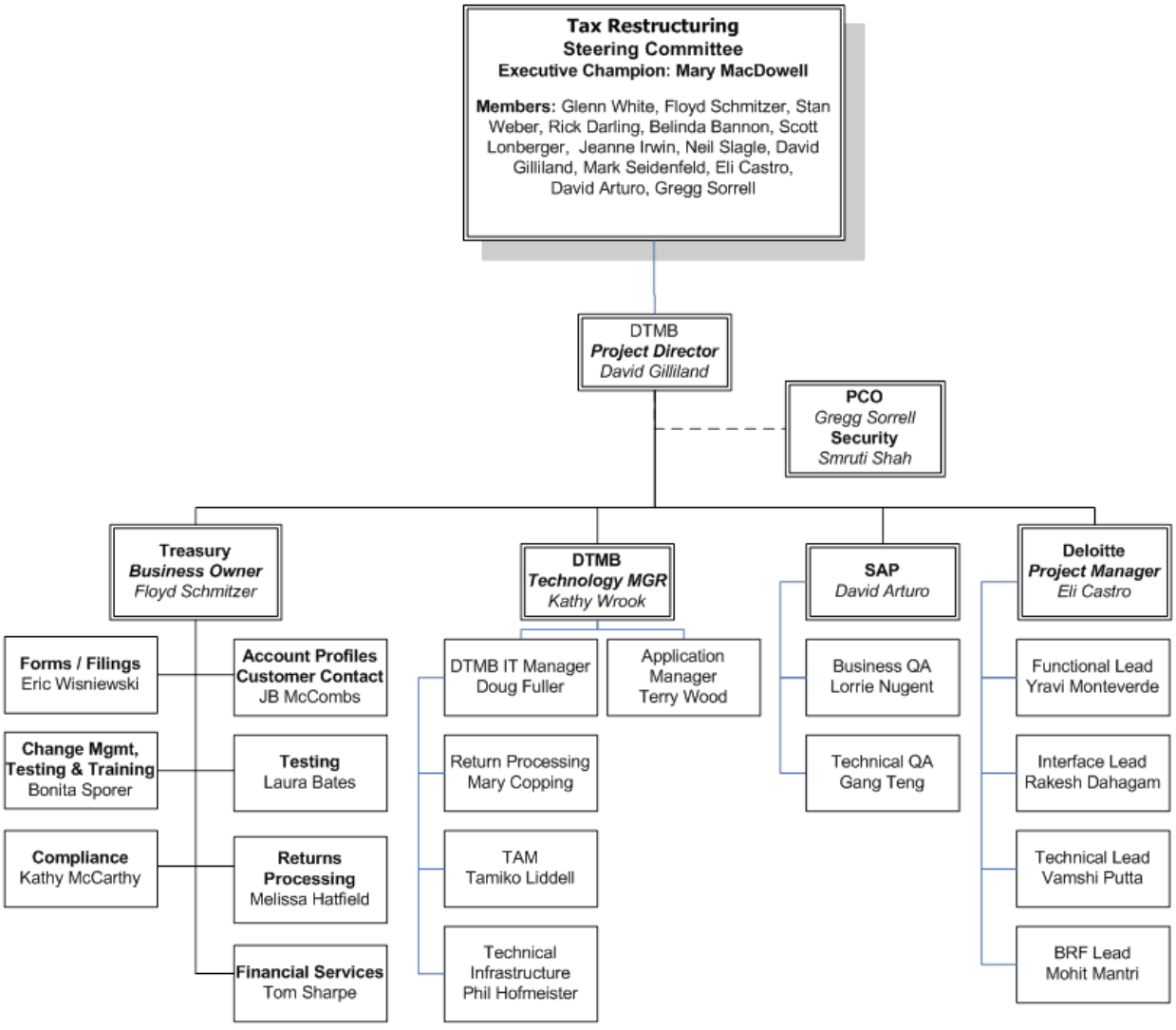
2.4 High Level Timeline

The estimated timeline for the MBT 2012 project begins on August 20, 2012 with a planned go-live on February 19, 2013. The project will be shut down for one week during November and for two weeks during December and January for the holidays.

Change Notice Number 8
Contract Number 071B8200018



2.5 Project Organization



2.6 Project Responsibilities

In the following chart, "Deloitte Consulting" includes State resources specifically allocated to this project, as defined in section 2.7 Staffing Model.

WBS – Task / Deliverable	Description	Responsibility		
		State	Deloitte Consulting	Project Control Office
Project Workplan	The Project Work Plan is a deliverables-based execution plan showing the responsibilities, dependencies, schedule, and planned effort for MBT 2012 tasks.	Secondary	Secondary	Primary
Functional Specifications	Functional Specifications are created for each functional object and define how each object will work.	Secondary	Primary	
Technical Specifications	Technical Specifications are created for each technical object in the system and defines the specific implementation approach for that object. There may be one or more technical specification for each functional specification, and multiple functional specifications may be consolidated into a single technical object and specification.	Secondary	Primary	
Configuration Documentation	Configuration documentation shows the configuration values and locations within SAP where these values are set. Configuration documents will also indicate the reasoning for each configuration setting.	Secondary	Primary	
Development Objects	The development required to realize the functional design of the MBT 2012 implementation.	Secondary	Primary	
Unit Test Documentation	Unit tests are completed for each technical object. The inputs and results of each unit test are reflected in the unit test documentation for that object.	Secondary	Primary	
Go Live Plan	The go-live plan indicates the required steps to bring MBT 2012 into production, including dependencies, time schedule and responsible party.	Primary	Secondary	
Integration Test Scripts and Results	Integration test scripts define the test cases that will be run to test the integrated functionality of MBT 2012, including regression test scripts. Results reporting shows the pass/fail status of each script.	Primary		Secondary
User Acceptance Test Scripts and Results	User Acceptance test scripts define the test cases that will be run to validate the integrated functionality of MBT 2012, and assess go-live readiness. Results reporting shows the pass/fail status of each script.	Primary		
Training Material Updates	Training material includes any updates to existing materials for Treasury staff to operate the system.	Primary		

2.7 Staffing Model

The following staffing model includes only the core staff required for the MBT 2012 implementation. Additional staff from the State and the Project Control Office will be required to review deliverables, provide subject matter expertise, and manage the MBT 2012 project within the wider DTMB and Treasury enterprise project portfolio.

The State will provide eight qualified full-time resources, mutually agreed upon in writing by both parties, who will be co-located with the Deloitte Consulting resources and will continue in a production support role after the MBT 2012 go-live. These resources will report to the Deloitte Consulting Project

Manager on a day-to-day basis, taking their direction and assignments from Deloitte Consulting. Deloitte Consulting will escalate any issues with State performance to Neil Slagle, DTMB Client Services Director supporting Treasury, or his designee as notified in writing to Deloitte Consulting. Where Deloitte Consulting has responsibility for deliverables as described in section 2.6, these resources will be considered as Deloitte Consulting resources for the purposes of this project. The State may assign these resources to various tasks as it deems necessary if they are not otherwise assigned to tasks by Deloitte Consulting under this Change Notice. These resources will not be removed by the State except upon replacement with qualified resources mutually agreed upon in writing by both parties. The State resources will be scheduled for 6 hours per day.

Role	Team	Number	Resource Source
Engagement Director	Project management	1	Deloitte Consulting
Project Manager	Project management	1	Deloitte Consulting
Technical Lead	Technical	1	Deloitte Consulting
BRF Lead	Technical	1	Deloitte Consulting
Interfaces/Reports Lead	Technical	1	Deloitte Consulting
BRF Team	Technical	3	2 Deloitte Consulting 1 State
Development Team	Technical	7	2 Deloitte Consulting 5 State
Functional Team	Functional	3	1 Deloitte Consulting 2 State

2.8 Business Requirements

The following high-level business requirements describe the functionality that will be implemented as part of the MBT 2012 project.

Requirement #	Requirement Description
001	Provide the capability to raise a yellow error and make available an ineligibility letter for an MBT 2012 tax year return filed paper or e-file WHEN * the taxpayer is a Non C-corp AND * the taxpayer has no payments or credit available for refund OR * the taxpayer has no certificated credits OR * the taxpayer does not have an agreement in place for an eligible credit in a future year OR * certificated credit(s) that qualified taxpayer for MBT filing are exhausted
003	Provide the capability to raise a yellow error and staff void an MBT 2012 tax year return filed paper or e-file WHEN * the taxpayer has no certificated credits OR * the taxpayer does not have an agreement in place for an eligible credit in a future year OR * certificated credit(s) that qualified taxpayer for MBT filing are exhausted
004	Provide the capability to raise a yellow error and make available a letter for an MBT 2012 tax year return filed paper or e-file WHEN * the taxpayer is a C-Corp AND * the taxpayer has no certificated credits OR * the taxpayer does not have an agreement in place for an eligible credit in a future year OR * certificated credit(s) that qualified taxpayer for MBT filing are exhausted
007	Provide the capability to produce a gap error and generate an election letter WHEN * the taxpayer if a fiscal filer and files a paper or e-file MBT 2012 return AND * the taxpayer filing period does not start 1/1/12 AND * the taxpayer did not file a paper or e-file MBT 2012 return for the short period started 1/1/12 AND * the taxpayer did not file a paper or e-file CIT 2012 return for the short period started 1/1/12
011	Provide the capability to raise a yellow error and staff void a fiscal filer filing a second MBT 2012 tax year return filed paper or e-file WHEN * the taxpayer has filed a paper or e-file CIT return in the short period tax year 2012 that started 1/1/12 (with the exception of availability of an accelerated refundable credit) OR * certificated credit(s) that qualified taxpayer for MBT filing are exhausted
013	Provide the capability to raise a yellow error and generate a tax due TBOR letter for a fiscal filer filing a second MBT 2012 tax year return filed paper or e-file WHEN * the taxpayer is a C-Corp AND * the taxpayer has filed a paper or e-file CIT return in the short period tax year 2012 that started 1/1/12 (with the exception of availability of an accelerated refundable credit) OR * certificated credit(s) that qualified taxpayer for MBT filing are exhausted
016	Provide the capability to utilize all payments associated with MBT and CIT filing a paper or e-file MBT return and generate the appropriate accounting transactions.
017	Provide for 2012 tax year updates to the MBT forms in addition to HB 4362 functionality.
018	Provide the capability for staff to manually * load certificated credits in MBT * maintain certificated credits in MBT * flag refundable accelerated credits in MBT * maintain agreements in place that have been authorized by PA116, MEDC or SHPO from a file or manually. The solution must capture, at a minimum but not limited to, eligibility period, FEIN, Credit Amount, Name and Credit Type
020	Provide the capability to apply a new return status of 'Disqualified' to a filed MBT return WHEN * it is later determined the taxpayer was not eligible to file a paper or e-file MBT return.
024	Provide the capability for staff to manually enter data from spreadsheets to existing tables using data Treasury receives from sources external to the system.

Requirement #	Requirement Description
026	Provide the capability to limit to one the number of returns filed for the same filing period that are in a non-voided status (i.e. cannot have an MBT and CIT return for the same period be in a non-void status). The return most recently filed will raise a red error that can only be removed once one of the returns is voided.
027	Provide the capability prevent a STAR assessment from being converted to or from MBT/CIT in the situation in which a taxpayer files and is later determined to not be eligible for the return filed. The assessment will be canceled or adjusted to zero.

3.0 Fees and Expenses

3.1 Fee Schedule

Deloitte Consulting will perform the Services described in this Change Notice on a fixed-fee basis. Based on the scope, timing, State responsibilities, and assumptions set forth herein, Deloitte Consulting's fees for the Services will be $685,685, inclusive of Deloitte Consulting project expenses.

Deloitte Consulting will invoice the State upon submission of each Deliverable or Milestone according to the following table:

Sequence	Deliverable/Milestone	Fee amount	Estimated invoice date
1	Functional Design Specifications Complete	$125,000	September 25, 2012
2	Technical Design Specifications Complete	$125,000	October 3, 2012
3	First 28 Development Objects Programmed and Unit Tested	$125,000	November 9, 2012
4	Remaining Configuration and Development Objects Programmed, Unit Tested and Ready for Movement to Quality Assurance Environment	$125,000	December 14, 2012
5	Configuration and Development Objects Ready for Movement to Production Environment	$185,685	February 19, 2013
	Total	**$685,685**	

The Configuration and Development Objects Ready for Movement to Production Environment ("Deliverable 5") will be achieved when all SAP code for MBT 2012 is ready for movement into the Production environment. This deliverable will include the configuration of the SAP software and related custom development. The State will conduct a user acceptance test of the MBT 2012 configuration and development in the Quality Assurance environment in accordance with the MBT 2012 Project Workplan before approving such configuration and custom development as ready for movement. Unless otherwise mutually agreed, the criteria for approval shall be:

- All user acceptance test scripts have been executed
- All high-severity defects identified during user acceptance testing have been reclassified as lower-severity defects or resolved. Severity levels will be as defined in Section 2.7.4 of Change Notice #7 to the Agreement.

The scope of this Change Notice extends to the completion of Deliverable 5. No warranty or support services beyond this point are included.

3.2 Hourly Rates for Additional Services

Any changes to these Services will be in accordance with Section 7.4 of Change Notice #7 to the Agreement.

3.3 Deliverable Acceptance

Deliverable acceptance procedures will be approved in accordance with Section 2.015 of the Agreement, with the following exceptions:

Deliverable	Initial Review	Deloitte Response	Final Review
Configuration Item	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

3.4 Change Management

Change Management will be conducted in accordance with section 11.0 of Change Notice #7 to the Agreement.

4.0 General Provisions

4.1 Schedule and Project Management

- This project will observe the following holidays. State employees will observe all applicable State holidays.
    - Labor Day – Monday, September 3, 2012
    - Election Day – Tuesday, November 6, 2012
    - Veterans Day – Monday, November 12, 2012
    - Thanksgiving Day – Thursday, November 22, 2012
    - Day after Thanksgiving – Friday, November 23, 2012
    - Christmas Eve – Monday, December 24, 2012
    - Christmas Day – Tuesday, December 25, 2012
    - New Year's Eve – Monday, December 31, 2012
    - New Year's Day – Tuesday, January 1, 2013
    - Martin Luther King Day – Monday, January 21, 2013
    - President's Day – Monday, February 18, 2013

- The project schedule calendar has blocked out the week beginning November 19, 2012 and the weeks beginning December 24, 2012 and December 31, 2012 with no new tasks planned to begin during these weeks.

- The project schedule calendar has blocked out the week beginning November 19, 2012 and the weeks beginning December 24, 2012 and December 31, 2012 with no new tasks planned to begin during these weeks.

- The project will start on August 20, 2012.

- Development will not start before go-live for CIT/FTW Release 3 (estimated to be November 16, 2012)

- Any delays caused by any activity not a part of this change order will result in a change order for any extended staff.

- State acceptance testing will be performed within the timeframes listed in the project plan.

- No warranty will be provided for any services provided under this change order.

4.2 Project Staffing

- State resources for CIT/FTW Integration Testing and Production Support are being reallocated to MBT 2012. Any delays caused by requests for these resources to assist with projects other than MBT 2012, including production support, will result in a change order for any extended staff.
- State resources will be available on a timely basis to review and approve project deliverables.
- The State will take primary responsibility for the following areas:
    - Legacy Interface Development
    - External Communications and Change Management
    - Management of communications and timely scheduling with external parties for all stages of testing
    - Integration Test
    - User Acceptance Test
    - Stakeholder Management
    - End User Training
    - Completion of all internal State approval processes

4.3 Solution and Approach

- Updates to existing functional specification documents will be limited to content impacted by MBT 2012. The base document will not be updated to address existing errors that are not directly associated with MBT 2012 content.
- The PCO will coordinate the functional specification review and approval process. If multiple approvers have been identified for a given functional specification, comments will be held by the PCO until all approvers have responded.
- Functional specification and configuration documents will identify transaction codes being utilized to support business processes.
- Updates to the current MBT Blueprint document are not in scope for this project.
- MBT 2012 forms will be developed using the same design approach used with tax year 2011, with tax year 2010 forms used as a base and custom code written only for lines added and deleted for the 2012 tax year.
- Form lines deleted for tax year 2012 will continue to be displayed in the portal with no capability for update unless explicitly requested to be hidden.
- The SAP to Siebel web service being developed with CIT-FTW Release 3 will not require updates to support MBT 2012.
- Fields being added to support calculation of CIT liability will not be transmitted to Siebel via the web service interface, nor displayed on Siebel screens. Customer Contact will use FileNet or SAP to view detail on schedules.
- The system currently does not, and will not with MBT 2012, track the balance of certificated credits from a display perspective. A spreadsheet will be maintained that tracks credit balance.
- There will be no change in content to eService.
- Purge and write-off functionality are not in scope for the MBT 2012 project.
- All fields on the new schedules from MBT 2012 will be data captured. Data captured fields will be provided to the data warehouse.

4.4 Security and Controls

- The State will be responsible for implementation of applicable SAP security updates for MBT 2012.

4.5 Technology and Infrastructure

- The QA hardware will be used for Disaster Recovery. The Disaster Recovery plan will not change based on the implementation of MBT 2012. The State is responsible for Disaster Recovery.

- The Deloitte OnLine Collaboration System (eRoom) will be used to store in-process documents and deliverables. As documents and deliverables are approved during the project, they will be moved to Serena. Deloitte Consulting is responsible for the administration of the eRoom.
- SAP Notes required for development and mutually agreed upon by the State and Deloitte Consulting will be implemented prior to the start of Code and Unit Test for MBT 2012. The State is responsible for application of SAP Notes.

4.6 Data

- Data Conversion is out of scope for this project.

4.7 Implementation

- For MBT 2012 paper returns received after December 2012 and prior to implementation, Chase will return the 2012 tax forms to Treasury to be held until implementation. Any remittance received with a return will be deposited as a "miscellaneous" MBT annual payment for tax year 2012. Chase will continue to process MBT 2011 and earlier returns until implementation of MBT 2012.
- MBT 2012 returns e-filed prior to implementation will be rejected, but e-file of CIT 2012 and prior year MBT returns will be allowed as planned in January of 2013.
- MBT 2012 implementation timing will not impact processing of accelerated credit requests as this functionality is currently available and will remain post-MBT 2012 implementation.

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

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET September 29, 2011
PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF VENDOR **Deloitte Consulting LLP** **333 Bridge ST, N.W., Suite 700** **Grand Rapids, MI 49504** **kkarich@deloitte.com**	TELEPHONE (917) 741-2140 **Kathy Karich** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: Mark Lawrence 517-241-1640 **MBT/MIITAS**	
CONTRACT PERIOD From: **September 15, 2007**	To: **September 30, 2012**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately, The Contractor will provide services to implement two new business taxes as outlined in this Change Notice: Corporate Income Tax (CIT) and Flow-Through-Withholding Tax (FTW).

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

AUTHORITY/REASON:

Per Agency request and vendor agreement and Ad Board Approval on 7/19/2011.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $ 51,890,010.00

1.0 Business Terms and Conditions

This Change Notice, effective July 18, 2011, between the State of Michigan ("the State") and Deloitte Consulting LLP ("Deloitte Consulting") for services described herein, shall be governed by the terms and conditions of Contract 071B820018 between the State of Michigan and Deloitte Consulting, dated September 15, 2007 (the "Agreement"). Where conflicts arise, this Change Notice shall govern.

2.0 Statement of Work

The State has asked Deloitte Consulting to provide services to implement two new business taxes in accordance with this Change Notice: Corporate Income Tax (CIT) and Flow-Through-Withholding Tax (FTW).

This Statement of Work describes the scope, approach and deliverables for the CIT/FTW implementation. Included in this schedule are the following sections:

- Background
- Business Requirements
- Release Overview
- Process and Methodology
- Functional Approach
- Design Standards
- Deliverables

2.1 Background

CIT and FTW will be implemented using the framework established for MBT. Master data, interfaces, reports, enhancements, and workflows across the system will be reused wherever possible to implement the new tax. New tax forms will be developed using the enhanced Business Rules Framework, BRF+. Where possible the Implementation Team will use newly available standard delivered functionality added in the latest SAP Tax and Revenue release (Enhancement Pack 5) to decommission custom code and use standard delivered transactions.

2.2 Business Requirements

The system will be designed in accordance with the business requirements for CIT and FTW as documented in Appendix 1 and Appendix 2, respectively, and as further refined and mutually agreed upon in the approved project deliverables.

2.3 Release Overview

The required business functionality will be implemented in three distinct releases.

1. Release 1: CIT and FTW Payments
2. Release 2: FTW Quarterly Returns
3. Release 3: FTW Annual Returns and CIT Returns

These three releases will begin together with a single Blueprinting phase, and will branch off after initial requirements validation sessions into separate tracks for each release.

Release 1: CIT and FTW Payments

The system is planned to begin receiving payments from CIT and FTW taxpayers in January 2012. While MBT will continue to exist for a small percentage of the taxpayer population, the vast majority of filers will switch to CIT/FTW. In the event that a taxpayer files MBT at the end of the year, payments will be transferred from CIT to MBT for that taxpayer.

To enable Payments, the appropriate contract objects will be added to existing taxpayers, additional configuration will be completed, and required interfaces will be updated. Release 1 is estimated to be implemented in production in the middle of January 2012.

Release 2: FTW Quarterly Returns

Taxpayers will begin withholding for FTW in the first quarter of 2012. Filers will submit a quarterly return, indicating the amount paid and the proportion allocated to IIT and CIT. This payment coupon will be processed as a return, allowing the state to pursue taxpayers who pay less than they indicated on the form. Realization for Release 2 will begin after the Blueprint is approved. This functionality is estimated to be implemented in production in March 2012.

Release 3: Annual Returns

Annual Returns will be filed by CIT/FTW taxpayers starting in the first months of 2013. Both of these return types will include logic for calculating a total amount due and applying appropriate business rules to determine correct calculated values and handle the return. In the case of FTW this will include a distribution of funds for the year to specific corporations. Funds withheld on behalf of individuals will be posted to a generic aggregate account, and will not be transferred to the IIT system for individual postings.

To extend the system to handle CIT/FTW returns, new forms and enhancements will be implemented, and interfaces and reports originally used for MBT will be updated. In addition, the CIT implementation will include a new interface to Audit and Discovery, and significant updates to STAR inbound and outbound interfaces.

Integration with Other Efforts

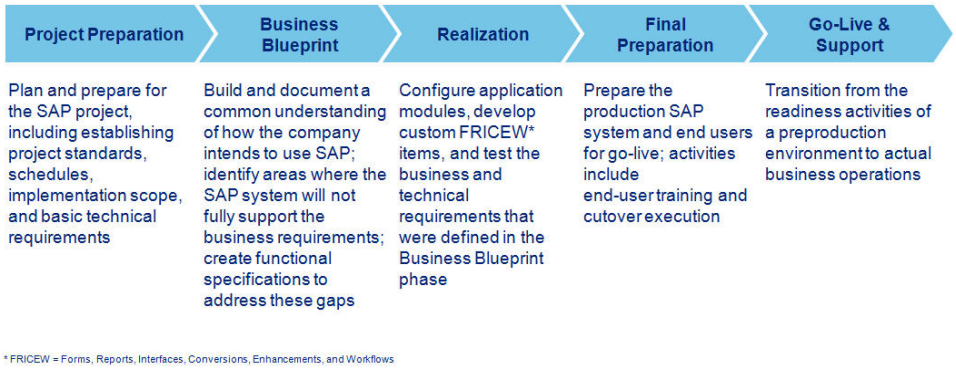
The Department of Technology, Management, and Budget (DTMB) will be responsible for other technology projects to comply with new tax legislation, including changes to 2011 and 2012 MBT. The CIT/FTW releases were scheduled to coordinate these efforts as closely as possible. The Implementation Team will work with DTMB and Treasury to maintain a coordinated schedule throughout the project. While changes to MBT 2011 and 2012 will be considered as inputs to the design process, changes to 2011 and 2012 MBT forms and processing logic are specifically excluded from this Change Notice. Additionally, where the design necessitates enhancements to MBT forms and/or processing logic and programs, such enhancements will not be retrofitted to MBT versions of such forms and processing logic and programs.

2.4 Process and Methodology

The CIT/FTW implementation will utilize a Quality Assurance and Documentation Management structure appropriate for the project. Deloitte Consulting will work with SAP, who will be contracted separately by the State in a quality assurance role. Deloitte Consulting also will maintain requirements traceability from design through testing.

2.4.1 Enterprise Value Delivery for SAP

Deloitte Consulting will utilize its Enterprise Value Delivery methodology (EVD). EVD ties together Deloitte Consulting's SAP implementation insights with SAP's ASAP methodology. Each methodology phase represents a stage in the project lifecycle. An overview of the main objectives of each methodology phase is depicted below:



2.4.2 Process and Approach - Integration

The CIT/FTW implementation will bring four distinct organizations together to coordinate project and quality management. As part of the project planning process, a comprehensive plan will be developed to help align the objectives and outputs from each organization. Below is a partial list of responsibilities for Treasury/DTMB, Deloitte Consulting, HP/PCO, and SAP:

Treasury/DTMB

These State departments will be the users and the owner of the CIT/FTW system. Together, they will be responsible for validating requirements and approaches, approving deliverables, and assisting with the implementation as described in the Agreement, including development of system forms and development objects. Treasury/DTMB will also have responsibility for creating integration and user acceptance test scripts, executing these scripts and recording the results.

HP/PCO

The PCO will retain responsibility for overall program management and alignment of CIT/FTW with other agency initiatives. While Deloitte Consulting will have responsibility for updates to the CIT/FTW workplan and tracking against it, the PCO will own the master plan and report progress against the goals.

Deloitte Consulting

Deloitte Consulting will be responsible for the majority of the implementation of CIT/FTW functionality and creation of the majority of the deliverables specified in this SOW. Responsibility includes management of the planned CIT/FTW tasks.

SAP

SAP will assist in assessing the quality of functional and technical designs and provide guidance during Blueprinting and Realization. Specific areas of involvement, as specified in more detail in SAP's contract and Statement of Work with the State, will include:

- Review of business process documentation
- Review of functional specifications and Blueprint narrative
- Review of technical specifications
- Review of high-level design

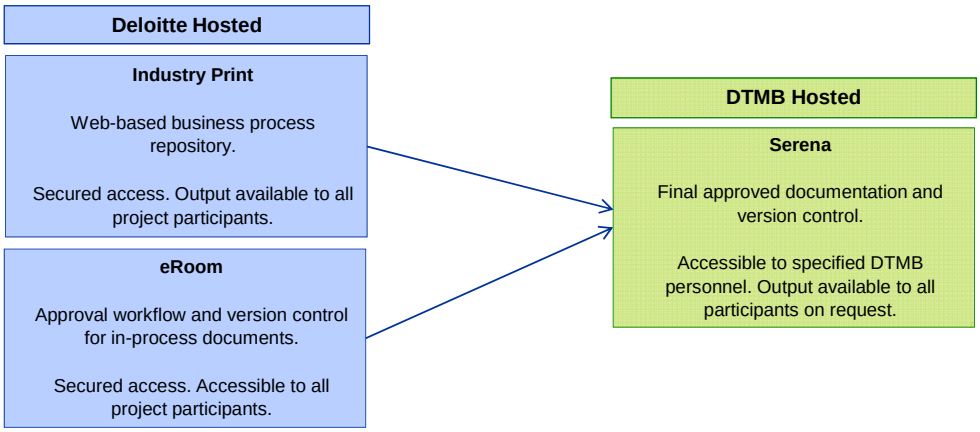
2.4.3 Process and Methodology– Documentation Management

Serena will continue to be the primary formal document repository for the project. Approved deliverables, including functional and technical specifications will be stored in Serena and accessed through authorized State personnel. Deloitte Consulting will also supplement Serena with Deloitte

Consulting's eRoom to store in-process documents and deliverables. The eRoom, which can also be accessed by non-Deloitte Consulting project team members, provides version control and workflow management. Data in the eRoom will be limited to design documents only – no taxpayer data will be stored. At the conclusion of the project, all documents in the eRoom will be provided in soft copy to the State for record-keeping purposes, and information in the eRoom will be permanently removed. Deloitte Consulting will be entitled to maintain copies for archive purposes.

In addition to the eRoom, Deloitte Consulting will utilize its ARIS-based tool, Industry Print. Industry Print allows for starting the project with pre-mapped standard Tax and Revenue business processes and provides a simple way to modify and manage those processes specific to the State. These processes can be mapped to requirements, and used to maintain traceability through functional and technical specifications, development, and testing. All of these tools are illustrated in the diagram below:

2.4.4 Document Management Structure



2.4.5 Process and Methodology – Knowledge Management

The CIT/FTW implementation's Knowledge Management approach will be based around the concept of shared responsibility. Assigned DTMB resources will be aligned with Deloitte Consulting counterparts in the development of the system. Key design, configuration and development tasks will be allocated to individual Deloitte Consulting or DTMB resources, or a combination of the two. At the conclusion of the CIT/FTW project, the seasoned DTMB staff who have taken part in the effort will be able to take more significant roles in each of the upcoming taxes to be deployed in the new system.

Deloitte Consulting will work with DTMB to set clear goals for resources on the project and manage these goals through a detailed transition work plan. The work plan will consist of key tasks assigned to individual resources that will be completed on specific dates. Using this plan, Deloitte Consulting will establish and report on key milestones throughout the CIT project, including mitigation plans when specific goals are not being met.

2.4.6 Process and Methodology – Quality Management

The project team will create all CIT/FTW documentation, including specifications and design documents according to updated and agreed-upon document templates. Applying standard templates will help to create consistency across deliverables.

While templates standardize deliverable creation, checklists act as a standardized tool used during the deliverable quality review process. These checklists help to maintain a consistent level of review across reviewers. Checklists will be coordinated with SAP, who will be acting in a Quality Review capacity throughout the project.

A repository of checklists will be maintained in the project eRoom per the documentation plan.

2.4.7 Process and Methodology – Software Reviews

Software reviews are a quality aspect of the software engineering process. Deloitte Consulting will conduct software reviews at various points during the development process to help identify any defects. The software reviews will help to:

- Identify needed improvements in the product of a single person or team
- Confirm those parts of the solution in which improvement is not necessary
- Achieve technical work of more uniform quality than can be achieved without reviews, to make technical work more manageable

Software review sessions will be conducted by senior Deloitte Consulting staff, DTMB staff, and SAP. Each review session will include a code walkthrough and follow an established checklist to maintain consistency through the reviews. In addition, the Deloitte Consulting Project Manager will conduct reviews of checklists and other process artifacts to provide additional validation that defined processes are being maintained.

2.4.8 Process and Methodology – Workplan Management

Deloitte Consulting will manage the activities necessary for the implementation of the proposed solution using MS Project as the primary tool. MS Project allows for the management of task dependencies, and resources assigned to those tasks. It also facilitates the definition of the critical path, which assists the project management team in prioritizing the activities that, if delayed, may impact the timeline or resources for the project, and adjustments to the schedule can then be evaluated and alternatives considered for addressing those constraints.

Once the initial schedule has been baselined, the PCO will integrate the tasks into their overall program management structure. Individuals will record their time against tasks in the plan, and both Deloitte Consulting and the PCO will maintain weekly Earned Value reporting to show project progress. This reporting will allow for comparison of actual task completion dates against the plan so that any predicted slippage can be managed.

The PCO will coordinate weekly project review meetings to review the project status jointly with the project management team, identifying project tasks coming due in the short term, project tasks completed since the last review, and tasks underway. As progress is compared to the baseline plan, Deloitte Consulting will identify any potential problem areas or opportunities to accelerate the schedule, and will work with the State's project manager to resolve issues that may arise. Additionally as each methodology phase of the project is completed the schedule will be reviewed and updated to reflect any necessary time or resource updates required based on the details uncovered during the previous phase.

2.5 Functional Approach

In large part, the CIT/FTW implementation will take advantage of the processes and infrastructure established for MBT. There are several areas however, that will be enhanced in the CIT/FTW implementation, either reflecting updates to the core SAP software in Enhancement Pack 5 (EHP5), lessons learned from the MBT implementation, and/or additional requirements from project stakeholders.

2.6 Design Standards

The Implementation Team will strictly adhere to the following design standards in developing the Blueprint:

- Legacy systems will remain as the Registration system of record; data will be fed from TACS to SAP
- Reporting will be generated from the SAP ECC component and not SAP BI
- The Audit and Discovery interface will be established for CIT/FTW only (not MBT)
- The data model will change from BP/CA/CO to BP/CO per SAP guidelines
- Tax forms will be viewed by tax agents in the system via Webdynpro screens instead of Adobe forms.

- Full functional specifications will be generated during the Blueprint phase and coordinated with SAP
- A full chart of accounts will be designed during the Blueprint phase and coordinated with SAP
- Full technical specifications will be generated during the Realization phase and coordinated with SAP
- BRF Plus will be used to process returns for CIT/FTW. MBT will continue to use BRF and will not be modified
- Portal ISR forms will be replaced with Webdynpro screens designed to improve performance
- The programming logic to generate e-file images will use the same approach used for MBT
- CIT/FTW reporting will use the same approach established for MBT – reports will be generated out of SAP, either through batch processes or on demand. SAP Business Intelligence, including SAP Business Warehouse, will not be implemented as part of this scope
- Bank and Insurance company returns will be implemented in CIT, not MBT
- More than one assessment may be issued for a taxpayer for a given tax year
- Rules for TBOR letter generation will be aligned with Audit and Discovery requirements
- Archiving functionality is excluded from the scope of this Statement of Work
- The State will be responsible for the completion of the following activities that are external to the CIT/FTW implementation in a timely manner such that they are ready for integration testing in accordance with the project plan:
    - Siebel development
    - Bank processes
    - Necessary Changes to Legacy Systems
    - Completion of the Enhancement Pack 5 upgrade
    - Completion of MBT changes aligned with planned releases

2.7 Deliverables

The deliverables to be produced under this Statement of Work are:

2.7.1 CIT/FTW Project Workplan

This deliverable will be produced using Microsoft Project and will list project tasks, resource assignments, dates, and durations for the work to be performed under this SOW. Both parties acknowledge that the workplan is a "living" document that will change as the project progresses. Deloitte Consulting will develop the project workplan with input from State Implementation Team resources.

State's Role
Provide input into the CIT/FTW project work plan

Deloitte Consulting's Role
Develop the CIT/FTW project workplan

2.7.2 Release 1 - Blueprint

The Blueprint will consist of the Gap Analysis, Configuration Inventory, and Functional Specifications for release 1, along with a process descriptions and flows. It will also include the revised chart of accounts and provide traceability for all functional requirements relevant to Release 1. The deliverable will be assembled and consolidated by Deloitte Consulting with input and recommendations from State Implementation Team resources as well as State workshop participants.
This will consist of the following written documents:

- Functional Design Specifications
- Requirements Traceability Matrix
- Configuration Inventory
- Chart of Accounts
- Functional Specifications
- Gap Analysis

State's Role
Provide subject matter experts within the facilitated sessions

Deloitte Consulting's Role
Provide subject matter experts (SME) and facilitate business process design meetings, take minutes and provide feedback each night to the business team, map identified business requirements to a business process design, and prepare the written deliverables.

2.7.3 Release 1 - Configuration Ready for Movement to QA Environment

This deliverable will be achieved when all SAP code for Release 1 is ready for movement into the QA environment and will include the configuration of the SAP software and the coding of all custom development. This code will have been satisfactorily unit tested in the Development environment.

State's Role
The state will be responsible for all relevant security configuration and coding, as well as for the actual movement of all configuration and coding into the QA Environment.

Deloitte Consulting's Role
Provide the coding, configuration, development, to instantiate the business design and then to unit test it.

2.7.4 Release 1 - Configuration Ready for Movement to Production Environment

This deliverable will be achieved when all SAP code for Release 1 is ready for movement into the Production environment. This deliverable will include the configuration of the SAP software and related custom development. The State will conduct a user acceptance test of the Release 1 configuration in the QA environment in accordance with the CIT/FTW Project Workplan before approving such configuration and custom development as ready for movement. Unless otherwise mutually agreed, the criteria for approval shall be:

- All user acceptance test scripts have been executed
- All high-severity defects identified during the user acceptance testing have been reclassified as lower-severity defects or resolved.

For the purposes of this Change Notice, the severity levels will be defined as:

- High—indicates the user acceptance test script cannot be executed as designed, impacting necessary daily system operations, and no alternate process is available
- Medium—indicates the user acceptance test script cannot be executed as designed, impacting necessary daily system operations, but an alternate process, which may include a repair during the Warranty Period, is available and approved by the State. Defects that have not received approval by the State for an alternate process shall remain listed as High until such approval is received. Such approval shall not be unreasonably withheld.

- Low—indicates a cosmetic defect or a defect that does not impact necessary daily system operations.

State's Role
The State will be responsible for the actual movement of all configuration and coding into the Production environment. The State will manage the integration test, including the creation of test scenarios and scripts to test the code and then execution of the tests. The State will determine the test scenarios and scripts to be used to determine User Acceptance of the code.

Deloitte Consulting's Role
Resolve defects identified as a result of the QA testing in accordance with the development assignments in the CIT/FTW Workplan for the objects in which any defect is identified.

2.7.5 Consolidated Blueprint

The Consolidated Blueprint will consist of the Gap Analysis, Configuration Inventory, and Functional Specifications for all releases, along with a process descriptions and flows. It will also include the revised Chart of Accounts and provide traceability for all functional requirements relevant to all releases. The deliverable will be assembled and consolidated by Deloitte Consulting with input and recommendations from State Implementation Team resources as well as State workshop participants.

This deliverable will consist of the following written documents:

- Functional Design Specifications
- Requirements Traceability Matrix
- Configuration Inventory
-Chart of Accounts
- Functional Specifications
- Gap Analysis

State's Role
Provide subject matter experts within the facilitated sessions

Deloitte Consulting's Role
Provide subject matter experts (SME) and facilitate business process design meetings, take minutes and provide feedback each night to the business team, map identified business requirements to a business process design, and prepare the written deliverables.

2.7.6 Release 2 - Configuration Ready for Movement to QA Environment

This deliverable will be achieved when all SAP code for Release 2 is ready for movement into the QA environment and will include the configuration of the SAP software and the coding of all custom development. This code will have been satisfactorily unit tested in the Development environment.

State's Role
The State will be responsible for all relevant security configuration and coding, as well as for the actual movement of all configuration and coding into the QA Environment.

Deloitte Consulting's Role

Provide the coding, configuration, development, to instantiate the business design and then to unit test it.

2.7.7 Release 2 - Configuration Ready for Movement to Production Environment

This deliverable will be achieved when all SAP code for Release 2 is ready for movement into the Production environment. This deliverable will include the configuration of the SAP software and related custom development. The State will conduct a user acceptance test of the Release 2 configuration in the QA environment in accordance with the CIT/FTW Project Workplan before approving such configuration and custom development as ready for movement. The criteria for approval and related severity levels will be the same as those described in Section 2.7.4 of this Change Notice.

State's Role
The State will be responsible for the actual movement of all configuration and coding into the Production environment. The State will manage the integration test, including the creation of test scenarios and scripts to test the code and then execution of the tests. The State will determine the test scenarios and scripts to be used to determine User Acceptance of the code.

Deloitte Consulting's Role
Resolve defects identified as a result of the QA testing in accordance with the development assignments in the CIT/FTW Workplan for the objects in which any defect is identified

2.7.8 Release 3 – Cutover Plan

This deliverable will list the tasks to be performed in the cutover to the production environment for Release 3, the individuals responsible for the tasks, and the timing of their execution.

State's Role
Provide input into the Release 3 cutover plan, particularly with respect to legacy system, security, and system administration activities

Deloitte Consulting's Role
Develop the Release 3 cutover plan

2.7.9 Release 3 – First 20 Objects Coded, Unit Tested and Technical Specifications Developed

This deliverable will include the first 20 objects for Release 3 that have been coded and unit tested and are ready to be moved to the QA Environment. It will also include the technical specifications for these objects.

State's Role
Code and unit test any applicable legacy components for the relevant objects. Configure and code relevant security requirements. Develop corresponding technical specifications.

Deloitte Consulting's Role
Code and unit test SAP components for the relevant objects. Develop corresponding technical specifications.

2.7.10 Release 3 – Second 20 Objects Coded, Unit Tested and Technical Specifications Developed

This deliverable will include the second 20 objects for Release 3 that have been coded and unit tested and are ready to be moved to the QA Environment. It will also include the technical specifications for these objects.

State's Role
Code and unit test any applicable legacy components for the relevant objects. Configure and code relevant security requirements. Develop corresponding technical specifications.

Deloitte Consulting's Role
Code and unit test SAP components for the relevant objects. Develop corresponding technical specifications.

2.7.11 Release 3 – Third 20 Objects Coded, Unit Tested and Technical Specifications Developed

This deliverable will include the third 20 objects for Release 3 that have been coded and unit tested and are ready to be moved to the QA Environment. It will also include the technical specifications for these objects.

State's Role
Code and unit test any applicable legacy components for the relevant objects. Configure and code relevant security requirements. Develop corresponding technical specifications.

Deloitte Consulting's Role
Code and unit test SAP components for the relevant objects. Develop corresponding technical specifications.

2.7.12 Release 3 - Configuration Ready for Movement to QA Environment

This deliverable will be achieved when all SAP code for Release 3 is ready for movement into the QA environment, including all objects developed as part of the previous three deliverables as well as any additional objects included in Release 3, and will include the configuration of the SAP software and the coding of all custom development. This code will have been satisfactorily unit tested in the Development environment.

State's Role
The State will be responsible for all relevant security configuration and coding, as well as for the actual movement of all configuration and coding into the QA Environment.

Deloitte Consulting's Role
Provide the coding, configuration, development, to instantiate the business design and then to unit test it.

2.7.13 Release 3 - Configuration Ready for Movement to Production Environment

This deliverable will be achieved when all SAP code for Release 3 is ready for movement into the Production environment. This deliverable will include the configuration of the SAP software and related custom development. The State will conduct a user acceptance test of the Release 3 configuration in the QA environment in accordance with the CIT/FTW Project Workplan before approving such configuration and custom development as ready for movement. The criteria for approval and related severity levels will be the same as those described in Section 2.7.4 of this Change Notice.

State's Role
The State will be responsible for the actual movement of all configuration and coding into the Production environment. The state will manage the integration test, including the creation of test scenarios and scripts to test the code and then execution of the tests. The State will determine the test scenarios and scripts to be used to determine User Acceptance of the code.

Deloitte Consulting's Role
Resolve defects identified as a result of the QA testing in accordance with the development assignments in the CIT/FTW Workplan for the objects in which any defect is identified

3.0 Definitions

Definitions used in this Change Notice are as follows:

Deloitte Consulting Account Manager – The Deloitte Consulting resource assigned to manage the applicable Services provided, and overall relationship, including approving Change Notices.

Implementation Team – Those personnel of Deloitte Consulting and the State who provide the Implementation Services.

Implementation Services or Services – the services provided by the Application Support Team to the State described in this Change Notice, which relate to implementation of the Corporate Income Tax and Flow Through Withholding (CIT/FTW) for the State.

Applications – The SAP software, and any related software products, licensed by the State and used by the State to run its business.

Deloitte Consulting Project Manager – The Deloitte Consulting resource assigned to manage the Services delivery to the State on a day-to-day basis.

Environment – The collection of Technology Resources (hardware and other infrastructure, systems software, networks, etc.) that are configured and integrated to support the Applications in order to serve the particular business purposes set forth in the table below, together with the Applications supported by such Technology Resources.

Environment Name	Abbreviation	Business Purpose
Production	PRD	Used by the State to conduct its day-to-day business activities
Quality Assurance	QA	Used to perform test and quality assurance functions related to PRD
Development	DEV	Used to develop changes to PRD
Sandbox	SBX	Used to try out changes to PRD that are not sufficiently developed to be formally implemented in DEV

Escalation – The process by which Deloitte Consulting and State management are notified of Incidents which are not responded to, or on which work has not commenced, or have not been resolved/completed, within agreed-upon timeframes, with a defined set of tasks for action and resolution.

Governance – The overall management of the Services delivered under this Change Notice.

Incident – An issue or a problem with the Applications or Environments that has been reported to the Application Support Team by the State or that Deloitte Consulting otherwise becomes aware of. For the purposes of this Change Notice, Incidents will include defects found in the QA environment during

the testing process that the State cannot resolve on its own, and queries for which the State requires development assistance and are required to assist the State in evaluating Incidents.

Term – July 18, 2011 through December 15, 2013

State Key Contact – State resource who takes overall responsibility for the management and delivery of Services.

Module – A component of the State's licensed SAP software system.

Production Environment – The PRD Environment.

Project Control Office (PCO) – The program management team that monitors and reports on program activities on a daily basis

Service Desk – The function that any and all parties must contact when Incidents occur (currently being performed by the Project Control Office). The Service Desk receives, manages, and processes Incidents, including entry into Remedy and is contacted by phone or e-mail.

Super User – State personnel with a deep understanding of the relevant business processes, operations, and implemented Applications functionality.

System Enhancements – Service requests to add or modify functionality that require changes to configuration, master data structures, and/or development objects, including the creation of new or deletion of existing configuration, structures, and/or objects. Minor System Enhancements are those service requests requiring no more than 40 hours of effort for design, development, and implementation.

Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

4.0 Deloitte Consulting Key Resources

The following individuals are considered Key Personnel from the beginning of this SOW through the Go-Live for Release 3:

- Project Manager–Eli Castro
- Interface Lead–Rakesh Dahagam
- Technical Lead–Vamshi Putta
- BRF Lead–Mohit Mantri
- Functional Lead-Yravi Monteverde

It is acknowledged that unauthorized removal of Key Personnel will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result of any unauthorized removal. Therefore, Deloitte Consulting and the State agree that in the case of any unauthorized removal, the State may assess liquidated damages against Deloitte Consulting.

For the unauthorized removal of any of the Key Personnel listed above, the liquidated damages amount is $25,000.00 per individual if Deloitte Consulting identifies a replacement approved by the State, which approval shall not be unreasonably withheld, and assigns the replacement to the Project to work with the Key Personnel who is leaving for a Transition Period of at least 30 calendar days before the Key Personnel's removal. It is understood that consultants may have valid reasons for leaving the project outside the control of Deloitte Consulting, including termination of their employment, serious illness, or

other leaves of absence, and replacement of Key Personnel for such reasons shall not be considered an unauthorized removal.

If Deloitte Consulting fails to assign a replacement to work with the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 liquidated damages for an unauthorized removal, Deloitte Consulting must pay the amount of $833.33 per day for each day of the 30-day period that the replacement does not work with the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per unauthorized removal and failure to provide 30 days of transition must not exceed $50,000.00 per individual.

In cases of authorized removal of resources, Deloitte Consulting will use diligent efforts to propose suitable replacement personnel. Where possible, replacement staff will overlap their role with their predecessor to ease knowledge transfer.

5.0 Governance

5.1 Steering Committee

Deloitte Consulting and the State during the term of this Change Notice agree to maintain a Steering Committee to provide executive oversight and guidance to the members of the Implementation Team. The Steering Committee will be composed of senior management from the State, Deloitte Consulting, and SAP, along with PCO representatives. The Steering Committee will meet in person at least every quarter or as frequently as mutually agreed, and will perform the following functions:

v) Provide overall management of the Services described in this Change Notice and any subsequent amendments.
w) Plan and approve Change Notices requiring additional funding.
x) Identify and resolve issues escalated to the Steering Committee, providing agreed-upon direction to the Implementation Team.

5.2 Account Management

The State will appoint one individual designated as the State Key Contact, and Deloitte Consulting will appoint one individual designated as the Deloitte Consulting Account Manager and another designated as the Deloitte Consulting Project Manager. The State will also staff and maintain a PCO. These individuals will be responsible for the performance of the following tasks:

The Deloitte Consulting Account Manager will:

jj) Have prime responsibility and final authority for the execution and delivery of Deloitte Consulting responsibilities under this Change Notice.
kk) Provide guidance to the State Key Contact and Deloitte Consulting Project Manager relative to design, support, budget, and contract management.
ll) Escalate issues, change requests, and risks to the Steering Committee level when necessary.
mm) Work with the State Key Contact and Deloitte Consulting Project Manager to review support procedures and documentation standards, and approve Change Notices on behalf of Deloitte Consulting.
nn) Participate in the Steering Committee meetings as needed.

The Deloitte Consulting Project Manager will:

bb) Manage the day-to-day delivery of Services, including managing work done by functional and technical resources.

cc) Conduct weekly status meetings with the State Key Contact to review project status and issues.
dd) Resolve issues and escalate issues to the Deloitte Consulting Account Manager as appropriate.
ee) Participate in Steering Committee Meetings as needed.

The State Key Contact will:

zz) Act as a single point of contact in the execution and delivery of the Services and responsibilities under this Change Notice.
aaa) Enforce agreed-upon processes and related controls among the State Implementation Team members.
bbb) Ensure clear and open lines of communication exist between the State and Deloitte Consulting Implementation Team members.
ccc) Assist the Deloitte Consulting Project Manager in the day-to-day management of the project and resolution of issues.
ddd) Approve Service Changes as needed.
eee) Participate in the Steering Committee meetings as needed.
fff) Provide prompt notification to Deloitte Consulting of any issues, concerns or disputes with respect to the Services provided.

The PCO will, at minimum:

s) Maintain and monitor the project workplan as provided by Deloitte Consulting.
t) Provide project management reporting as needed
u) Coordinate Steering Committee communications, meetings, and reporting.

6.0 Deliverable Acceptance Procedures

Deliverable acceptance procedures will be in accordance with Section 2.105 of the Contract, except for the following individual Blueprint components:

Deliverable	Initial Review	Estimated Deloitte Consulting Response	Final Review
Configuration Item (component of Configuration Inventory)	5 days	1 day	2 days
Functional Specification	5 days	1 day	2 days
Technical Specification	5 days	1 day	2 days

7.0 Compensation and Payment

7.1 Payment Milestones

Deloitte Consulting will invoice the State and the State will make payments to Deloitte Consulting upon acceptance of the following deliverables described in section 2.7 Payment terms will be net 30 days.

Payment	Description	Amount
1	CIT/FTW Project Workplan	$395,882

2	Release 1 - Blueprint	$395,882
3	Release 1 - Configuration Ready for Movement to QA Environment	$395,882
4	Release 1 - Configuration Ready for Movement to PRD Environment	$1,385,587
5	Consolidated Blueprint	$989,705
6	Release 2 - Configuration Ready for Movement to QA Environment	$791,764
7	Release 2 - Configuration Ready for Movement to PRD Environment	$395,882
8	Release 3 - Cutover Plan	$395,882
9	Release 3 – First 20 Development Objects Coded, Unit Tested, and Technical Specifications Developed	$395,882
10	Release 3 – Second 20 Development Objects Coded, Unit Tested, and Technical Specifications Developed	$395,882
11	Release 3 – Third 20 Development Objects Coded, Unit Tested, and Technical Specifications Developed	$395,882
12	Release 3 - Configuration Ready for Movement to QA Environment	$989,705
13	Release 3 - Configuration Ready for Movement to PRD Environment	$960,381
14	Warranty, as described in Section 7.2	$1,523,367
15	Production Support, as described in Section 7.3	$327,600
	Total Amount	$10,135,165

7.2 Warranty Payment

Upon completion of Deloitte Consulting's warranty obligations as described in section 9.0, Deloitte Consulting will invoice the State $1,523,367.

7.3 Production Support

After completion of the 6-month warranty period, Deloitte Consulting will provide production support for seven months as described in section 10.0 and invoice the State $46,800 per month for seven months for a total of $327,600.

7.4 Hourly Rates for Additional Services

From time to time the State may request additional minor changes to these Services. Any Service Changes to this Change Notice, as described in Section 11.0 – Change Management Process, will be charged on an hourly basis and invoiced monthly in according with the rates included in the table below. Such rates will remain in effect through the dates listed in the column headings below. Service Changes requiring positions not contemplated in the table below will be provided at rates mutually agreeable to both the State and Deloitte Consulting.

Position	**Hourly Rate (through December 31, 2011)**	**Hourly Rate (through December 31, 2012)**	**Hourly Rate (through December 31, 2013)**
Account Manager	$315	$315	$328

Project Manager	$280	$291	$303
Functional Architect	$260	$270	$281
Senior PS-CD Specialist	$260	$270	$281
PS-CD Specialist	$210	$218	$227
Senior BRF Specialist	$210	$218	$227
BRF Specialist	$165	$172	$179
Senior Developer	$210	$218	$227
Developer	$165	$172	$179

8.0 General Provisions of the Contract

The following statements of fact were used in the determination of the compensation provided under this Change Notice.

State's Responsibility

- SAP software licenses and all hardware required for the CIT Implementation will be provided by the State. The implementation will utilize SAP ECC 6.0 Enhancement Pack 5 (EHP5).

- The State will be responsible for all change management and end user training activities.

- The State will be responsible for all infrastructure procurement, maintenance and support (commonly known as Basis services), including any back-up and disaster recovery requirements; and upgrades to SAP Enhancement Pack 5 will be completed so that they do not impede the project plan. Delays caused by a disruption in the system landscape will result in a Service Change for any extended Deloitte Consulting Implementation Team members.
- The State will implement Enhancement Pack 5 in a sandbox environment prior to the start of the Blueprint phase and in the development environment by the completion of Release 1 - Blueprint.

- The State will be responsible for all security design, configuration, and development.

- All tax forms to be developed by the State will be in draft form by August 1, 2011, such that the Blueprint development can begin. Final draft forms subject to legislative changes will be provided by October 1, 2011. The Implementation Team will utilize the forms and rules defined as of that date as the basis for scope, and any changes will be addressed in a separate release not included in this Change Notice and to begin after completion of this Change Notice. Any legislative changes occurring after October 1, 2011 and requiring a change in functionality will require a Change Notice.

- The State will be responsible for execution and management of integration and acceptance testing. Testing will be performed within the timeframes listed in the Project Plan. Integration and acceptance testing will be tracked using HP Quality Center to be provided by the State.

- The State will develop and unit test all interface components which extract data from or input data to the legacy systems. The State will be responsible for the cleansing of data coming from legacy systems. For purposes of cleansing with interfaces, the State may need to define

business rules or extract logic to properly parse or default data needed for passing to SAP or the SAP Exchange Interface (XI) system. Deloitte Consulting will assist in defining the data requirements for SAP or XI where required.

- The State will be responsible for all MBT production support activities.

- The State will provide five qualified full-time resources, mutually agreed upon in writing by both parties, who will be co-located with the Implementation Team and will continue in a production support role after release 3 of the CIT/FTW implementation. These resources will report to the Deloitte Consulting Project Manager on a day-to-day basis, taking their direction and assignments from Deloitte Consulting. Deloitte Consulting will escalate any issues with State performance to Neil Slagle, DTMB Client Services Director supporting Treasury, or his designee as notified in writing to Deloitte Consulting. Where Deloitte Consulting has responsibility for deliverables as described in Section 2.8, these resources will be considered as Deloitte Consulting resources. The State may assign these resources to various tasks as it deems necessary if they are not otherwise assigned to tasks by Deloitte Consulting under this Change Notice. These resources will not be removed by the State except upon replacement with qualified resources mutually agreed upon in writing by both parties.

Deloitte Consulting's Responsibility

- Section 2.0 – Statement of Work describes the scope of work to be performed by Deloitte Consulting. Should Services not described in section 2.0 be required, Deloitte Consulting will not be responsible for such Services except to the extent that additional resources and related fees for such Services have been agreed upon by the parties in accordance with Section 11.0 - Change Management Process.

- Deloitte Consulting will provide no formal training courses to State employees, either Implementation Team members or end users. Deloitte Consulting will provide informal training in the use of specified tools and informal knowledge transfer to State Implementation Team members.

- Deloitte Consulting will identify any new or changed transactions during the blueprinting process and will communicate these transactions to the State.

- The majority of work will be performed on State premises. The standard on-site schedule for traveling team members will be Monday through Thursday, endeavoring to take the first available flight on Monday morning and leave on Thursday evening. On Fridays, traveling team members will work from their local offices, accessing MIITAS remotely. This schedule may be overridden in some circumstances.

- Deloitte Consulting will define and configure the overall interface architecture. Deloitte Consulting and the State will work together to define the detailed requirements for the interfaces. The State will bring knowledge of the legacy systems and identify the data sources of information that has to pass to or update with data from MIITAS . Deloitte Consulting will drive the requirement sessions and provide the data needs for the core SAP application. Deloitte Consulting will configure the interface architecture and develop/unit test all interface components from the SAP side which extract data from or input data to MIITAS.

9.0 Warranty

For the purposes of this Change Notice, the definition of "System" as used in Section 2.507 of the Agreement shall be all custom configuration and application code developed by Deloitte Consulting and delivered to the State with respect to this Change Notice, and both parties agree to delete the following statement from Section 2.507 (a) of the Agreement:

> Contractor does not warrant that all nonconformities, errors or defects have been or can be eliminated from the System or that operation of the System will be error-free.

10.0 Production Support

An additional production support period will extend for 7 months after the end of the 6-month warranty period. During this period, Deloitte Consulting will provide two qualified resources to assist with production support issues that arise during this period. Under no circumstances will these resources be extended beyond the 7-month period without a change order.

11.0 Change Management Process

The Change Management Process will be used to manage out-of-scope requests. Deloitte Consulting will not undertake any such work until the requests have been mutually agreed upon and duly authorized. Examples of the types of changes governed by this Change Management Process include enhancements other than Minor System Enhancements as defined previously in this Change Notice, changes to the Applications scope or scope of Services, changes to the numbers of resources or skill sets used to perform the Services, requests for special project work, and other non-routine services not described in this Change Notice. Any changes in scope to this Change Notice shall be mutually agreed to by both parties in writing and may be in the form of a Change Notice.

11.1 Scope Changes

Either party may request in writing that Deloitte Consulting make changes, modifications or enhancements to the overall scope of the Services being provided pursuant to this Change Notice ("Service Changes").

- *Service Changes requested by the State* - To request a scope change, the State will deliver a written request (the "Change Order Request") to the Deloitte Consulting Account Manager specifying: (i) the proposed Service Change; (ii) the objective or purpose of the Service Change; (iii) the requirements and specifications of the deliverables to be delivered pursuant to the Service Change; and (iv) the requested prioritization and schedule for the Service Change.

  The parties will cooperate with each other in good faith in discussing the scope and nature of the Change Order Request, the availability of Deloitte Consulting personnel and resources to provide the Service Change, and the time period in which the Service Change may be implemented if the Change Order Request is accepted.

  As soon as practicable thereafter and to the extent applicable, Deloitte Consulting will prepare and deliver to the State a written response (the "Change Order Response"): (i) describing any changes in products, services, assignment of personnel and other resources that Deloitte Consulting believes would be required; (ii) estimating the change in the fees, or other charges Deloitte Consulting would require due to the Service Change; (iii) specifying how the proposed Service Change would be implemented; (iv) describing the effect, if any, the Service Change would have on this Change Notice; (v) estimating all resources of Deloitte Consulting required to implement the Service Change; and (vi) containing other information as Deloitte Consulting may deem relevant to the proposed Service Change. The parties will meet if necessary to discuss the Change Order and obtain approval to proceed.

- *Service Changes requested by Deloitte Consulting* - To request a Service Change, Deloitte Consulting will deliver a written Change Order Request to the State Key Contact: (i) describing any changes in products, services, assignment of personnel and other resources that Deloitte Consulting believes would be required; (ii) estimating the change in the fees, license fees or other charges Deloitte Consulting would require due to the Service Change; (iii) specifying how the proposed Service Change would be implemented; (iv) describing the effect, if any, the Service Change would have on this Change Notice; (v) estimating all resources of Deloitte Consulting required to implement the Service Change; and (vi) containing the other information as Deloitte Consulting may deem relevant to the proposed Service Change.

  The parties will cooperate with each other in good faith in discussing the scope and nature of the Change Order Request including, but not limited to, the availability of Deloitte Consulting personnel and resources as may be needed to implement the proposed Service Change and the overall impact on the State.

  Service Changes will not be binding until agreed in writing by all parties. All approved service changes will constitute part of, and be subject to the terms and conditions of this Change Notice.

12.0 Other

The parties agree that this Change Notice shall be excluded from Section 2.036 (Limitation of Liability) of the Agreement for purposes of calculating the professional fees paid under the Agreement.

Notwithstanding anything to the contrary in Section 2.036 (Limitation of Liability) of the Agreement, the parties agree that Deloitte Consulting's liability for damages to the State for this Change Notice #7, regardless of the form of action, shall be limited to $10,000,000 or professional fees paid under this

Change Notice #7 whichever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice #7.

Neither Deloitte Consulting nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Deloitte Consulting; to claims covered by other specific provisions of the Agreement calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Change Notice #7.

Accepted by:	**Accepted by:**
State of Michigan	**Deloitte Consulting LLP**
_____	_____
Signature	Signature
_____	Mark Seidenfeld.
Name	Name
_____	Firm Director
Title	Title

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
9	Provide the capability to create an e-file posting report by tax type.	RPT36-39
10	Provide the capability to create an e-file error report by tax type.	RPT 20-40
69	The delivered system FRICE-W items developed must adhere to the DIT's naming convention. The name is defined into four components: 1. SAP Requirement - file name begins with "Z_". 2. DIT Requirement, next five characters are "TI04_" for Taxpayer Profile (TP) "TI06_" for Return Processing (RP) "TI11_" for Taxpayer accounting (TAM) 3. DIT Requirement, next 4 characters sequentially assigned, three digit number, "000_" Refer to as; "FRICE-W Number" -See FRICE-W Number Assignment tab. 4. Remaining characters are free form, must be meaningful. e.g. Control Total report may be named Z_TI04_201_NewRegTot	
70	The delivered system FRICE-W items that produce a file or report must have the FRICE-W name as predecessor characters followed by 'Z" for reports, "Q" for a file and a two digit number that is incremented for each output item. E.g. If FRICE-W application Z_TI04_201 produces two reports, there names will be: Z_TI04_201_Z01_Control and Z_TI04_201_Z02_ErrorList If FRICE-W application Z_TI04_201 produces two files, there names will be: Z_TI04_201_Q01 and Z_TI04_201_Q02	
71	The delivered system custom development items must be documented. This will include Functional and Technical Specifications, File Structure/mapping documents and Report layouts. All supplemental documentation must have same FRICE-W name. e.g. Z_TI04_201_FS.doc (Functional Specification) Z_TI04_201_TS.doc (Technical Specification) Z_TI04_201_Q01.XLS (File Structure/Mapping) Z_TI04_201_Z01.doc (Report Layout)	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
72	The delivered system reports will use a standard template with the following items: Line 1: 1. left edge, FRICE-W assigned report name 2. Centered, Heading Michigan Department of Treasury 3. right edge, printed Date Line 2: 1. left edge, parameters (e.g. date range) 2. centered, Tax Description (MBT, SUW, etc...) 3. right edge, Printed Time Line 3: 1. left edge, parameters (e.g. date range) 2. centered, Report Title 3. right edge, Page number Every balancing control report shall identify the SAP environment for which it is run.	
73	The delivered system outbound correspondence must adhere to a standard template as defined by The State. Every template will be designed and approved by Treasury's Forms and Document Services Division. Every outbound correspondence will be unit / integration tested through printing (including names & addresses), approval queue workflow for approval, image indexing and capture in FileNet, and viewable through the SAP document viewer.	
79	The delivered system must not include modifications to the SAP baseline program code unless modification assistant is used.	
81	Custom code is developed in such a manner that it does not get overwritten with future SAP upgrades.	
93	The delivered custom code will be reviewed to confirm whether it has been developed in accordance with standard industry practices and updated accordingly, including recommendation of new indexes where appropriate, if performance issues arise during the warranty period. Deloitte Consulting does not warrant that the use of such updates or indexes will address all performance issues.	
115	The delivered system provides the capability to access scanned images that are stored externally.	
116	All program code that is not SAP must be identified and disclosed as FRICE items.	
124	The delivered system must include field edits, as defined in the Functional Specifications, to prevent incomplete or incorrect data from entering the system.	
127	The delivered system will include documented security requirements for transactions associated with custom programs within the relevant Functional and Technical specifications. If there are new delivered transactions that we now need to use, will specify security requirements for those.	
132	Documentation of the following must be provided in an electronic format, Specification documentation	
133	Documentation of the following must be provided in an electronic format, Production migration	
136	Documentation of the following must be provided in an electronic format, Data Element Dictionary	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
139	Documentation of the following must be provided in an electronic format, Interface Documents – Data Mappings.	
140	All updates of documentation must be maintained during the term of the Contract and maintenance agreement.	
141	The delivered system custom code must adhere to SAP API standards.	
143	The delivered system must support separation between operational, development and test systems must be maintained to reduce the risk of unauthorized changes or access.	
144	The delivered system must include a current, baseline configuration of the system and an inventory of the system's components documented. The baseline configuration should be updated as an integral part of information system component installation. MBT configuration used as a basis for CIT that does not change will not be documented.	
145	Provide the capability to track and search for returns subject to audit and discovery projects.	
146	Provide the supervisor approval capability for automatic posting of the final audit assessment after calculations are performed and the return is finalized.	
147	Provide the capability to systematically post a return to a Tax Compliance workflow (will not be pushed by email) based on defined business rules.	
148	Provide the capability to flag and systematically post tax returns to a Tax Compliance workflow (will not be pushed by email) and generate existing appropriate letters based on defined business rules. (i.e. similar to account maintenance within SBT)	
150	Provide the capability for denoting which taxes and which tax periods have been or are under tax compliance audit in order to create a work item should any return be filed for those periods.	
151	Provide the capability to accept audit returns electronically from Tax Compliance. The process must identify returns as Tax Compliance as well as any payments generated. Functionality is for both Audit and Discovery Divisions.	INT 7x-new object Modifications for INT 4a, 4b, 4c, 4e
152	Provide the capability for TCB to make adjustments to audited fields on a CIT return and identify these changes as a result of an audit. If there is an assessment for the original return, this would generate a new assessment for the audited return.	
153	Provide the capability to generate the TBOR letter specifically for TCB based on defined business rules.	TBOR-new object
154	Provide return channels "Audit Returns" and “Discovery Returns” for both paper and e-file.	INT 7x-new object
155	Provide an interface to upload original/amendment to returns in batch mode from Discovery. If there is no existing return, complete return information is required. (e.g. upload of 1000 returns based on Discovery letters that did not get a response)	INT 7x-new object
156	Provide a process to load a file of Account Numbers from Discovery into SAP to identify Audit-Discovery initiated returns.	Custom Compliance/State Liability Table-new object
157	Provide the capability to identify Voluntary and Taxpayer Initiated Disclosure filers via a table of Account Numbers from Discovery.	
158	Provide the capability for new payment types for TCB and rules for	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
	these payments.	
159	Provide the capability to generate a control total report for TCB created returns.	INT 7x-new object
160	Provide the capability for assessments generated from Tax Compliance to be created with Tax Compliance STAR Project Codes for revenue tracking.	INT 16a b
161	Provide the capability for monies posted as Audit payments to only be applied to returns identified as Audit returns.	
162	Provide the capability to create an amended return when "as audited" fields contain data.	
163	Provide the capability to assess discretionary penalties. This field must be on form to be updated by processing staff. (this does not preclude assessment of non-discretionary)	
164	Provide the capability to transfer returns from one workflow to another with appropriate security. (i.e. transfer a miss-directed return from return process workflow to discovery workflow on a one-off basis)	
166	Provide the ability to search for returns and acknowledgements by submission. (ZRP_ACKNOWLEDGEM)	ZRP_ACKNOWLEDGEM
168	Provide the capability to perform preliminary e-file business rules prior to loading e-file returns into SAP.	INT 7a
169	Provide the capability to display rejected or error returns on the taxpayer overview screen. (i.e., returns that never made it to the returns process due to failure of the preliminary e-file business rules)	
171	Provide capability for business user with appropriate security to enable and disable error conditions, using a table, for specific returns based on e-file business rules.	
172	Provide the capability to create e-file acknowledgements for all submissions received as rejected or accepted based on e-file business rules.	INT 7b
173	Provide the capability to reload a voided return in support of the software developer approval process and not reject the return.	
181	Provide the capability to view and process the following forms for CIT. - Annual Return Form - Amended Annual Return Form - Small Business Credits Form - Loss Adjustment Worksheet for the Small Business Alternative Credit - Schedule for Shareholders and Officers - Unitary Business Group Combined Filing Schedule - Penalty/Interest Computation for Underpaid Estimated Tax (UPE Worksheet) - Simplified Return (EZ Form) - Amended Simplified Return (Amended EZ Form) - Annual Return for Retaliatory Tax - Amended Annual Return for Retaliatory Tax - Annual Return Form for Financial Institutions - Amended Annual Return Form for Financial Institutions - Annual Return Form for Financial Unitary Business Group	New forms as listed

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
182	Provide the capability to process the following forms for CIT. - Extension - Quarterly Estimate - E-file Annual Return Payment Voucher	New forms as listed
184	Provide a monthly and YTD report for revenue activity by type (estimated, Annual, Extension, P&I, Farmland credits, refunds, rebates)	TAM RPT 32
185	Provide the capability to process mass reversals of financial postings which originated from interfaces (duplicates / wrong file, stale data)	
187	Provide the capability to apply money paid by a taxpayer in a single check to multiple returns and/or tax due notices manually or automatically.	
188	Provide the capability to apply money paid by a taxpayer through multiple checks to a single return and/or tax due notice.	
189	Provide the capability to apply money paid with a single check to obligations owed by multiple taxpayers, and generate the proper transactions.	
191	Provide the capability to allocate money received to tax, interest, and penalties according to business rules, and generate the proper transactions.	
192	Provide the capability to transfer monies received to other reporting periods within the same tax type for the same taxpayer, and generate the proper transactions.	
193	Provide the capability to transfer monies received to other reporting periods within the same tax type for a different taxpayer, and generate the proper transactions.	
194	Provide the capability to transfer monies received to the same or other reporting periods of other tax types for the same taxpayer, and generate the proper transactions to the State's accounting system (e.g. from MBT to CIT)	
195	Provide the capability to transfer monies received to the same or other reporting periods of other tax types for a different taxpayer, and generate the proper transactions to the State's accounting system (e.g. MBT to CIT).	
196	Provide the capability to automatically issue computed tax due notices to delinquent taxpayers in accordance with business rules.	Delinquency letter-new object
198	Provide the capability to generate a notice to the taxpayer regarding a bad check.	Bad check letter-new object
199	Provide the capability for users to enter payment transactions through the use of a GUI with proper security safeguards.	
201	Provides the capability to track any taxpayer payment back to an original deposit.	
202	Provide the capability to perform payment transfers and/or return transfers (taxpayer to taxpayer account).	
203	Provide the capability to reconcile to MAIN by providing the following information: - CIT payments (# and $) - Refunds (# and $) - CIT Transfers to MAIN (# and $)	TAM RPT 38
205	Provide the capability for a user to choose whether to view the report on-line, electronically distribute or to print the report.	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
206	Produce daily reports to ensure that accounts receivables are in balance.	TAM RPT 34
207	Provide a control report for every interface.	
209	Provide the capability to generate weekly reports by tax type at division level for returns and payments respectively (for example): · The number in backlog at beginning of week · The number and dollar amount received · The number of exceptions out for review · The number in backlog at end of week For processed returns (for example): · The dollar amount of refunds and tax due and net dollar amount of processed returns. · The number processed by SAP without adjustment · The number of filings with auto adjustment · The number of completed exception reviews · The number of returns by filing channel (electronically filed and paper filed) out in error at end of week · The number of payment errors by exception type and in total at end of week and year to date, by work groups and by tax type. · Capability to drill down to payment or return detail. · Provide separate totals for prior year returns and grand total for all returns. · Report respectively on auto adjustments and manual review adjustments the number and amounts subsequently adjusted after the first clearing of the return by error code and in total.	RPT 28-29
215	Provide the capability to generate a listing summarizing individual or group production and proficiency statistics.	RPT 28-29
217	Provide the capability to generate a listing of Data Warehouse Record Selection Control Totals (ZMBT_DW_STATISTICS).	MBT DW Statistics Report
218	Provide the capability to generate a listing of Overdue Star Feedback (TC17-465-Z01).	RPT 17
219	Provide the capability to generate a listing of NR returns and Refund returns by Paper/e-file method.	RPT 21-24
220	Provide the capability to generate a listing summarizing returns processing production statistics.	RPT 28-29
221	Provide the capability to generate a listing of audit trail of processors who issue a refund with a changed address.	RP RPT 30
223	Provide the capability to generate a daily listing of current outstanding errors and a summary of year-to-date error occurrence by error type.	RPT 35
224	Provide statistical analysis of the effectiveness of all return processing exceptions, identifying co-variances between exceptions to promote improved revenue modeling.	RPT 34
226	Provide the capability to generate a listing of returns run through the e-file business rules that were accepted by type. (i.e. e-file posting)	RPT 36-39
227	Provide the capability to generate a listing of returns run through the e-file business rules that were rejected listed by rejection code. (i.e. e-file errors)	RPT 20-40
228	Provide the capability to generate a listing of all acknowledgements submitted and received.	RPT 42
229	Provide the capability to generate a listing of SAP daily	RPT 6

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
	reconciliation with TACS.	
231	Provide the capability to generate a listing of IDAs to be handed to data entry.	TAM RPT 12
232	Provide the capability to generate a listing of manual journal entries.	TAM RPT 24
233	Provide the capability to generate a listing of refunds issued. (i.e. Year End Payables)	TAM RPT 25
234	Provide the capability to generate a listing of refunds pending approval. (i.e. Year End Payables)	TAM RPT 26
235	Provide the capability to generate a listing of refunds pending processing. (i.e. Year End Payables)	TAM RPT 27
236	Provide the capability to generate a listing of revenue by type. (i.e. Year End Receivables)	TAM RPT 28
237	Provide the capability to generate a listing of balances for General Ledger accounts.	TAM RPT 31
238	Provide the capability to generate a listing of AR reconciliation with STAR.	TAM RPT 34
239	Provide the capability to generate a listing of payments by type.	TAM RPT 36
240	Provide the capability to generate a listing of refunds and rebates.	TAM RPT 37
241	Provide the capability to generate a listing of transfers to MAIN.	TAM RPT 38
242	Provide the capability to generate a listing of returns that are out in error (TC17-260-Z01).	Update to portal query
243	Provide the capability to generate a listing of all assessments that were extracted from CIT that day (TC17-272-Z01).	RPT 13
244	Provide the capability to generate a listing of assessments that could not be formatted due to an error (TC17-272-Z02)	RPT 14
245	Provide the capability to generate a listing of refunds and interest paid, separately by paper vs. e-file returns.	RPT 33
246	Provide the capability to generate a listing weekly and monthly of reconciliation of received payments.	TAM RPT 003
247	Provide the capability to generate a listing of large refund amounts (individual refund amount or total of refunds for a given day).	TAM RPT 007
248	Provide the capability to generate a listing weekly and monthly for reconciliation of returned items.	TAM RPT 22
249	Provide the capability to generate a listing of revenue by payment type, monthly and fiscal year to date.	TAM RPT 32
250	Provide the capability to generate a listing of all payments that were received with no filing period or a filing period prior to CIT and were allocated systematically to future user defined filing period; report is generated daily and submitted via email.	TAM RPT 101
251	Provide the capability to generate a listing of all assessments that are pending to be sent to STAR and have penalty types 09 or 21 but no tax amount associated with it; this report is in place to catch these particular scenarios in time to perform corrective action for the items listed on the report. Report is generated daily and submitted via email.	TAM RPT 102
256	Provide the capability to create an Acknowledgements Control Totals report by tax type. (ZMBT_RP_RPT_42)	RPT 42
258	Provide the capability to list the number and percentage of daily e-file and paper returns loaded into 3 categories; Created, In Processing and Billed with a grand total by tax year.	RP RPT 12

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
259	Provide a control total report for all new interfaces. (i.e. reconciling number of transactions and amounts)	
261	Provide the capability to generate a listing of penalty and interest reclass.	Penalty & Interest Reclass Report
262	Provide the capability to generate a listing that confirms balances in General Ledgers 020015 refund reclass and 020016 carry forward reclass.	ZRFDP
263	Provide the capability to search for returns or payments by Document Locator Number (batch date, batch number, batch item).	
264	Provide the capability to produce a breakdown letter of payment transactions by account and tax period.	Payment Statement-new object
265	Provide the capability to build, store and retrieve canned messages for the purpose of creating pre-defined and custom notices and correspondence.	
267	Provide the capability to create free form messages.	
268	Provide the capability to review all free form messages through an approval process.	
269	Provide the capability to generate correspondence to the taxpayer when the Department has granted or denied an extension request.	Extension Letter-new object
272	Provide the capability to send a requested copy of a taxpayer's return with corrections and/or adjustments noted.	
273	Provide the capability to systematically reopen and rebill a return based on business rules when penalty type 09 or 21 with no tax amount and is eligible for transmission to STAR.	Modified Reopen Process
275	Provide end users the capability to enter data from returns into the system through the use of a GUI.	
277	Provide end users the capability to enter data from schedules into the system through the use of a GUI.	
278	Provide end users the capability to enter payments into the system through the use of a GUI.	
280	Provide the capability to enter data from returns, in a batch mode, using data Treasury receives from sources external to the system.	
282	Provide the capability to enter data from schedules, in a batch mode, using data Treasury receives from sources external to the system.	
283	Provide the capability to enter data from payments in a batch mode, using data Treasury receives from sources external to the system.	
284	Provide the capability to generate notices of adjustment (e.g. tax due, refunds, overpayment notices and correspondence) using business rules (see 47 letter).	TBOR-new object
287	Provide the capability for the system to pass and receive transactions (payments, adjustments, etc.) with the State's Collection System based on predefined business rules.	INT 16a b
289	Provide the capability to perform data validation with auto correction, using business rules against data captured from returns. Work items are created for returns that fail validation based business rules and are then sent out based on assigned in work flows.	
290	Provide the capability for users to resolve return exceptions, through the use of a GUI.	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
294	Provide the capability to automatically generate a work item according to business rules if a return is received from an out of business taxpayer.	
298	Provide an address history for taxpayers and source of change.	
301	Provide a unitary group and/or related entity cross-reference table by tax year that is viewable by return processing staff.	UBG Return List
302	Provide the capability to process multiple returns per reporting period from the same taxpayer for all tax types.	
303	Provide the capability to denote on a taxpayer's account that a request for an extension for filing returns has been received and granted by the Department. The dates to which the extension has been granted and the periods covered by the extension are also noted.	
306	Provide the capability to match payments received through Electronic Funds Transfer with the return data received in various forms allowed by the Treasury.	
308	Provide the capability to direct all or a portion of a refund as pre-payment of tax for the next reporting period, generating the proper transactions.	
309	Provide the capability for money to carry forward from MBT to CIT.	
310	Provide the capability to calculate applicable adjustments to tax, penalties and interest, using various rates as defined by business rules.	
311	Provide the capability to calculate applicable penalties and interest based on rules for a specific tax type.	
314	Provide the capability to maintain validation rules in tables. (e.g. Letter message, interest rate, grace days)	
317	Provide the capability for authorized users to waive interest assessed against a taxpayer's account and generate the proper accounting transactions.	
318	Provide the capability for authorized users to waive penalties assessed against a taxpayer's account and generate the proper accounting transactions.	
319	Provide the capability for recording the user who initiated a waiver or refund	
321	Provide the capability of having a file period be less than 12 months based on business rules.	
323	Provide the capability for denoting CIT returns for tax periods that have been or are in hearing and workflow according to business rules should any return be filed for those periods.	
324	Provide the ability to change the as filed values of a tax return with appropriate security.	
325	Provide the capability for system to join and unjoin returns based on business user actions. (i.e. original filing with amended)	Modified Amended Return Process
326	Provide capability to systematically override the 'as determined' to the 'as filed' value if return is within defined tolerance. (i.e. tax liability)	
327	Provide capability for business user with appropriate security to modify a tolerance value within a table.	
328	Provide capability to determine TBOR letter content based on whether return is within tolerance.	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
332	Provide the capability to generate a unique return id for each filing. (i.e. original and amended)	
333	Provide the capability to verify that a CIT filing is appropriate. (i.e. verify that an MBT return was not filed for the same period)	
334	Provide the capability to systematically generate a letter to taxpayer displaying line by line changes to return.	TBOR-new object
335	Provide the capability to systematically identify and reopen any subsequent return impacted by the filing or reopening of an original or amended prior year return.	Modified Reopen Process
336	Provide the capability to identify a return that may not receive a letter, but go to STAR as an intent to assess rather than final based on defined business rules.	INT 16a b
337	Provide the capability to process the return without calculating penalty and to accept as audited amount entered based on channel and defined business rules.	
338	Provide the ability to post a liability without a return being filed and submit to STAR with appropriate security. (e.g. bankruptcy debts)	INT 16a b
339	Provide the capability to populate e-file image view with as filed values from submitted XML.	
340	Provide the capability for a user to validate financial deposits by comparing deposit totals by tax type to Taxpayer Account summary totals by tax type and to Revenue Accounting summary totals by tax type.	
341	Provide the capability for users to make adjustments in order to correct out-of-balance conditions and deposit adjustment errors as defined by bank reconciliation.	
342	Provide the capability to systematically translate financial transactions that were posted to a taxpayers account into Revenue Accounting journal items that are then posted to Revenue Accounting summaries.	
343	Provide the capability to track money received that cannot immediately be associated to a particular taxpayer until it is properly associated with a taxpayer and credited to that taxpayer's account, and generates the proper accounting transactions.	
344	Provide the capability to identify and reissue refund checks that have been returned and canceled.	
345	Provide the capability to produce a list with a summary of payment by tax type that is still pending which has not yet interfaced with MAIN.	New report
347	Provide the capability to tie deposits to accounting periods and fiscal years.	
348	Provide the capability to reconcile cash and revenue activity by tax type.	
349	Provide the capability to electronically transmit refund (EFT or paper) and accounting entries to the State's financial accounting system.	INT 5b
350	Provide the capability to recognize the State's accounting system (MAIN) as the official book of record and SAP must reconcile with MAIN.	
351	Provide the capability for SAP's general ledger must equate to MAINS general ledger structure.	
352	Provide the capability to reconcile to the State's financial	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
	accounting system.	
353	Provide the capability to utilize the existing SAP General Ledger structure for CIT. CIT and MBT summarized posting in the General Ledger will carry unique identifiers to differentiate between the tax types.	
362	Use existing Filenet interface to provide the capability for an electronic document to be formatted for transferring to the image system.	
363	Provide the capability to generate correspondence, automatically and on demand based on business rules.	
364	Provide the capability to prevent non-filer letters from being sent to taxpayers who are identified by Treasury.	
365	Provide the capability for FileNet images to be available immediately at the desktop.	INT10
366	Provide the capability to allow authorized users to map data items to a tax form by year without losing the previous year form layout and mapping.	
367	Provide the capability allowing database variables, canned messages, variable paragraphs and free form to be combined in a single document.	
368	Provide the capability to interface and conform to the State's Consolidated Print Center (CPC) standards.	
369	Provide the capability to support multiple page letters and bills that include attachments to summarize the liability on a taxpayer account.	
370	Provide the capability to support multiple copy letter generation, alternative routing instructions and reprinting both automatically and as requested.	
371	Provide the capability for allowing notices to be viewed online, before and after printing.	
372	Provide the capability for allowing letters to be stopped or deleted prior to printing.	
375	Provide the capability to automatically run spell check and grammar check for all free format correspondence.	
376	Provide the capability for allowing correspondence to be printed locally and sent to FileNet with administrative approval.	INT10
378	Provide immediate access to correspondence history information.	MBT Contact Tab
379	Provide a correspondence system with functionality to automatically assess if no response to a letter has been received based on business rules.	
380	Provide the capability to hold off issuing assessment if a response has been received but not yet worked.	
381	Provide the capability for the system automatically sends a bill for the monies owed if a partial payment and no correspondence is received.	
382	Provide the capability for the system to pass and receive refund information with the State's MAIN Processing System based on predefined business rules.	INT 5a, 5b, 5c
383	Provide the capability for the system to pass and receive new and corrected assessment information with the State's Collection System based on predefined business rules.	INT 16a b

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
384	Provide the capability for the business user to search for payments by date range and/or dollar amount and/or document locator information (batch date, batch number, batch item).	
385	Provide the capability to assign a Document Locator Number to every document received into the system or generated by the system.	
387	Provide consistent profile information and location is reflected on each screen. Each screen includes the taxpayer's id number and name.	
388	Provide dates stored in a consistent format.	
389	Provide the capability to display and print dates in a consistent format (MM/DD/YYYY).	
390	Provide the capability to insert last day of the month when day is missing.	
391	Provide the capability to generate all printed material with a print date and page number.	
392	Provide the capability for SAP to be the primary interface to MAIN for CIT.	
395	Provide the capability to systematically schedule the releasing of correspondence.	
396	Provide an audit trail for every user inquiry or transaction entered that includes the user performing the transaction and the date and time the transaction was performed. (Browsing)	
397	Provide for real time processing of transactions.	
398	Provide the capability to manually input new transactions with appropriate security. (e.g. returns, payments, credits, etc)	
400	Provide the capability to process batches without interrupting or hindering daily processing or performance.	
401	Provide the capability to accept and process electronically filed tax returns.	INT 7a
403	Provide the capability to use configurable parameter driven tables that are maintained with an SAP transaction used by select business users with appropriate security to configure tolerance level and error color coding.	
404	Provide the capability to maintain relationships between business partners including individuals and business entities.	
405	Provide the capability to have "total fields" in excess of 15 digits left of the decimal.	
406	Provide the capability for taxpayers to file a return by paper	INT 7a
408	Provide the capability to receive an electronically filed payment (estimate, extension, annual).	INT 4a b c e
409	Provide the capability to receive an extension or estimate payment from the paper request.	INT 4c
412	Provide the capability to receive an extension request without payment via paper. (i.e. interface 4c)	INT 4c
414	Provide the capability to receive annual payments made with the return or with a voucher.	INT 4a b c e
416	Provide the capability to deliver data to the State's data warehouse.	INT 12
417	Provide the capability to download account data as needed.	
418	Provide the capability to display word literals rather than codes where configurable.	
419	Provide the capability to notify users of any changes in law, policy	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
	or procedures (Bulletin Board)	
420	Provide the capability to show garnishments and vendor offsets from a CIT refund and any residual refund warrant numbers and amounts.	
421	Provide the capability to allow for multiple tax rates per tax period.	
422	Provide the capability to allow all information, including FileNet image link on a payment to move when a payment is transferred.	
426	Provide the capability to carry forward CIT business loss for taxpayer(s).	
427	Provide the capability to carry forward business loss for taxpayer(s) within CIT.	
428	Provide the capability to carry forward over payments for taxpayer(s) within CIT.	
429	Provide the capability to manually transfer monies between taxes within SAP. (i.e. MBT to CIT, CIT to MBT)	
432	Provide the capability to stop a refund transaction until it's transferred to the State's accounting system.	
433	Provide the capability to pass and receive a file to the State's Financial accounting system.	
434	Provide the capability to identify payment channel	
437	Provide the capability for any form entry to accept 100% data capture.	
438	Provide the capability to capture developer identification off software generated forms.	
439	Provide the capability to generate tax forms from e-file XML that replicates a paper filed return.	E-file Return Images-new object
440	Provide the capability to store PDF attachments from e-file returns	
442	Provide the capability to display a message in the portal when accessing a return that has been moved to another BP if there is no return remaining for that filing period.	
444	Provide a single repository for generic messages that can be shared across all outbound correspondence and all years that can be maintained by the business user with appropriate security.	Standard Text Repository for Generic Messages-new object
445	Provide the capability to systematically determine date of any letter. Date on letter must be set at time of final approval and post dated to allow for mail handling and not be a Saturday, Sunday or Holiday.	
446	Provide the capability for an annual return with payment to maintain relationship when loaded into SAP. When moving one or the other, both must move together. (i.e. zero FEIN)	ZMOVEBP
447	Provide the capability to handle STAR write-offs within SAP.	
448	Provide the capability for SAP to transfer to STAR all unitary group members identification as potentially liable parties for the liability under the designated member's identification number.	INT 16 a b
449	Provide the capability for SAP to transfer to STAR corporate officer identification number as potentially liable for taxpayer liability.	INT 16 a b
450	Provide the capability to offset an approved CIT credit forward against a State tax liability.	Custom Compliance/State Liability Table-new object
451	Provide the capability to eliminate all BRF messages associated with a return at the time the status is changed to 'void' or 'duplicate'.	
452	Provide the capability to receive, store and view data captured from	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
	electronic Federal tax returns	
457	Provide the capability to interface with Siebel using a web service for real time data transfer.	Replacement for INT 13
459	Provide the capability for naming and usage of date fields to be consistent based on defined business rules. (i.e. received date always represents date return or transaction was actually received)	
460	Provide the capability to re-calculate penalty and interest based on final approval date to display on letter and post to General Ledger.	
461	Provide the capability for messages displayed on Warrant Remittence Advice to be applicable to CIT.	
462	Provide the capability for the system, posting, and taxpayer correspondence dollar amounts to be consistent. (i.e. round or not round the cents)	
464	Provide the capability for users to make adjustments in order to correct out-of-balance conditions.	
465	Provide the capability to track money received. (e.g. Money that is not associated to a specific taxpayer but is to a specific tax type and/or reporting period until it is properly associated with a specific taxpayer, tax type and credited to that taxpayer's account, and generates the proper accounting transactions)	
466	Provide the capability for business user to correct improperly posted transactions regardless of the type of transaction (e.g. change payment type annual to estimate and generate the appropriate accounting transfer).	
469	Provide users the capability to issue refunds to an alternate address with appropriate supervisory approval.	
470	Provide the capability to capture an address off the return, update taxpayer account and store prior addresses according to business rules.	
472	Provide the capability to enter new profile information and other data about taxpayers, in a batch mode, using data the system receives from external sources.	
473	Provide the capability to detect and prevent duplicate taxpayer accounts before creating new taxpayer profiles.	
474	Provide the capability to search for existing taxpayers by displaying all taxpayers in the database by name or portion of the name supplied by user input.	
475	Provide the capability to search for existing taxpayers by input of an address and displaying all taxpayers in the database having that same address.	
476	Provide the capability to search for existing taxpayers by input of an FEIN and displaying all taxpayers in the database having that same FEIN.	
477	Provide the capability to search for existing taxpayers by input of one or more Treasury assigned account number(s), at least 14 alpha/numeric characters, and displaying all taxpayers in the database having that same assigned account number.	
478	Provide the capability to search for existing taxpayers by input of an SSN and displaying all taxpayers in the database having an association with that same SSN.	
479	Provide the capability to assign a unique ID number to a taxpayer when a new profile is created, becoming the primary identifier in the system.	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
481	Provide the capability to maintain multiple versions of taxpayer profile information by always adding new information, never updating existing information.	
482	Provide the capability to supports both calendar year and fiscal year annual reporting periods.	
483	Provide the capability to allow for changes to taxpayer reporting from one fiscal tax year to another.	
489	Provide for the input of multiple address types for a taxpayer account.	
494	Provide the capability to support foreign addresses including country codes and foreign postal codes and are properly formatted to be compatible with the State's accounting system.	
503	Provide a means to denote that the taxpayer is out of business, the source of the information and the effective date by tax.	
507	Provide the capability to add additional tax types to taxpayer account.	
509	Provide the capability by tax type to address and send forms (i.e. pre-identified estimates) and other types of information and identify when, what, and where they were sent.	
511	Provide the capability to receive a zero dollar extension request through bank interface and grant or deny and send appropriate communication to taxpayer.	INT 4c
512	Provide the capability to assign the unique return id to new assessments being sent to STAR.	INT 16 a b
513	Provide the capability to ensure financial postings occur to the appropriate open period on General Ledger based on defined business rules.	
514	Provide the capability to prevent financial postings to General Ledger in closed periods.	
515	Provide the capability to accept and record payments into CIT.	
516	Provide the capability to automatically generate NSF assessment upon posting of a return lot for dishonored check and electronic payments.	
517	Provide the capability to stop the mailing of paper tax forms and correspondence based on business rules.	
519	Provide the capability for a user to “pull” a work item that is unassigned in a workflow queue.	
520	Provide the capability to allow a supervisor to “push” work items to employees using workflow.	
521	Provide the capability to assign priorities to work items.	
523	Provide the capability to manually increment priorities of work items on an as needed basis.	
525	Provide the capability to allow a user to transfer a work item assigned to one user to a different user or work group.	
526	Provide the capability for a user to directly assign a work item to a specific user.	

Appendix 2 - FTW HL Business Requirements

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
1	Provide the capability to identify flow-through withholding separately from other business tax payments and record appropriately in MAIN.	INT 5b
2	Provide the capability to identify the payment amount of flow-through withholding withheld for individuals. Update wording to include in summary	
3	Provide the capability to identify the payment amount of flow-through withholding withheld for corporations.	
4	Provide the capability to apply withholding refunds associated with annual withholding reconciliation return to MAIN.	INT 5b
5	Provide the capability to allocate withholding payment monies to individual first than remaining received monies to corporation when posting to MAIN.	
7	Provide the capability to immediately post to STAR assessment associated with a finalized annual withholding reconciliation return. (timing will be different than for return processing, which has a delay between approval and posting of assessment to STAR)	INT 16a b
8	Provide the capability to flag and stop annual withholding reconciliation return for tax year and tax payer and generate appropriate letters based on defined business rules.	
9	Provide the capability to accept audited annual withholding reconciliation return electronically from Tax Compliance including in a batch process. The process must identify annual withholding reconciliation returns as Tax Compliance as well as any payments generated. Functionality is for both Audit and Discovery Divisions.	INT 7x-new
10	Provide the capability for Tax Compliance to make adjustments to audited fields on an annual withholding reconciliation return and identify these changes as a result of an audit. If there is an assessment for the original return, this would generate a new assessment for the audited return.	
11	Provide the capability to generate a TBOR letter associated with an annual withholding reconciliation return specifically for Tax Compliance based on defined business rules.	new TBOR
13	Provide a process to load a file of Account Numbers from Discovery into SAP to identify Audit-Discovery initiated annual withholding reconciliation return.	CustomCompliance/State Liability Table-new object
15	Provide the capability for assessments generated from Tax Compliance for annual withholding reconciliation returns to be created with Tax Compliance STAR Project Codes for revenue tracking.	
16	Provide the capability for monies posted as Audit payments to only be applied to returns identified as Audit returns.	
17	Provide the capability to create an amended annual withholding reconciliation return.	FTW Annual-new object
18	Provide the capability to transfer an annual withholding reconciliation return from one workflow to another with appropriate security. (i.e. transfer a miss-directed return from return process workflow to discovery workflow on a one-off basis)	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
19	Provide the capability for processing additional withholding payments and identified owners from audit and discovery.	INT 7x-new object
20	Provide the capability to assess a withholding payment returned check fee.	
21	Provide the capability to assess for outstanding withholding payment due to Non-sufficient funds, Non-remittance, and partial payment.	
22	Provide the capability to calculate penalties of up to $400 at $10 per day for failure to file an annual withholding reconciliation return and provide to STAR.	
24	Provide the capability to process a new tax type in STAR for flow-through withholding.	INT 16 a b
25	Provide the capability to provide Siebel quarterly withholding payment amounts via web service.	INT 13
26	Provide the capability to provide Siebel annual withholding payment amounts via web service.	INT 13
27	Provide the capability to provide Siebel status of annual withholding reconciliation return via web service.	INT 13
28	Provide the capability to notify Siebel of outbound correspondence.	INT 13
29	Provide the capability to identify inbound correspondence with Siebel. (Siebel informs SAP of inbound correspondence)	INT 13
30	Provide the capability to process shared secrets with Siebel system for account access.	INT 13
32	Provide the capability to populate data warehouse with tax payer supplied field data from filed quarterly payment.	INT 12
33	Provide the capability to populate data warehouse with tax payer supplied field data from filed annual withholding reconciliation return.	INT 12
34	Provide the capability for data warehouse to accept new withholding tax data within the data warehouse.	
36	Provide the capability to generate, based on business rules, a letter for non-remittance (NR), partial payment, and non-sufficient funds (NSF) of quarterly withholding payment. (TBOR)	new TBOR
37	Provide the capability to generate, based on business rules, a letter for non-remittance (NR), partial payment, and non-sufficient funds (NSF) of annual withholding reconciliation return. (TBOR)	new TBOR
38	Provide a quarterly withholding payment coupon specific to flow-through withholding. This form is to provide, but not limited to, the following information. - Account number - Return period (filing period) - Receive date - Company name - Taxpayer's signature - Phone number - Scan line - Tax due - Amount of withholding attributable to Individual - Amount of withholding attributable to Corporate - Total payment	FTW Quarterly-new object

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
39	Provide an annual withholding reconciliation return. This form is to provide, but not limited to, the following lines. - Annual business income (based on modified federal taxable income) - Michigan apportionment percentage - List of corporate and individual owners with their percentage ownership and amount withheld at 4.35% for individuals and 6% for corporations (FEIN for corporate and SSN for individuals - need enough detail to auto register corporations) - Total amount that should have been withheld for the year - Amount of withholding paid for the year - Amount of withholding paid with the annual reconciliation return - Amount of withholding to be refunded with the annual reconciliation return	FTW Annual-new object
46	Provide the capability to accept a new EFT tax code for flow-through corporate withholding.	
47	Provide the capability to accept a new EFT tax code for flow-through individual withholding.	
49	Provide the capability to receive a quarterly flow-through withholding payment coupon as sent by the bank.	Modified INT 4e
50	Provide the capability to post a quarterly flow-through withholding indicated payment amount (this will be deemed the tax liability for the quarter) and actual received payment amount to the account of the entity that submitted the payment. (for EFT, the indicated and actual received amounts will be the same as there is only one field available)	Modified INT 4a
51	Provide the capability to manually process and refund a payment made in error.	
52	Provide the capability to apply a withholding payment made by a taxpayer through multiple checks to a single return and/or tax due notice.	
53	Provide the capability to apply a withholding payment made with a single check to liabilities owed across multiple reporting periods, and generate the proper transactions.	
54	Provide the capability to allocate withholding monies received to tax, interest, and penalties according to business rules, and generate the proper transactions.	
55	Provide the capability to transfer withholding monies received to other reporting periods within the same tax type for the same taxpayer, and generate the proper transactions.	
56	Provide the capability to transfer withholding monies received to other reporting periods within the same tax type for a different taxpayer, and generate the proper transactions.	
57	Provide the capability to transfer withholding monies received to the same or other reporting periods of other tax types for the same taxpayer, and generate the proper transactions to the State's accounting system (e.g. from MBT to CIT, SUW to CIT Withholding, etc.)	
58	Provide the capability to transfer withholding monies received to the same or other reporting periods of other tax types for a different taxpayer, and generate the proper transactions to the State's	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
	accounting system (e.g. MBT to CIT, SUW to CIT Withholding, etc.).	
60	Provide the capability for users to enter withholding payment transactions through the use of a GUI with proper security safeguards.	
61	Provide the capability to track any taxpayer withholding payment back to an original deposit.	
62	Provide the capability to perform withholding payment transfers and annual withholding reconciliation return transfers (taxpayer to taxpayer account).	
63	Provide the capability to reconcile to MAIN by providing the following information: - Flow-through withholding payments (# and $) - Flow-through withholding transfers to MAIN (# and $)	INT 5b
64	Provide the capability for an entity other than the flow-through withholder to submit a withholding payment on behalf of the flow-through withholder.	
65	Provide the capability to accept, calculate and store cents without rounding for withholding payments.	
66	Provide the capability to accept a $0 (zero dollar) quarterly withholding payment.	
67	Provide the capability to reopen a quarterly flow-through withholding payment return.	Modified Reopen Process
68	Provide the capability to accept flow-through withholding quarterly payments based on business fiscal year quarter timing.	
70	Provide the capability for SAP to register an entity as flow-through withholding.	
71	Provide pre-registration of MBT flow-through entities with business income greater than $150,000 as flow-through withholding.	INT 3
74	Provide an interface to TC01 to register corporations from filing of annual flow-through withholding reconciliation return when an entity is listed as an owner but not currently registered.	INT 3x
76	Provide the capability to report browsing history for new and updated SAP transactions associated with flow-through withholding. (updates to browsing report)	Browsing Report
77	Provide the capability to generate a report of Data Warehouse Record Selection Control Totals (ZMBT_DW_STATISTICS).	MBT DW Statistics Report
78	Provide the capability to generate a report of returns that are out in error (TC17-260-Z01).	Update to portal query
79	Provide the capability to generate a report of all assessments that were extracted from flow-through withholding that day (TC17-272-Z01).	RPT 13
80	Provide the capability to generate a report of assessments that could not be formatted due to an error (TC17-272-Z02)	RPT 14
81	Provide the capability to generate a report of Overdue Star Feedback (TC17-465-Z01).	RPT 17
82	Provide the capability to generate a report of NR returns, Refund returns.	RPT 21-24
83	Provide the capability to generate a report summarizing returns processing production statistics.	RPT 28-29

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
84	Provide the capability to generate a listing of audit trail of processors who issue a refund with a changed address.	RP RPT 30
85	Provide the capability to generate a report of refunds and interest paid.	RPT 33
86	Provide the capability to generate a daily report of current outstanding errors and a summary of year to date error occurrence by error type.	RPT 35
87	Provide the capability to generate a report of all acknowledgements submitted and received.	RPT 42
88	Provide the capability to generate a report of SAP daily reconciliation with TACS.	RPT 6
90	Provide the capability to generate a report weekly and monthly of reconciliation of received payments.	TAM RPT 003
91	Provide the capability to generate a report of large refund amounts (individual refund amount or total of refunds for a given day).	TAM RPT 007
92	Provide the capability to generate a report of IDAs to be handed to data entry.	TAM RPT 12
93	Provide the capability to generate a report weekly and monthly for reconciliation of returned items.	TAM RPT 22
94	Provide the capability to generate a report of manual journal entries.	TAM RPT 24
95	Provide the capability to generate a report of refunds issued. (i.e. Year End Payables)	TAM RPT 25
96	Provide the capability to generate a report of refunds pending approval. (i.e. Year End Payables)	TAM RPT 26
97	Provide the capability to generate a report of refunds pending processing. (i.e. Year End Payables)	TAM RPT 27
98	Provide the capability to generate a report of revenue by type. (i.e. Year End Receivables)	TAM RPT 28
99	Provide the capability to generate a report of balances for General Ledger accounts.	TAM RPT 31
100	Provide the capability to generate a report of revenue by payment type, monthly and fiscal year to date.	TAM RPT 32
101	Provide the capability to generate a report of all payments that were received with no filing period or a filing period prior to flow-through withholding and were allocated systematically to future user defined filing period; report is generated daily and submitted via email.	TAM RPT 101
102	Provide the capability to generate a report of all assessments that are pending to be sent to STAR and have penalty types 09 or 21 but no tax amount associated with it; this report is in place to catch these particular scenarios in time to perform corrective action for the items listed on the report. Report is generated daily and submitted via email.	TAM RPT 102
103	Provide the capability to generate a report of AR reconciliation with STAR.	TAM RPT 34
104	Provide the capability to generate a report of payments by type.	TAM RPT 36
105	Provide the capability to generate a report of refunds and rebates.	TAM RPT 37
106	Provide the capability to generate a report of transfers to MAIN.	TAM RPT 38
107	Provide a control total report for all new interfaces.	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
108	Provide the capability to process an annual withholding reconciliation return. The return should not post until all corporate owners identified with the return are registered.	FTW Annual-new object
109	Provide the capability to include flow-through withholding on the CIT return.	
110	Provide the capability for CIT to allow filing return if the corporation has less than $350,000 in Michigan apportioned gross reciepts due to ownership of a flow-through entity.	
111	Provide the capability to include flow-through withholding on MBT return form for those corporations that have ownership in a flow-through entity.	
112	Provide the capability to distribute withholding to individual flow-through corporate withholding accounts based on content of annual flow-through withholding reconciliation return. (i.e. using the corporate distribution documented with the return)	
113	Provide the capability to transfer withholding to a flow-through individual withholding account based on content of annual flow-through withholding reconciliation return. (i.e. using the individual distribution documented with the return)	
114	Provide a field for identification of flow-through withholding withholder on the CIT lead forms in which withholding will be reported.	
115	Provide the capability to store corporations and individuals reported with the annual flow-through withholding reconciliation return by withholder ID and owner ID.	
116	Provide the capability to reopen a flow-through annual withholding reconciliation return.	Modified Reopen Process
117	Provide the capability to correct any non-calculated field on the flow-through withholding forms.	
119	Provide the capability to process a refund of flow-through withholding overpayment with the annual withholding reconciliation return. Return will need to determine refund for individuals, corporations, and an overall refund.	
121	Provide the capability to accept flow-through withholding annual reconciliation return two months after end of flow-through entity fiscal year.	
122	Provide the capability of having a file period be less than 12 months, based on business rules, for annual withholding reconciliation return.	
123	Document security requirements for transactions associated with developed programs within Functional and Technical specifications.	
124	Provide the capability for users to view only specific transactions for a given tax type.	
125	Provide the capability to separate flow-through withholding output sent to the State's Consolidated Print Center (CPC) from other taxes.	
126	Provide the capability to use configurable parameter driven tables that are maintained by business users.	
128	Provide the capability to process a workflow for flow-through withholding quarterly payments and annual reconciliation returns with errors. (i.e. same as with MBT)	
129	Provide the capability to process a workflow of flow-through	

Requirement Number	Requirement Description	Development Object that Satisfies Reqt (Modification to Existing Object Unless Noted)
	withholding assessments. (i.e. same as with MBT)	
130	Provide the capability to process a workflow of flow-through withholding approvals. (i.e. same as with MBT)	
131	Provide the capability to process a workflow of flow-through withholding reconciliation return rejects. (i.e. same as with MBT)	
132	Provide the capability to process a workflow for flow-through withholding quarterly payments and annual reconciliation returns that have been flagged for clarification. (i.e. same as with MBT)	

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

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **September 8, 2011**
PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF VENDOR **Deloitte Consulting LLP** **333 Bridge ST, N.W., Suite 700** **Grand Rapids, MI 49504** **kkarich@deloitte.com**	TELEPHONE (917) 741-2140 **Kathy Karich** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: Mark Lawrence 517-241-1640 **MBT/MIITAS**	
CONTRACT PERIOD From: **September 15, 2007**	To: **September 30, 2012**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately, the period of performance for Change Notice #5 is extended to September 30, 2012 as outlined in the attached vendor letter. Please also note that the vendor contact name and contact information has been updated.

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

AUTHORITY/REASON:

Per Agency request and vendor agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $ 51,890,010.00

CHANGE NOTICE NO. 6

This is a Change Notice to Contract 071B8200018 ("Contract") between the State of Michigan ("State") and Deloitte Consulting LLP ("Deloitte Consulting"). The parties hereby agree to extend the period of performance for Change Notice No. 5 to the Contract, dated July 22, 2011, from August 31, 2011 to September 30th, 2011. Accordingly, the parties agree that if the fixed price Change Notice referenced in Change Notice No. 5 is not approved and signed by September 30th, 2011, Change Notice No. 5 will terminate unless modified and extended by mutual agreement. All other terms and conditions of Change Notice No. 5 remain in full force and effect.

If you are in agreement with this Change Notice, please indicate your acceptance with your signature below. By signing below, you represent on behalf of the State that you have the authority to bind the State to this Change Notice.

Sincerely,

Mark Seidenfeld
Director

Accepted by:

State of Michigan

Name:_____ Date:_____

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

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **July 22, 2011**
PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF VENDOR **Deloitte Consulting LLP** **333 Bridge ST, N.W., Suite 700** **Grand Rapids, MI 49504** **rdorman@deloitte.com**	TELEPHONE (917) 741-2140 **Kathy Karich** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: Mark Lawrence 517-241-1640 **MBT/MIITAS**	
CONTRACT PERIOD From: **September 15, 2007**	To: **December 31, 2012**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby INCREASED by $20,000,000.00 and the contract has been EXTENDED until December 31, 2012. Additionally the vendor contact has been changed to Kathy Karich.

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

AUTHORITY/REASON:

Per Agency request, vendor agreement and Ad Board approval on 7/19/2011.

INCREASE: $20,000,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $ 51,890,010.00

CHANGE NOTICE #5

This Change Notice to Contract 071B8200018 between the State of Michigan ("State") and Deloitte Consulting LLP ("Deloitte Consulting") authorizes Deloitte Consulting to commence the performance of services related to the CIT/FTW taxes for the MIITAS Program. The period of performance for this Change Notice shall begin on July 19, 2011, through August 31, 2011.

Deloitte Consulting and the State are currently negotiating a fixed price Change Notice to the Contract to add the CIT/FTW scope (the "fixed price Change Notice.") The current rate schedule in the Contract will be negotiated by the State and Deloitte Consulting to account for any rate adjustments, and the parties agree to utilize such agreed upon rates for future work, including the pricing of the ensuing fixed price Change Notice. The parties have agreed to this interim Change Notice to facilitate the commencement of performance of the CIT/FTW scope.

For all services performed under this Change Notice, Deloitte Consulting will invoice the State on a biweekly basis for hours worked according to the rate schedule set out in the current Contract. Additional resources not specifically named in the table below will be invoiced according to the rate schedule set out in the current Contract during the period of performance for this Change Notice. Prior to assigning any such unnamed resources, Deloitte Consulting will obtain the State's written approval:

Name	Position Title
Mark Seidenfeld	Project Manager under this Change Notice; Engagement Director under the fixed price Change Notice
Eli Castro	Project Manager
Yravi Monteverde	Senior Analyst
Vamshi Putta	Senior Programmer
Rakesh Dahagam	Senior Programmer
Josh Gladney	Senior Programmer
Matt Roman	Programmer/Analyst
Marco Rodriguez	Senior Programmer
Sayli Ajarekar	Senior Programmer
Don Montalbano	Business Specialist
Mohit Mantri	Senior Programmer

All invoices issued under this Change Notice will be net due and payable in 45 days from the date of the invoice. The ensuing fixed price Change Notice will be negotiated to include the scope of services performed under this Change Notice and, once executed, will supersede and replace this Change Notice. Provided that a fixed price Change Notice is executed by the parties, all amounts invoiced and paid under this Change Notice will be identified in the first invoice as services previously provided and to the extent already paid for, shall be deducted from that first deliverable/milestone payment under the fixed price Change Notice. If the fixed price Change

Notice is not approved and signed by August 31, 2011, this Change Notice will terminate unless modified and extended by mutual agreement.

If you are in agreement with this Change Notice, please indicate your acceptance with your signature below. By signing below, you represent on behalf of the State that you have the authority to bind the State to this Change Notice.

Sincerely,

Mark Seidenfeld
Director

Accepted by:

State of Michigan

Name: Date:

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

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **February 7, 2011**
PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF VENDOR **Deloitte Consulting LLP** **333 Bridge ST, N.W., Suite 700** **Grand Rapids, MI 49504** **rdorman@deloitte.com**	TELEPHONE (412) 402-5170 **Richard M. Dorman** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: Mark Lawrence 517-241-1640 **MBT/MIITAS**	
CONTRACT PERIOD From: **September 15, 2007**	To: **December 31, 2011**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby INCREASED by $3,000,000.00.

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

AUTHORITY/REASON:

Per Agency request, vendor agreement and Ad Board approval on 2/1/2011.

INCREASE: $3,000,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $ 31,890,010.00

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

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET **August 5, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF VENDOR **Deloitte Consulting LLP** **333 Bridge ST, N.W., Suite 700** **Grand Rapids, MI 49504** **rdorman@deloitte.com**	TELEPHONE (412) 402-5170 **Richard M. Dorman** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: Mark Lawrence **MBT/MIITAS**	
CONTRACT PERIOD From: **September 15, 2007** To: **December 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately this contract is hereby INCREASED by $4,255,010.00. The Contractor will provide additional support of the MI Integrated Tax Administration System (MIITAS) as described in the attached Statement of Work. All other terms, conditions, specifications, and pricing remain the same.

Please note: the Vendor contact has been changed to Richard M. Dorman.

AUTHORITY/REASON:

Per Contractor, DTMB and Treasury agreement and Administrative Board Approval on 8/3/2010.

INCREASE: $4,255,010.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $ 28,890,010.00

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

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET **May 5, 2009**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Deloitte Consulting LLP** **333 Bridge ST, N.W., Suite 700** **Grand Rapids, MI 49504** **gemitchell@deloitte.com**	TELEPHONE (404) 631-3656 **George Mitchell** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: Mark Lawrence **MBT/MIITAS**	
CONTRACT PERIOD From: **September 15, 2007** To: **December 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately this contract is hereby INCREASED by $9,485,000.00 and a 1-year option is exercised. The Contractor will provide the State with professional services to lead the implementation of the business taxpayer registration processing phase of the Michigan Integrated Tax and Administration System (MITAS) as described in the attached Statement of Work. All other terms, conditions, specifications, and pricing remain the same.

AUTHORITY/REASON:

Per Contractor and MDIT agreement and Administrative Board Approval on 5/5/2009.

INCREASE: $9,485,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $ 24,635,000.00

Michigan Business Tax Integration Services Contract
Contract Change Notice #2
Business Registration Process

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Change Notice #2
Statement of Work (SOW) for Phase 2 Business Registration

A. CONTRACT AMENDMENT OVERVIEW

The SAP product will provide the framework for the Michigan Integrated Tax Processing and Administration System to which all mainframe Tax and Revenue systems will transition in future projects. This contract amendment defines the second phase (Phase 2) and is focused on the Taxpayer Registration.

- As described in Article 1, Section 1.001 of the contract, the State is electing to exercise its option to obtain a statement of work (SOW) for optional Phase 2 services (Business Registration).

The company providing development/implementation/integration/maintenance services is hereafter referred to as the "Contractor". Any references to the "Software Vendor" refer to SAP Public Services, Inc. (SAP.) Any references to PCO refer to the vendor selected to manage the Project Control Office.

Services shall begin on June 1, 2009 with complete implementation of the Phase 2 (Business Registration) Integrated Tax system to be completed no later than June 1, 2010.

B. BACKGROUND INFORMATION

Treasury has begun the process of moving all their end-of-life core tax and revenue functions from their existing legacy systems to the new SAP software platform. The first phase implemented the tax processing system for the new Michigan Business Tax (MBT). This amendment includes the second phase of a multi-phase move which includes the implementation of the business tax registration system. The business tax registration system is the foundational component for all business taxes and is a prerequisite for the implementation of all future tax functions. The function is currently provided by a computer system that is 30 years old and coded with a language no longer in common use. These legacy systems no longer meet the current needs of the business and are an obstacle to streamlining business operations and to enhancing revenue collection opportunities. The new business registration system will meet these needs and provide a platform sufficiently flexible to support any future changes to the State's tax structure and policies. It will also provide better customer service to the taxpayers.

C. SCOPE OF WORK AND DELIVERABLES

Contractor shall meet the Technical and Business Requirements outlined in **Appendix 1** of this SOW.

Below is a high-level overview of the key **Registration 1** project activities.

Deloitte Consulting
State of Michigan - Registration 1 - Project Overview
High Level Activites Timeline

	Project Phase	Project Tasks	Deliverables	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
	Phase 1 - Plan																	
1		Prepare Project Office	Project Work Plan															
3		Conduct Hardware Assessment	Hardware Recommendations															
4		Develop Plan for Legacy System Assessment	Legacy Systems Assessment Plan															
	Phase 2 - Design																	
6		Conduct Requirements Validation	Requirements Validation Document															
8		Develop Scope Catalog	Scope Catalog															
9		Perform SUW & Other Systems Assessment	SUW Intersect Assessment															
10		Develop Project Blueprint	Blueprint Deliverable															
	Phase 3 - Build																	
11		BPR of Registration and SUW	Business Reengineering Report															
12		Configure SAP	Configuration Documentation															
13		Develop Specifications for FRICE	FRICE Design Specifications															
		Complete FRICE Development																
	Phase 4 - Deliver																	
		Prepare Final Production Environment																
15 & 16		Cutover and Conversion Plan	Cutover & Conversion Plan															
		Execute Cutover																
17		Production System Release	Registration 1 Go-Live															
	Phase 5 - Warranty																	
		Provide 90 Days of Warranty																
18		Warranty Report	Warranty Report															

Core project activities include Registration 1, but also include other activities related to positioning the SAP integrated system for future tax rollouts. Below is an overview of the primary activities to be included during each phase:

Registration 1
Primary project activities associated with enablement and initial implementation of SAP Taxpayer registration process to replace the existing Account Profile functionality in the TACS legacy system. The scope of this project includes establishing SAP as the official "system of record" related to taxpayer registration and includes the required interfaces to TACS, Siebel and other systems as detailed in the State of Michigan Requirements Matrix. The scope includes developing the framework model for Taxpayer Account profile and registration and capabilities to support selected business functions from MBT, SUW and other tax types. The project will leverage best practices compatible with the SAP functionality. The implementation is expected to take 12 months.

Legacy SUW and Other Taxes Assessment
Project activities in this area will focus upon the review and assessment of legacy SUW functionality where it is apparent that conflicts or overlaps exist with Registration 1 to leverage compatibility and support of MBT, SUW and other tax processes and leverage SAP functionality. Objectives are to prepare a roadmap and design for Registration 1 for certain business functions where business functions in legacy SUW may be best suited to SAP functionality. This will include returns processing, reconciliation of returns and payments delinquent control, taxpayer accounting, revenue accounting, penalty and interest, customer service and touch points with downstream tax administration processes that rely on SUW return and payment data. The goal of this work will be to define an enterprise platform within SAP that will support all future tax roll-outs which leverage standardized processes

wherever possible. Additional consideration for web self-service e-filing of returns and various electronic payment methods, to be implemented in the development of the SUW phase.

BPR
Business Process Reengineering for Registration and SUW. The activities in this project phase will include a review of current Registration and SUW business processes and recommendations for improvement which will leverage the capabilities of SAP and industry leading "Best Practices", including back-office processes. This work will include but not limited to the review of returns processing, reconciliation of returns and payments delinquent control, taxpayer accounting, revenue accounting, penalty and interest, customer service and touch points with downstream tax administration processes that rely on SUW return and payment data. The goal of this work will be to define an enterprise platform within SAP that will support all future tax roll-outs which leverage standardized processes wherever possible. Additional consideration for web self-service e-filing of returns and various electronic payment methods, to be implemented in the development of the SUW phase, will be an important aspect of the BPR effort. Deloitte Consulting will review the Michigan Department of Treasury Registration business processes and particularly form 518, Registration for Michigan Taxes and the related electronic registration process for potential change.

Warranty
There will be a 90 day warranty period for Registration 1. See 2.507 General Terms and Conditions for more specifics.

1) **Technical Infrastructure**
The SAP solution will reside on the current State of Michigan's SAP landscape.

The State of Michigan will provide UNIX-based servers and Oracle databases, which allows the State of Michigan to take advantage of SAP runtime licensing.

1. The State will procure and install any required hardware and operating systems for the technical environments needed to complete the project.
2. The State will install SAP software and required Enhancement Pack 4 onto the SBX/DEV instance and all future environments as they are established.

   SAP PSCD Customer Enhancement Pack #4 (EP4) will be the starting point for this project and is expected to be available by July 1, 2009. If EP4 is not released by this date, Contractor will move forward with the Registration 1 project using the current production MBT system environment. The State will procure and install all necessary infrastructures operating software for this project.
3. The Contractor will perform the technical upgrade, of the REG DEV system, to EP4.
4. The State will procure any required SAP software.

2) **Requirements**
During the Design phase of the project, Contractor will hold sessions with the State to verify and validate the registration 1 business requirements outlined in Appendix 1, Technical & Business Requirements. The Contractor will work closely with The State to determine the actual number of sessions to be held per business process area, determine the appropriate attendees, create the agendas, and develop a calendar of the scheduled sessions.

The Contractor will facilitate a review and validation of requirements associated with the subject business process areas. Minutes will be produced for each session and distributed to the State for review/correction. Finalized minutes will become the basis for the development of activity level requirements for each business process area. The full set of activity level requirements by business process area will be submitted to the State for review. Once finalized, the low level requirements

will essentially provide a detailed view of the scope of the project and will be managed throughout subsequent phases of the project.

This collaborative approach will confirm mutual understanding by both the State and the Contractor team members of the business requirements that the system design needs to fulfill.

3) **Business Process Designs**
During the Design phase of the project, the Contractor will hold sessions with the State to verify and validate provisional business process designs (henceforth referred to as the State's To-Be process designs). As with the requirements verification and validation process, the process design verification and validation sessions will be organized around key business process areas such as registration, tax return processing, payment processing, taxpayer accounting and revenue accounting. The Contractor will work closely with the State to determine the actual number of sessions to be held per business process area, determine the appropriate attendees, create the agendas, and develop a calendar of the scheduled sessions.

In the sessions, the Contractor will facilitate meetings to determine business activities within each business process. For each business activity, the Contractor will work collaboratively with the State to identify inputs, outputs, decision points, business rules, data elements, triggers, forms, notices, correspondence, reports, inbound and outbound interfaces relating to the current Registration system, Siebel, STAR, FARSTAR, MiBOS electronic registration system, MAIN and other related systems, conversion requirements, and security/authorization and user role(s) requirements. Activity level business requirements developed during the requirements verification and validation sessions will be reviewed in conjunction with the process designs and may be further refined to achieve consistency between the requirements and the To-Be process designs.

The resulting revised/verified To-Be process designs will embody the State's business requirements and will serve as input for transformation into To-Be SAP-enabled business process designs.

4) **Gap Analysis**
As part of the transformation of revised/verified To-Be process designs into To-Be SAP-enabled business process designs, the Contractor will map SAP functionality to the verified/validated To-Be process designs and associated low level requirements. This mapping exercise will yield gaps between standard/configurable functionality and both the State's business requirements and revised/verified To-Be process designs.

For each gap identified, the Contractor will propose a strategy for closing the gap. Gaps may be closed by changing the requirement and/or To-Be business process design to better align and take advantage of standard/configurable software functionality, development of a "work-around" containing a higher level of automation than the existing registration system, developing an enhancement to the software, or a combination thereof.

As part of developing each gap closure strategy, the contractor will draw upon their collaborative relationship with SAP to obtain their input and guidance. This will confirm that the designed solution is consistent with and aligned to the long-term direction of the product. Having SAP involvement in this project activity also provides them with the opportunity to have insight into the needs of their customers and continue to grow and develop TRM functionality.

The gap analysis and proposed gap closure strategy will be presented to the State for discussion and joint agreement. The agreed-upon strategy for gap closure may result in updates to the verified/validated low level requirements and/or To-Be process designs. Where the agreed upon gap closure strategy calls for custom development (FRICE-W), the resulting activity undertaken will be done in such a manner so as to not impair the software's ability to be upgraded in the future,

The outcome of the gap analysis will provide input to the development of To-Be SAP-enabled process designs and the creation of a "development inventory" of forms, reports, interfaces, conversions, enhancements, and workflows (FRICE-W) and related business rules (BRF) to be developed during the Build phase.

5) **Design/Blueprint**
A key project work product will be the development of the To-Be business process design. This work product will represent the culmination of the contractor's collaborative efforts with the State to verify/validate business requirements and the State's provisional process designs and identify and develop a strategy for gaps in standard/configurable software functionality. The To-Be SAP-enabled business process design will provide a:

- Roadmap into the Build phase – it will drive the configuration and custom development required to realize the design.
- The To-Be business process design will establish the "footprint" for subsequent implementations

6) **Registration Master Data**
The SAP TRM solution has robust capabilities that can support Michigan's integrated tax processing needs. A critical success factor for the State and the Contractor will be to use the SAP TRM solution objects and structures as intended by SAP. This will confirm extensibility throughout future tax implementations and software upgrades.

In order to confirm solid decision-making in regard to the Michigan TRM data design, the contractor will allocate time in requirements validation sessions to address unique data needs of REGISTRATION 1 as well as Michigan's future tax implementations (Sales, Use and Withholding Tax, Registration 2, Individual Income Tax and Miscellaneous taxes) so that these needs can be taken into consideration in formulating the initial data design.

7) **Configuration**
In conjunction with the finalization of the approved To-Be business process designs, a configuration inventory will be developed. This inventory will identify the SAP Implementation Guide (IMG) activities that will need to be configured to realize the approved design. The configuration inventory will essentially represent a "task list" of configuration activities to be undertaken during the Build phase. The configuration task list will also provide a high-level description of the objects that need to be configured and can be used to:

- Measure project progress during the Build phase for the REGISTRATION 1 implementation
- Provide a baseline for identifying future configuration required to implement subsequent taxes
- Provide a roadmap for knowledge transfer to Michigan team members who will assume configuration responsibilities

The value of the configuration inventory to subsequent implementations is not to be underestimated as certain configuration activities will need to be preformed only once with the initial implementation and others will need to be performed for each subsequent tax type.

8) **Integration**
The mandatory Interfaces are defined in **Appendix 2**,

State (Treasury and DIT) personnel throughout the project will work with Contractor Key Personnel to help accomplish knowledge transfer.

Contractor will have overall responsibility for meeting overall project milestones, with the State having specific responsibilities supporting individual tasks within the milestone in order for it to be completed. These responsibilities are further described in Section H of this RFP, State Staff, Roles and Responsibilities

9) **Interfaces**

1. XI will be the middleware solution. Contractor will have responsibility for the design and approach for SAP XI. The State will have responsibility for configuring XI. The State will be responsible for procuring the software/hardware and the necessary installation.
2. Contractor and the State will work together to define the requirements for the interfaces. The State will bring the knowledge of the legacy systems and identifying the data sources of information that has to pass to or update with data from TACS. The Contractor will drive the requirement sessions and provide the input of the data needs for the core SAP application.
3. Contractor and the State will work together to configure the interface architecture and develop/unit test all interface components from the SAP side which extract data from or input data to the interfacing systems.
4. The State will develop/unit test all interface components which extract data from or input data to the interfacing systems.
5. The State will be responsible for the cleansing of data coming from legacy systems. For purposes of cleansing with interfaces, the State may need to define business rules to properly parse or default data needed for passing to SAP. Contractor will assist in defining the data requirements and business rules needed to properly capture, present and use data in SAP.
6. The Contractor will provide extracts from SAP in standard SAP format. The State will be responsible to convert the SAP formatted file to the format needed to load to the legacy systems.

10) **Data Conversion**

1. The Contractor will have overall responsibility for defining the data requirements for SAP and the recommended conversion approach, and will provide oversight of the execution of the data conversion at the time of cutover.
2. The State will be responsible for identifying the legacy data sources and variable values, extracting and cleansing the data from the legacy systems.
3. If manual data conversion is required and agreed to by the State, the State will be responsible for the completion of the manual data entry
4. The Contractor will be responsible for the loading of the data into SAP and the production of any required data conversion reporting of errors and balancing input into SAP.
5. State will be responsible for the validation of data converted to SAP (i.e., will perform the data validation during cutover execution).

The Contractor will work closely with the State to determine the specific requirements for each of these interfaces and associated data maps will be generated to support the development efforts. The interface development work required on the legacy system side will be the responsibility of State staff while the SAP portion of the interface development work will be the responsibility of Contractor resources to complete.

The conversion requirement identification and validation process will function similar to the interface sessions. The Contractor's team will work closely with the State staff to identify specific requirements for conversion from the State's Registration system and a data map will be generated to support the development efforts. The responsibility is split with the legacy data pull development

work being the primary responsibility of the State conversion staff while the SAP load portion will be the responsibility of Contractor resources.

11) **Testing**

The State will provide a comprehensive test plan for integration testing and UAT that includes the test scope, test scenarios, test processes, timeframes for testing. The Contractor will be responsible for completion of overall coordination of test activities, conducting unit testing activities, resolution of bug fixes and integration test oversight. User acceptance testing will be the responsibility of the State.

State staff will manage UAT/regression testing activities and report timely of issues and completion of all testing activities. State staff will prepare reports to track status throughout all cycles of testing.

The State will report on the status of defects and the agreed upon time when they will be presented for retesting. Mercury software shall be used for development of test scenarios, test scripts, testing results and break-fix retesting.

12) **Rollout and Implementation**

The deployment process requires significant planning and preparation to confirm that everything comes together as planned.

Contractor's comprehensive methodology includes many templates and sample plans that will be leveraged in the development of the deployment approach and detailed plan, and reporting on status.

Contractor resources will be responsible for the overall management of the deployment and will provide designated on site management to closely monitor and manage all aspects of production deployment to make sure that all activities are sequenced appropriately, dependencies are methodically recognized, critical paths are timely reported upon and rollout is completed as laid out in the deployment plan. Periodic conference calls will be scheduled during the deployment process so that all stakeholders are informed of status and any issues that arise. This allows for rapid issue resolution and facilitates a smoother deployment of the production system.

13) **Warranty Support**

Contractor will provide 90 days of Warranty Support for Registration 1 starting from the date full implementation is realized. This will include only defects associated with the release of Registration and will exclude defects associated with previous go-live of MBT. A defect process shall be established to prioritize and track the repair and retesting of defects. See General Terms & Conditions Section 2.507 of contract for more details.

14) **Application Support and Other Activities**

The Contractor will work collaboratively with the State throughout the life of the project to coach the State staff in their functional roles in preparation for taking ownership of application support.

For the work in this phase, the Contractor will not provide Post-Warranty Production Support. After go-live, if needed, the State may choose to increase the Scope of Work of the Contractor through the use of a pool of hours. This pool of hours will enable the State to procure additional services from the Contractor for any area associated with the MITAS project. This would be managed through a change order to this contract. A change control process will be established to prioritize and track the use of pooled hours. The State is not obligated to use the pooled hours. See Compensation and Payment Section L. of the contract for more details pertaining to the use of the pooled hours.

15) **Extensions for Additional Functionality**

Contractor is committed to using the current version of SAP TRM solution to the fullest extent to meet the State's requirements. As such, the Contractor is not proposing to use any additional plug-ins for additional functionality over and above those that the State has already licensed.

16) **Configuration of Middleware Integration Point**
Contractor will use SAP XI as the integration tool for the REGISTRATION 1 project.

17) **Knowledge Transfer**
The State has a desire to accomplish significant knowledge transfer for their staff during the course of the REGISTRATION 1 project in order to be prepared to take over support after go-live. To accomplish this, the State must assign experienced resources to be dedicated full-time and be co-located with the Contractor on a daily basis. The State resources will attend SAP training classes as agreed upon and work closely with Contractor staff over the course of the project. In order to achieve this goal, the resources must have a blend of skills and capabilities. The skills required are:

- **Technical Resources**-The State will provide a minimum of 5 resources with strong technical programming experience, preferably with knowledge of TACS and/or legacy tax systems. These resources will be working with the Contractor on SAP BASIS, SAP TRM components, which include Business Rules Framework, Load Programs, ABAP, WebDynPro and the Tax Agent Cockpit.

- **Business Resources**-The State will provide a minimum of 3 resources who will become active members of the SAP functional team. They will represent the business units involved in registration and SUW, have a working knowledge of taxpayer registration processes and will understand the configuration and maintenance of SAP TRM.

- **The state will commit one resource as needed** for system security.

State resources dedicated to the project will acquire their skills through both formal and informal learning opportunities, and hands-on experience with the Contractor. The State will provide the resources the opportunity to attend the classes needed within the timelines needed for the project. The Contractor and State will monitor the progress of the State team on a quarterly basis and will work jointly to address issues. In the event that a State resource is unable to fulfill their responsibilities the State will identify a replacement on a timely basis.

The Contractor will focus knowledge transfer, coaching and resolution of complex technical development particularly in the following areas:

- SAP XI
- MBT v 1.2
- MBT 2009

Security

The State will develop all aspects of Security with Contractor guidance for REGISTRATION 1. This includes definition of security roles and configuration of security within SAP.

18) **Training**
The State will develop all aspects of training for REGISTRATION 1. This includes training strategy, maintenance of the training SAP system, development of Business Process Procedures (BPPs), development of training materials, training exercises, development and input of training data (Master Data) and training delivery

19) **Documentation**
The implementation of the SAP solution requires the ongoing development of technical documentation. FRICE-W functional and technical specifications and configuration information will be appropriately documented by the implementation team. The project documentation will be retained by the State and is necessary for the ongoing support and administration of the SAP solution and environment.

The Contractor will document key business processes that may be complex to manage such as reopens and reversals of returns / payments, and deactivations and deletions of Account Profile components, and document accounting. The topics to be documented will be determined jointly by the Contractor and the State.

20) **Documentation - User Manuals**
User guides/user manual to support End User training will be produced by the State.

21) **Documentation – IndustryPrint**
Deloitte will utilize IndustryPrint for Registration 1. IndustryPrint will be utilized to document business processes related to Registration and other business areas which may be reviewed during BPR. Existing process flows documented during MBT will be updated as needed.

22) **System Support Services During/After Warranty Period**
Contractor will provide Support Services in accordance with the MBT contract. No additional Support Services for Registration 1 will be provided.

23) **Operations Support Services During/After Warranty Period**
The Contractor will provide 90 days of warranty support for operations for Registration 1.

24) **Shared Responsibility for Interfaces To/From Legacy Systems**
The responsibility for interface identification, definition, configuration and testing of interfaces between the SAP environment and legacy systems is shared between Contractor and the State. The State will assume the responsibility for the identification, transition/conversion, cleansing, migration of data to the SAP XI software and related interface balancing from/to legacy. Contractor assumes responsibility for loading of data to SAP, reporting related errors or failures in loading, and providing detailed interface balancing reports.

25) **Extracting Data From/To SAP**
The State is responsible for the extraction of data from/or populating data to legacy systems. The Contractor is responsible for data extraction from or loading into the SAP solution. The State is responsible for configuration of the middleware component

D. OUT OF SCOPE FOR THIS STATEMENT OF WORK

1. Responsibility for communication outside of the project team will rest with the State.
2. The acquisition of hardware and related software will be the responsibility of the State and is out of scope for this proposal.
3. Responsibility for analysis and functional changes resulting from EHP4 will rest with the State. The Contractor will assist in the analysis by providing SAP expertise and examples.
4. The Contractor is not responsible for Data Cleansing or Data extraction from legacy systems.
5. The State will assume responsibility for test planning. This includes regression and user acceptance test planning and execution. This includes tracking and reporting of defects.
6. Enablement of the newly available functionality from EHP4 is not part of the upgrade activity.
7. Implementation of REGISTRATION 2 requirements
8. The Contractor is not responsible for Security Administration
9. The Contractor is not responsible for development of BPP's
10. The establishment of the Project Control Office is being handled by the state. It is expected that all project tasks for all parties working on this project will be coordinated through the master project plan coordinated by the PCO.
11. The Contractor is not responsible for decommissioning outdated or replaced legacy systems
12. The Contractor is not responsible for Training
13. The Contractor is not responsible to develop Test Scripts or Execution of Test scripts for UAT.
14. The Contractor is not responsible to maintain/operate or manage test results/reports with the Mercury Test Tool for UAT.
15. Further assumptions of in/out of scope are noted in the Compensation and Payment Section L of this SOW.

E. TECHNICAL ENVIRONMNENT

The State's standard technical environment is referenced below:

Existing/Legacy Systems

Hardware Environment:

- Mainframe (Legacy): Unisys Libra 595 Production
- O/S: MCP 10.1 SSR 51.1 (June 2006)
- Servers (Legacy and SAP): SUN
- O/S: Solaris 10

Database: Oracle 10g
Desktop Workstations (Legacy and SAP): Dell GX620 and earlier
O/S: Windows XP Professional and 2000 Pro
Applications: Office for Windows 2003 and others

Browser: Internet Explorer 6.0.2 or newer.

Network Environment:
Network Devices:

- Cisco switches and routers
- CiscoWorks for configuration management

Monitoring Devices:

- CA Unicenter, and SAP Solution Manager

Contractor's proposed solution is an end-to-end SAP solution. Based on the Contractor's understanding of your SAP software license, the Contractor proposed solution would not require the State to purchase additional SAP software. The Contractor will utilize the following:

SAP Products	Description
ECC 6.0 ERP 2005	Core SAP platform including FI-GL, CO, FM*
SAP IS-PS-CD (ENHP 4)	SAP Tax and Revenue Management for Public Sector
SAP XI 3.0	Interfacing middleware architecture Including Siebel Adapter by iWay
SAP Enterprise Portals 7.0	Front end to SAP products, usability, and Single Sign-On Public facing web site, needed with enhancement pack 4 for Tax Agent cockpit
Solution Manager 4.0	System performance monitoring, SAP OSS access and technical support, and ASAP methodology/tools
Emigal	For loading mass data to SAP
Interactive Forms Based On Adobe	For tax form processing

The software will be current to its latest release in order to facilitate efficient integration. Oracle DBMS has been purchased by the State and is installed with the SAP software in a test environment. FileNet Image Services will be v3.6 or higher.

F. PHASES, TASKS, AND DELIVERABLES

Each party shall reasonably cooperate with the other party in the performance of the Contract, including provision by the State of timely access to data, information, and its personnel. The State shall be responsible for the performance of its obligations and for the accuracy and completeness of data and information provided to the Contractor.

The Contractor shall provide services and staff to perform the following project phases:

Project Phase 1 – Plan and Assess (Complete Project Preparation)
Project Phase 2 – Design (Complete Business Blueprint)
Project Phase 3 – BPR and Build (Complete Realization)
Project Phase 4 – Deliver (Complete Final Preparation and Go-Live)
Project Phase 5 – Project Warranty

The work products to be produced during each phase are described in more detail later in this section, including the specific requirements (i.e., tasks and deliverables) for the activity.

To the extent known, requirements for the deliverables have been documented in this contract. However, prior to the creation and submission of each deliverable, the Contractor will work with the State Project Manager to determine and agree upon the final format, content, acceptance criteria, and review process for the deliverable. The result will be a Deliverables Expectation Document (DED) for each deliverable.

The Contractor shall propose a format for each deliverable and gain State approval prior to preparation of the deliverable. This approval process shall include submission of a DED. The sole purpose of the DED is to ensure that a common understanding exists between the State and the Contractor regarding the scope and content (depth and breadth) of the deliverable prior to the Contractor beginning work on the

deliverable. The complexity of the DED should be proportional to the complexity of the deliverable. The DED will contain items such as:

- Deliverable objectives
- An outline of the deliverable, table of contents, sample format, sample pages, and a general description of the information that will be contained in the deliverable
- Deliverable acceptance criteria consistent with the requirements of this contract

The following section provides a description of the key activities and deliverables of each phase.

Phase 1 – Plan and Assess

During the Plan and Assess Phase, the Contractor will complete overall project implementation, dependencies and resource planning. Contractor will also perform a data quality analysis to quantify and assess the quality of key legacy data to be converted.

During this phase, the Contractor team will also complete the Legacy SUW Registration Intersection, Assessment and other Systems Assessment**.** The team will focus upon the review, assessment of legacy SUW functionality where it is apparent that conflicts or overlaps exist with Registration 1. The Contractor objectives are to prepare a roadmap and design for Registration 1 which considers legacy tax system functionality which may be best suited to SAP functionality

The Michigan PCO will provide structure and controls in this phase and will be responsible for creating all project management and planning tools.

Tasks:

Task 1 – Prepare Project Office
Task 2 – Hardware Assessment
Task 3 – Legacy System Assessment Plan

Deliverables:

Deliverable – Project work plan- WBS and schedule, Team organization chart, QA Plan and Resource plan. This work assumes use of current processes for: • Status reporting • Issue management • Risk management • Scope management • Quality assurance • System change management plan • Contract and Cost management.
Deliverable – Review and recommendations for Parallel hardware landscape and sizing
Deliverable – Plan for Legacy Systems Intersect Assessment

Phase 2 – Design

Complete Business Blueprint. During the Design Phase, the team will develop a design for registration that will enable the State to make SAP the master system of record for Taxpayer information related to business registration. This design will also accommodate future tax roll-outs in a manner which establishes consistency across taxes. Key components of this phase include the Appendix 1 requirements, business process design, key software configuration strategies, FRICE-W specification development and identification of potential organizational changes. Contractor will also help define control frameworks to address business process, IT, interface and conversion control requirements to address risks related to the Registration 1 processes and system settings that will be

implemented. Control frameworks will be designed to identify ongoing monitoring efforts required to meet applicable state and federal compliance requirements.

The key project focus for this phase is to design the initial implementation of SAP Taxpayer registration process to replace the existing functionality in TACS Registration legacy system. The scope includes establishing SAP as the official "system of record" related to taxpayer registration and includes the required interfaces to/from TACS, Siebel and other systems as detailed in the State of Michigan Requirements Matrix. The scope also includes developing the framework model for Taxpayer Account profile and registration and design for capabilities to support selected business functions from MBT, SUW and other tax types, which are consistent with best practices available in the SAP registration functionality.

Deloitte Consulting will review the Michigan Department of Treasury form 518, Registration for Michigan Taxes and MiBOS electronic application for tax registration process for potential change. The primary focus of this effort will be to ensure that the data collected supports the business needs and objectives of the Department of Treasury without compromising the data collected by the Michigan Unemployment Insurance Agency.

Tasks:

Task 1 – Conduct Requirements Validation
Task 2 – Perform SUW-Registration & Other Taxes Intersect Assessment
Task 3 – Develop Scope Catalog
Task 4 – Develop Blueprint
Task 5 – Develop Functional Specifications for FRICE-W

Deliverables:

Deliverable – Requirements Validation Document which will establish the baseline of REGISTRATION 1 and which will be meet through the Blueprint design.
Deliverable – Scope Catalog
Deliverable – SUW Registration Intersect Assessment which will include thorough review of Appendix 1 requirements, legacy Registration processes, including those which reside currently in SUW. Additional work will include review of Other Business Taxes (non-SUW). This will be a high level review of non-SUW tax systems to identify areas which may impact Registration 1 design. The team will identify gaps between the expected Registration 1 processes and the other business taxes and collaborate with the State team to develop a strategy and action plan to address the gaps. This will include a review of registration and tax processing business processes including returns processing and reconciliation, return adjustment and taxpayer bill of rights letters, delinquent control for non-filers, monitoring taxpayers for timely payment through expected payment channel, penalty and interest charges, transferring returns and / or payments or other money credits, reopening and reversing returns and /or payments, yearly return mailings, yearly resizing of filing frequency requirements, yearly purge, taxpayer accounting, revenue accounting, customer service and touch points with downstream tax administration processes that rely on SUW return and payment data and delinquent control processes.
Deliverable 10 – REGISTRATION 1 Blueprint which includes the configuration and FRICE-W requirements needed to meet validated requirements.

<u>Phase 3</u> – BPR and Build

Complete Realization. During this phase, Business Process Reengineering activities associated with registration will be completed. The activities in this project phase will include a review of current

registration business processes and recommendations for improvement which will leverage the capabilities of SAP and industry leading “Best Practices”, including back-office processes. This work will include but not limited to the review of registration business processes. Deloitte Consulting will review the Michigan Department of Treasury Registration business processes and particularly form 518, Registration for Michigan Taxes and the related electronic registration process for potential change., During the Build Phase, the team will configure the system and complete technical developments needed to meet requirements. Forms, reports, interfaces, conversions, enhancements and workflows (FRICE-W list) and accounting are documented, developed and tested by the Contractor, security profiles are created, and multiple environments (e.g., testing, training, production) are established.

Tasks:

Task 1 – Registration and SUW BPR
Task 2 – Configure SAP, including
Task 3 – Develop FRICE-W objects

Deliverables:

Deliverable – Business Reengineering Report for Registration and SUW, which includes an assessment of As-Is processes. The report will identify improvement opportunities to leverage the capabilities of SAP and industry “Best-Practices”. This Deliverable will include To-Be Processes, process vision for future tax type and development of a Global template for future phases. This includes development of and approach for streamlining processes for SUW and future tax types on a common global template identifying the business process activities that would be available for standardization across tax types.
Deliverable – Configuration and FRICE-W Technical Documentation (including EHP4)
Deliverable – FRICE-W Development

<u>Phase 4</u> – Deliver

Complete Final Preparation. During the Deliver Phase, the team will prepare for and execute system and business cutover. Cutover involves final system testing (user-acceptance), user training, and Go-Live. The system will be in production at the end of this phase

Tasks:

Task 1 – Prepare Final Production Environment
Task 2 – Cutover and Conversion Plan
Task 3 – Execute Cutover
Task 4 – Production System Release

Deliverables:

Deliverable – Cutover Plan
Deliverable – Conversion Plan
Deliverable – REGISTRATION 1 Go-Live

<u>Phase 5</u> – Warranty

90 Days of Warranty. During this phase, the team will provide warranty support.

Tasks:

Task 1 – Provide 90 Days of Warranty

Task 2 – Prepare Warranty Report

Deliverables:

Deliverable – Warranty Report

G. CONTRACTOR, STAFF ROLES AND RESPOSIBILITIES

All persons assigned to this contract shall be employees, or subcontractors, of the Contractor and, in the case of key personnel, meet the qualifications outlined below, and must sign the required Treasury non-disclosure and confidentiality forms. The Contractor must include a similar provision in any contract with any subcontractor selected to perform work under this project. Contractor's staff must be able to pass a security clearance check conducted by the Contractor. Contractors must present certifications evidencing satisfactory background checks and drug tests for all staff identified for assignment to this project. Contractor is responsible for any costs associated with ensuring their staff meets all requirements.

The Contractor will observe the Deloitte Consulting 3-4-5 work schedule for those who travel extensively. This policy provides for practitioners who travel extensively to observe the following:

- 3 nights of overnight travel per week
- 4 days onsite at project
- 5th day in Deloitte/Home office

The policy acknowledges that circumstances will often require more coverage. Staggering schedules may be used to provide 5 day coverage, if needed. This policy is expected to be followed approximately 75% of the time over the course of the project. Deviations from this policy will be mutually agreed upon with the State. The project will maintain a monthly calendar providing the State with the team schedules.

The Contractor will provide, and update when changed, an organizational chart, indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work. Contractor will provide:

- Personnel with the ability to work professionally with the users, administrators, Treasury, MDIT and other State agencies serving the citizens of the State of Michigan
- Personnel with the experience and ability to translate State requirements into the SAP functionality
- Personnel with the ability and focus to complete knowledge transfer to State Staff in addition to completing individual tasks and deliverables.
- Personnel with the ability to document and act on customer suggestions and complaints.
- Personnel with the ability to document problems, fixes, resolutions and preventative measures for the future.
- Personnel with the ability to troubleshoot problems and provide timely resolutions in order to prevent downtime.

The Contract Manager will have prime responsibility and final authority for the work completed by the Contractor and must have a regular on-site presence for the duration of the project and be available to the Executive Sponsors for issues that cannot be resolved at the project level.

1. **Overview of Roles and Responsibilities**

The following overview provides definition of State v. PCO Contractor v. Contractor roles and responsibilities for this Statement of Work:

a) The **Contractor** is accountable to the State of Michigan Project Manager. The Contractor's primary responsibility is to provide design, configuration, development, unit and integration testing, training recommendation, implementation, warranty for the configuration of SAP software, (acquired under separate contract), that will support the core business processes and functions, as defined in Appendix 1, in order to support the new Registration 1. The Contractor provides both revenue business process knowledge and SAP T&RM knowledge

b) The **PCO Contractor** is also accountable to the State of Michigan Project Manager. Their primary responsibility is to provide independent third-party control, monitoring, and project management processes for the project. The PCO Contractor provides depth and breadth of knowledge and experience in project management and technical control processes to ensure project delivery.

c) The **State** maintains overall authority and control over the REGISTRATION 1. This is primarily manifested in the Executive Steering Committee, comprised of Treasury and DIT representatives, which will meet to review overall plans – and progress against those plans – on a regular basis. The Steering Committee will rely on the REGISTRATION 1 Project Manager for the day-to-day operational oversight necessary to maintain control of the effort.

2. Location of Work

The work is to be performed, completed, and managed at the following location:

Operations Center
7285 Parsons Drive
Dimondale, MI 48821

3. Key Personnel

For any personnel changes, resumes must be provided and the State given time to review to accept or reject any personnel changes before they are authorized. The State reserves the right to have any proposed resource replaced when, in the State's judgment, that resource is unqualified for the project. The Contractor will commit that staff identified below will actually perform the assigned work for the duration of the Phase 1 project. Any staff substitution must have the prior approval of the State. Each personal identified as meeting a key role must meet the State minimum standards. The following Contractor staff roles are identified as "Key Personnel" for this project.

Role	**Individual**
Contract Administrator	George Mitchell
Project Manager	Rita Scoggins
Registration Lead	TBD
Lead Software Specialist P/T	Nasser Hanif

Each of these roles is defined below:

a) **Contract Administrator**

The duties of the Contract Administrator shall include, but not be limited to: i) supporting the management of the Contract, ii) facilitating dispute resolution, and iii) advising the State of performance under the terms and conditions of the Contract.

b) **Project Manager**

The Project Manager will work closely with the designated personnel from the State to oversee a complete and successful execution of the requirements of this contract. The Contractor Project Manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services
- Maintains adherence to the project charter and scope document
- Coordinate all of the activities of the Contractor personnel assigned to the project
- Schedules work assignments, sets priorities, directs work, and addresses deviations from plans
- Create all reports required by State
- Manage Contractor's subcontractors, if any
- Develop the initial project plan and schedule, and provided updates to the PCO Manager as needed
- Serve as the point person for all project Contractor issues
- Coordinate and oversee the day-to-day project activities of the Contractor team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Use change control procedures
- Prepare project documents and materials

c) **Registration Lead**

The Registration Lead will work closely with the project team to coordinate the efforts of the team in meeting overall Registration 1 requirements. The Lead will guide the planning, design and implementation of SAP TRM for Michigan's integrated tax system. The Contractor's Registration Lead responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities for Functional Configuration and FRICE-W
- Adhere to this SOW, project charter and project requirements
- Coordinate all of the activities of the Functional team personnel assigned to the project (Contractor and State)
- Schedule Contractor's relevant work assignments, set Contractor's priorities, directs Contractor's work, and addresses deviations from plans
- Assess and report relevant project status and feedback
- Escalate project issues, project risks, and other concerns
- Coordinate the preparation of Deliverables under the Contractor's Registration Team responsibility. Review project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Use change control procedures
- Prepare relevant project documentation and materials

d) **Lead Software Specialist**

The Lead Software Specialist will work closely with Contractor personnel and the designated State personnel to oversee a smooth transition to the new system. The Contractor's Lead Software Specialist responsibilities include, at a minimum:

- Coordinate all defined Contractor responsibilities for SAP functional development
- Recommend and deliver appropriate processes, tools, and templates for the Functional Teams (Contractor and State)

- Adhere to the project charter and scope document
- Assess and report relevant project status and feedback
- Escalate project issues, project risks, and other concerns
- Review project functional deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Use change control procedures
- Prepare project documents and materials

e) **Named Non-Key Personnel**

There are no named Non-Key personnel for this phase.

The Contractor will have primary responsibility for all activities noted in Section F, Phases, Tasks, and Deliverables, except for those noted below in Section H as State primary responsibilities.

H. STATE STAFF ROLES AND RESPONSIBILITIES

The State will provide a combination of staff to assist the Contractor throughout the performance of this contract. The State will provide an MDIT Project Manager, working closely with a Treasury Business Owner, to lead the project under the direction of Executive Sponsors from Treasury and MDIT. The MDIT Project Manager will work closely with the Treasury Business Owner.

The State project team will include project teams staffed from both Treasury and MDIT.

The State will make its best effort to provide the necessary type, number and timing of State resources.

State of Michigan Role	Responsibilities	Skills Expected
Contract Administrator	• Administer contract terms • Negotiate changes of scope when and if new regulations/requirements require revised functionality • Participate in PCO activities	• Contract administration knowledge and experience • Knowledge of State of Michigan Project Management Methodology, Systems Engineering Methodology, and Accelerated SAP Methodology • Written and oral communications skills
Project Manager	• Participate in schedule development by providing technical information and guidance • Timely review and approval of resolution of escalated issues • Liaise with stakeholder agencies to prepare for the implementation of the new system. • Liaise with the PCO contractor to evaluate and incorporate report recommendations into the project management plan • Facilitate communications • Plan and facilitate risk meetings • Maintain master risk database for all identified risks • Plan and facilitate issue	• Knowledge of State of Michigan Project Management Methodology, Systems Engineering Methodology, and Accelerated SAP Methodology • Certified Project Management Professional preferred • MIITAS Business Case knowledge • Thorough understanding of Michigan Treasury business and technical requirements • Written and oral communications skills

State of Michigan Role	Responsibilities	Skills Expected
	meetings • Maintain the master issue/action item database for all identified issues/action items • Review and approve plans and schedules for release and delivery of configuration items • Provide change control decisions as required to modify and clarify requirements • Manage all State resources • Prepare weekly status reports • Prepare steering committee reports • Participate in PCO activities • Provide project plan updates to the PCO • Negotiate changes of scope when and if new regulations/requirements require revised functionality	
Functional Team Members (3) To be Co-Located and dedicated full-time to work with Deloitte	• Define system and configuration requirements • Identify business rules • Perform system configuration • Confirm business process designs • Participate in testing and cutover activities • Take responsibility to learn PSCD • Development of forms, reports and correspondence • Provide input to the design and development the Blueprint	• Knowledge of Registration 1 requirements • Knowledge of TACS and SUW systems • Desire to learn SAP • Desire to become part of Michigan SAP Functional Center of Excellence • Written and oral communications skills
Dedicated Technical Team Members (5) To be Co-Located and dedicated full-time to work with Deloitte	• Attend SAP training • Work closely with Deloitte Consulting on a daily dedicated basis to develop their knowledge • Take project responsibilities associated with Deliverables and other activities as needed • Focus in one or more of the following areas- - ABAP - Adobe - BRF - Web DynPro - Tax Agent Cockpit - BASIS	• Knowledge of Accelerated SAP Methodology • Knowledge of Michigan's Systems Engineering Methodology • Knowledge of MIITAS business and technical requirements, especially those that relate to interfaces and conversions • Knowledge of current systems and interface architecture • Experienced Dialog programming skills • Written and oral communications skills

State of Michigan Role	Responsibilities	Skills Expected
	- XI - Security	
Legacy Interface Developer	• Design interfaces • Develop interfaces • Test interfaces	• Knowledge of Michigan's Systems Engineering Methodology • Knowledge of Michigan Treasury systems and interfaces • Experience in developing technical data maps • Previous interface development experience • Written and oral communications skills
Conversion Developer	• Prepare legacy data for conversion • Design, develop, and test legacy extracts	• Knowledge of Michigan's Systems Engineering Methodology • Knowledge of Michigan Treasury legacy systems • Experience in developing technical data maps • Previous conversion development experience • Written and oral communications skills
Change and Training Lead	• Prepare project communications • Oversee planning and execution of all training activities, such as: - Identify and develop policies and procedures - Develop BPP's - Develop training materials - Develop training exercises - Manage training environment - Deliver training	• Knowledge of Michigan Treasury business and technical requirements • Experience in providing communications for a large systems integration project • Experience developing systems training materials • Understanding of the unique needs of Michigan Treasury staff • Written and oral communications skills
Training Materials Developer	• Develop BPP's • Develop training materials • Develop training exercises • Manage training environment	• Experience in development of BPP's • Experience in development of training materials • Experience with Training tools (uPerform)
Trainer/Training Delivery	• Deliver end user training	• Experience delivering training to end users • Written and oral communications skills
Testing Team	• Plan for Testing • Use business knowledge to identify test scenarios • Prepare Test Scripts • Conduct testing • Report Defects	• Knowledge of Michigan Treasury business and technical requirements • Experience preparing and executing test scripts • Written and oral communications skills • Experience with Mercury Tools

The State will contribute through the project as noted in Section F, Phases, Tasks, and Deliverables in order to assist the Contractor complete the project. The State will take primary responsibilities for the following areas

- Legacy Interface Development
- Legacy Conversion Development
- HW/SW Procurement and Installation
- External Communication and Change Management
- User Acceptance Test
- Stakeholder Management
- The Recipient of Knowledge Transfer Activities
- Championing of effort to create a Michigan Functional Center of Excellence for SAP Support
- Operations/Support in final 12 months

The following provides further clarification of the States Roles and Responsibilities:

- The State will be responsible for the State's infrastructure and work together with the Contractor and Software Vendor in determining the system configuration.
- The State shall provide a Contract Administrator whose duties shall include but not be limited to supporting the management of the Contract.
- The State will assign DIT and Treasury staff to the project. These individuals will be dedicated full-time to the REGISTRATION 1/MIITAS project and are expected to become the subject matter experts for various areas of the system.
- During the Warranty phase, the State resources will assist the Contractor.
- The State of Michigan will make all efforts to provide the full-time dedicated resources as indicated by the Contractor. Their roles will be defined mutually by the Contractor and the State. A process will be developed between Contractor and the State to assign and monitor the progress of the work for these State resources. Although Contractor is not expecting full production of project work products from these resources, these resources will be given the opportunity to contribute on the project as skills are developed and their time is allocated as such.
- The State is responsible for extracting the legacy data, working with Contractor to map data to SAP, define translation rules and default values.
- The State is responsible for programming activity related to updating data to the legacy system for interface data coming from SAP. The State is responsible for identifying and determining the number of resources needed to perform the legacy activities.
- The State will participate in knowledge transfer activities. To accomplish knowledge transfer, the State will pair key individuals as appropriate with the Contractor and allow these resources to participate on the project full-time.

I. PROJECT PLAN

1) **Project Plan Management**
   The project plan encompasses the key project management deliverables, documenting how the project will be successfully completed. The Project Plan includes the following elements:
   - Project Scope
   - High-Level Requirements
   - Project Schedule
   - Assumptions and Risks
   - Communication Plan
   - Staffing Plan

It will be the role of the PCO to establish the tools, processes and procedures to develop, execute, and control the Project Plan; the Contractor is responsible for the content of the Project Plan, as well as the actual completion of assigned work agreed upon in the plan. The PCO will update the various portions of the Project Plan and facilitate the status meetings; the Contractor will provide the information (input) to enable the updates to the Plan.

2) **Reports**
The Project Control Office (PCO) will establish a number of periodic status meetings to monitor and control the approved Project Plan. The intent of these meetings will be to identify the true status of the project and, where progress is not in line with original plans, put corrective action plans in place to bring the project back on track. These meetings will also serve to keep all levels of management informed of project status, highlighting major issues and roadblocks requiring management involvement and/or decisions.

J. PROJECT MANAGEMENT

1) **Issue Management**
The REGISTRATION 1 Project Control Office (PCO) is responsible for establishing an issues management process, including the creation of an issues log; meetings to prioritize, review, and resolve issues; and the development and execution of an issues escalation procedure. The PCO is also responsible for providing the tool(s) to track the project issues. It is the State's intent to leverage DIT standard processes and tools utilized successfully on other State IT projects. But the prospective Contractor should know that the PCO owns the responsibility for the issues process and toolset.

The Contractor is responsible for the identification of issues impacting the quality and/or timing of their deliverables, as well as the timely resolution of assigned issues.

2) **Risk Management**
The REGISTRATION 1 Project Control Office (PCO) is responsible for establishing a risk management process, including the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, the monitoring of risk items, and periodic risk assessment review. Similar to issues management, the PCO owns the processes and tools for risk management.

The Contractor is responsible for the identification of risks for each project (release) and the REGISTRATION 1program as a whole. Mitigating and/or eliminating assigned risk items will also be the responsibility of the Contractor.

3) **Change Management**
The REGISTRATION 1 Project Control Office (PCO) is responsible for establishing a change control process, including the recording of proposed change controls, impact assessment, change control review, and formalization of the acceptance or denial of the proposed change. Similar to issues and risk management, the PCO owns the processes and tools related to change management. This process will be used to manage enhancement requests above and beyond original scope of this contract.

The Contractor is responsible for the identification of potential change controls (along with other stakeholders), impact assessment (including schedule, cost, and risk), and participation in the formal change control reviews.

K. ACCEPTANCE

1) **Acceptance Criteria**

To the extent known, requirements for the deliverables have been documented in this SOW. However, prior to the creation and submission of each deliverable, the Contractor will work with the Project Control Office (PCO) to determine and agree upon the final format, content, acceptance criteria, and review process for the deliverable. The result will be a Deliverables Expectation Document (DED) for each deliverable.

The Contractor shall propose a format for each deliverable and gain State approval prior to preparation of the deliverable. This approval process shall include submission of a DED. The sole purpose of the DED is to ensure that a common understanding exists between the State and the Contractor regarding the scope and content (depth and breadth) of the deliverable prior to the Contractor beginning work on the deliverable. The complexity of the DED should be proportional to the complexity of the deliverable. The DED will contain items such as:

- Deliverable objectives.
- An outline of the deliverable, table of contents, sample format, sample pages, and a general description of the information that will be contained in the deliverable.
- Deliverable acceptance criteria which is consistent with the requirements of the contract.

The State and the Contractor will follow section 2.105 DELIVERABLE ACCEPTANCE PROCEDURE of the Contract for the submission and acceptance of deliverables and milestones. Each of the deliverables has been noted in Section F, Phases, Tasks and Deliverables. Each of the payment milestones has been noted in Section L, Compensation and Payment.

2) **Final Acceptance**

Final acceptance for this SOW will be based on the following:

Full deployment of the REGISTRATION 1 system meeting all requirements contained in Appendix 1 and further refined during Activity 2.

The above will be signified by formal approval from the REGISTRATION 1 Project Manager and Treasury Project Sponsor.

L. COMPENSATION AND PAYMENT

The State will reimburse the Contractor for Hardware and Software acquired on behalf of the State, within 45 calendar days from the submission of the invoice.

Compensation and payment for the commodities and services required by this SOW include:

- The table on the below contains the agreed upon payments and payment schedule. The payments include the fixed-price of $ 6,985,000.00 for implementation.
- Michigan Treasury has expressed a desire to establish a method to have flexibility over the course of the project to address unforeseen issues or changes. To accommodate this, a pool of hours will be provided for work activities selected at the sole discretion of Michigan Treasury. The pool would provide the needed flexibility for the project team to respond to new or unknown factors which become apparent during the course of the project. Deloitte Consulting and Michigan Treasury would mutually agree in advance to the timeline, hours and hourly rate from the Contractor Matrix of Hourly Rates and overall cost for any work to be funded by the pool. The pool will total $ 2,500,000.00. A change control process will be established to leverage the use of the pooled hours.

- This results in a total contract of $ 9,485,000.00.

Deliverable #	Name	Total Cost
1	Phase 1 – Plan and Assess	$ 1,200,000.00
2	Phase 2 – Design (Blueprint)	$ 1,800,000.00
3	Phase 3a – Business Process Redesign	$ 1,000,000.00
4	Phase 3b – Build (Realization)	$ 1,500,000.00
5	Phase 4 - Deliver (Go-Live)	$ 1,000,000.00
6	Phase 5 - Warranty	$ 485,000.00
7	Pooled Hours	$ 2,500,000.00
TOTAL COST (Registration 1)		$ 9,485,000.00

The following assumptions are made regarding the fixed price cost:

- The rates provided in this response are for additional services requested for the REGISTRATION 1 Phase of the Michigan Integrated Tax project.
- Decisions on the version of the software to be implemented for REGISTRATION 1 will be mutually agreed upon by SAP, Contractor and the State unless otherwise specified elsewhere.
- Costs for required software for the REGISTRATION 1 project will be licensed by Michigan Treasury directly from SAP.
- Services included in this proposal are expected to be implementation of SAP's Tax and Revenue solution, including the following modules: FI, Internet Service Request, Adobe Interactive Forms, Portals and PS-CD.
- Michigan will have a working SAP parallel development landscape at the time needed for the Contractor's team to develop and implement REGISTRATION 1.
- Michigan staff will be leading all activities related to the analysis and decisions related to a functional upgrade of SAP to EP4. For this activity, the Contractor will provide support to the State in their analysis by assisting in identification of where functionality is used or which may be impacted by the EP4.
- Michigan staff will be leading all activities related to regression, and user acceptance testing of currently deployed processes associated with the upgrade to EP4.
- The content and format for a deliverable will be agreed upon prior to work on that deliverable. Reviewers and approvers will be responsible for understanding the substance of the deliverables and providing consolidated, actionable comments.

- The Contractor will rely on the State's final approval of a deliverable in writing at the completion of the review cycle so the project can continue forward with project tasks, activities and phases
- The State will procure required hardware and software and complete the necessary installation timely so that it does not impede the Project Plan
- The Requirements Matrix in Appendix 1 includes business and technical requirements which are related to REGISTRATION 2. The Contractor has responded to the requirements as desired by the State. The scope of REGISTRATION 1 does not include those marked REGISTRATION 2.
- The State will be responsible for the legacy side of interfaces, including the design, development, testing and operation with their internal and external systems and conversion of data from legacy systems. The State will provide the interface designs from the legacy side and provide the Contractor with the input file formats required
- The Contractor will provide the interface designs from the SAP side and provide the State with the input file formats required
- The State will provide dedicated resources as indicated in Section H.
- Basis, Security, UNIX Administrators, Database Administrators, Network Administrators and others required for establishing and maintaining development, quality assurance, and production environments, will be staffed by the State
- In order to position the State to be able to support the Registration 1 system, the State will provide 8 full-time dedicated resources (5 technical and 3 business/functional).
- Michigan project team members will receive necessary SAP training as recommended by Contractor
- Key functional team members will be available at key points during requirements gathering, data definition, tables identification, reconciliation and integration testing to work with the project team to make certain requirements are consistently and carefully defined
- State Treasury personnel will create all appropriate Business Process Procedures (BPPs), training documentation and materials and conduct end user training
- Interfaces are based on the essential items listed in Appendix 2.
- State will take responsibility for all Data cleansing and conversion.
- No holdback will be applied to the payment schedule noted above.

HOURLY RATES MATRIX FOR CONSULTING AND PROGRAMMING SERVICES

Contractor matrix of hourly rates for the Contractor's consulting and programming services at various skill levels and for both functional and technical consultants.

Firm, Fixed Hourly Rates for Staffing Categories

Staffing Category	Req's Pool Hours	Enhancements Pool Hours	Hourly Rate
Project Manager	As needed	As needed	$280.00
Systems Architect	As needed	As needed	$260.00
Business Specialist	As needed	As needed	$260.00
Technical Writer	As needed	As needed	$165.00
Training Coordinator	As needed	As needed	$210.00
Change Management Consultant	As needed	As needed	$210.00
Support Staff	As needed	As needed	$145.00
Workflow Coordinator	As needed	As needed	$210.00
Infrastructure Team Resource	As needed	As needed	$145.00
Configuration Management Team Resource	As needed	As needed	$165.00
Application Architecture Team Resource	As needed	As needed	$165.00
Environment Planning/Prep Team Resource	As needed	As needed	$165.00
Systems DBA Team Resource	As needed	As needed	$145.00
Network/Dev Environment Support Team Resource	As needed	As needed	$145.00
Data Modeler Team Resource	As needed	As needed	$145.00
Data Loader/Utilities Team Resource	As needed	As needed	$165.00
Senior or Expert Analyst	As needed	As needed	$260.00
Senior or Expert Programmer	As needed	As needed	$210.00
Programmer/Analyst	As needed	As needed	$165.00
Programmer	As needed	As needed	$145.00
Database Administrator Services	As needed	As needed	$165.00
Testing Lead Resource	As needed	As needed	$260.00
TOTALS	As needed	As needed	-------

LIMITATION OF LIABILITY FOR THIS STATEMENT OF WORK

The Contractor's liability for damages to the State for this Statement of Work, regardless of the form of action, shall be limited to $10,000,000 or professional fees paid which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to $10,000,000.

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

APPENDIX 1 (Technical & Business Requirements Taxpayer Registration)

Req No.	Requirement	Date revised	Assumptions
1	**CONVERSION** **Goal:** SAP will become the "Master Registration File" for Treasury. The Registration File located in Treasury's legacy system known as "TACS" must remain and will be considered the slave to SAP. The two files must stay in snyc with all Registration updates occuring in SAP and TACS.	**3/2/2009**	Michigan Treasury Assumptions around Conversion The State will be responsible for the data cleansing, parsing and extract of data and provide the data to Deloitte in a defined record layout. The State will define matching rules if multiple sources of data exist The file(s) to be loaded to SAP are in a format that SAP dictates. Where data transformation rules are needed, the State will define the transformation rules. Where data is to be loaded to any legacy Treasury system, the State will be responsible for loading the data back to legacy.
2	Extract and transform Treasury Business registration data (active and discontinued accounts) into SAP. approximately 350,000 active business accounts approximately 400,000 discontinued accounts exceptions: personal identification number accounts (PIN accounts - 115,000) and individual accounts (SSNs) 3,400.	3/1/2009	SAP Registration Business Partner Data will be the 'MASTER' file, System of Record for Registration. The State will be responsible for the data cleansing, parsing and extract of data and provide the data to Deloitte in a defined record layout. The State will define matching rules if multiple sources of data exist.
3	Addresses stored in SAP that originated from Treasury's Legacy system, must be extracted, transformed and sent back to Treasury's Legacy mainframe system to ensure all Business Partners (SAP and Legacy) are in sync.	3/1/2009	State will define rules for data transformation; Deloitte will provide output for the outbound interface to TACS, but State will need to load to TACS.
4	Addresses stored in SAP that originated from Treasury's Legacy system must also be extracted, transformed and sent Siebel, Treasury's Customer Contact Center.	3/1/2009	**Leagal address type with additional demographic date is required in Siebel.**

Req No.	Requirement	Date revised	Assumptions
5	Must provide strategic plan that will allow the elimination of the use of Michigan established (ME) Account Numbers. Originally established to allow multiple filing locations for one FEIN. Convert ME accounts to related tax contract objects under related FEINs. Each ME account shall have only one tax type for either sales, use and withholding. See related item 5 for phase 2	3/5/2009	ME Numbers are relied upon in the SUW return processing system. Must have a strong strategic plan and execution for keeping two registration systems in sync. This process must also consider Siebel and Dataware house impacts.
6	Must convert ME Accounts to related FEIN accounts when SUW system is converted to SAP. *Note: ME account numbers are to be converted to SAP in milestone 1, then merged in SAP under related FEIN numbers as part of SUW go-live. State will be responsible for converting ME account numbers in STAR when SUW goes live?*	3/5/2009	State will define the matching rules. If State Collections System (STAR) is not converted, note that a challenge to correct assessments in STAR will exist if account number has been changed from ME to FEIN?
7	Need indicator on the Business Partner account to identify that the taxpayer has an "open assessment" or active debt with the State.	3/1/2009	State will provide this flag on the extracted data for Deloitte to convert.
8	Create separate attributes of related tax types that are currently distinct tax types in legacy TACS Registration system. E.g., Streamlined Sales Tax (SST), use tax on purchases, use tax on sales and rentals, Concessionaire Tax, etc.		
9	Convert lockbox, jeopardy and probationary file classes to monthly filer file class.	3/2/2009	TACS must remain "as is" to minize impacts to other Business Taxes. Any data transformations must be dealt with in the interfaces (conversion and daily refresh). SUW has 1 Probationary and 577 Jeopardy
10	The name and DBA name shall be in separate field(s) from the address data. SEE SECURITY REQUIREMENTS.		State will define extraction and parsing rules.

Req No.	Requirement	Date revised	Assumptions
11	Create SAP table of valid NAICS codes and related values. State to provide valid codes and values.		The State will provide an electronic source file or key this information manually into SAP
12	Provide a process to populate NAICS codes from the following sources:		
13	populate NAICS codes from IRS master file from State's Data Warehouse. *Note: Any data element from an IRS source must be so identified and retain this attribute throughout its life.*		
14	populated intake NAICS codes from a UIA Interface file		
15	Convert current withholding payroll service providers information for each registered partner registered for withholding tax that has payroll service provider information.		Stipulate that the State will define the rules for extracting/parsing/matching.
	BATCH PROCESSES		
17	SAP must keep Treasury's Legacy mainframe Registration system updated and in-sync with specifically identified Account Profile data stored in SAP. Provide interfaces and detailed interface control reports on SAP and mainframe sides of this daily interface. SAP will become the "System of Record" for Registration, meaning all updates to registration data will be done in SAP and sent to Legacy. Legacy updates will be shut down.	3/2/2009	All Systems will be included….Tables for Motor Fuel and tobacco will need updating? The State will define the number of system targets and matching rules. State will define parsing rules and be responsible for the update programs to legacy. Deloitte will provide the SAP extracted data in a define file layout
18	A. Must provide at minmum a daily interface.		
19	B. Must provide controls (reports) to ensure data transfer success and integrity		Control counts will be provided on the extract. The State will provide the control counts on the load to legacy update.
20	C. Must be able to concatenate parsed data items into Legacy address fields and other constrained fields in legacy registration system.		State will take the parsed SAP extracted file and perform the concatenation and load to TACS.

Req No.	Requirement	Date revised	Assumptions
21	SAP must be able to keed Siebel Business Registration updates in sync through daily interface. Provide interface and detailed interface control reports on SAP and Siebel sides of this daily interface.		Responsibility for Siebel side development and daily interface update programs and maintenance responsibility of State or State's designee.
22	SAP must be able to keep Data Warehouse Business Registration Data updated and in sync. Provide interfaces and detailed interface control reports. German field names must be english.		Deloitte to provide extract; the State will perform loading of data to the DW
23	Business rules housed in SAP will determine if enough information has been captured for a successful registration through electronic registration or paper applications.		
24	Business rule(s) will indentify missing information and generate correspondence to the Taxpayer asking for the missing information to complete the registration. The letter must be dynamic to only ask for the missing items.	3/5/2009	Must be configured to turn off self service customers in next milestone. (not grant permission)- This needs further definition.
25	Create a process that will uniquely Identify all outbound correspondence so automated processes can be built to handle returned mail both undeliverable or expected return mail. Each piece of mail must be work flowed to the point that, Customer Contact is notified (Siebel), proper business unit is notified and the originator of the correspondence is notified.	3/1/2009	
26	A. Identify unique keys that will be printed on outgoing correspondence.		For phase one identify what data items are required to properly route inbound correspondence back to its originator or workflow que. The unique key data will be data entered by scan operators, however this information must be easily adoptable to scan line, barcode or OCR/ICR technologies.

Req No.	Requirement	Date revised	Assumptions
27	B. Identify location on printed correspondence for printing unique key information. Must be standard location on all correspondence template.		The State has a process that currently scans documents and data entry operators that captures key information from the images for routing. The State will make necessary changes to these processes to allow SAP produced correspondence to route to its designed location.
28	C. Business rules to re-issue undeliverable mail to a better address or work flowed if there is not a better address.		
29	Build a data entry form for entering new registrations from paper filings. This process must contain control reports to monitor daily production. Control reports shall include identifier of SAP environment.	3/2/2009	
30	Build a core process so that SAP can receive and post retrieved data from external sources to further populate missing data items and cleanse data in the Business Partner file. This process must be configurable to allow additional data items to be added as they are learned. Data sources should be configurable. The following are known sources, State is not bound to these sources and welcome any best practices that are available.	3/2/2009	It's understood that the interface with XI would most likely be one off's. The process in ECC could be a core process.
31	A. IRS data store on State's Data Warehouse. Obtain data to update NAICS code, Current address, Business size..etc… *following State business rules Note: Any data element from an IRS source must be so identified and retain this attribute throughout its life.*		
32	Ability to accept electronic updates of client lists from Payroll Providers to add/delete payroll service indicator and FEIN relationship number in related contract account or contract object data for partners' having a withholding tax.		If a registration does not exist the expectation is a new registration is created and a letter triggered.
33	Standard interfaces will be enforced with the payroll services.	3/2/2009	

Req No.	Requirement	Date revised	Assumptions
34	System must support batch update process. Legacy batch processes that currently update registration data weekly, monthly or annually will need to have its updates redirected to SAP. Goal will be to create/develop a signal feed to SAP of update requests from legacy batch processes. The following are known processes that will impact the registation as the State sees it.	3/3/2009	Legacy programs continue to run on TACS and interface to SAP until SUW and other tax types are built In SAP. Types of updates that will occur are discontinuing a tax type, changing filing frequencies based and filing history, updating tax liability flag, The complete list of data items is unkown at this time.
	Processes needed:		
36	a. Batch Process for Account Updates (e.g., filing frequency, tax obligation, tax types, address changes or noting when returned mail received from an address and the type of returned mail, etc.). Returned mail or bad address indicator sources to be defined during blueprinting.	3/2/2009	Changes to filing frequency due to increase $ paid, cross a threshold.
37	b. Discontinuance of Inactive Taxpayer Accounts by tax type	3/3/2009	
38	c. Maintenance of the flag to indicate that an assessment is still open. An indicator for any tax type supported in SAP.		
39	d. Provides the capability to periodically determine by tax type or groups of tax types, through the use of business rules, the proper reporting frequency for each tax whose returns are processed within the taxpayer is responsible for.		
	REGISTRATION FUNCTIONALITY		

Req No.	Requirement	Date revised	Assumptions
41	The System shall provide the ability to process new registrations when a FEIN has not yet been assigned or where the FEIN is unknown. Treasury's current process is known as assigning a Treasury "TR" number. The TR number takes the place of a missing FEIN and is a nine digit field with the prefix TR (TR9999999).	3/3/2009	Other tax processes are developed around the TR assignment method. Changes to this methodology could impact other legacy processes.
42	The System shall provide the ability to track taxpayers who have multiple locations and an ability to identify each location separately. Treasury's current process is to assign ME numbers for SUW taxpayers who require multiple locations for payment submission. Each location would have a unique ME number. Treasury maintains 3 number ranges that SAP must also maintain. Range identification: ME-0100000 - ME-0199999 is Sales and/or Use tax ME-0200000 - ME-0299999 is Withholding ME-0300000 and greater reserved for special account usage. These are assigned individually not systematically.	3/3/2009	This would be a temporary process. Needed for legacy payment handling. Must be designed to be easily obsoleted when SUW tax processing is configured into SAP. Must support existing TACS Reg functionality until SUW is in SAP. Get info. Mike provide narrative break down.
43	The system shall accept an interface from Unemployment Insurance Agency (UIA) to allow **new** businesses to register and Treasury to maintain accounts for the following tax types:	3/5/2009	Does MI have a process for exempting certain organizations from paying sales tax - i.e., the consumer exemption case process in FL? NO. SUW functionality for exemption certificate or sales tax license? Certain entities are exempt and sales tax license holders are exempt if buying for resale. Treausury has a good faith standard with Non-profit enitities. Non-profit organization do not have to pay on sales less than $5000.
44	1. Sales Tax		

Req No.	Requirement	Date revised	Assumptions
45	"Streamlined" is an attribute of sales tax that needs to be separately captured. Add this attribute requirement separately relating to sales tax.		See below.
46	"Concessionaire" is an attribute of sales tax that needs to be separately captured. Add this attribute requirement separately relating to sales tax.	3/10/2009	One time sales tax made to the state by individuals (flea market sales, craft shows, etc…) filed on form 2271.
47	"Accelerated" is an attribute of sales or *use* tax that needs to be separately captured. These taxpayer who pay $720,000 annually in tax, by law are require to file on an Accelerated schedule and must file electronically (EFT).	3/5/2009	Accelerated Schedule: Two payments per month (20th and last day of month) And a reconcilation (true up) payment due on 20th of the subsequent month. Form 2448 is filed.
48	"Pre-Paid" payer of sales tax on gasoline is an attribute of sales tax that needs to be separately captured. - State will manually set prepayment rates based on motor fuel licensing. Discounts apply.	3/16/2009	
49	"Pre-Payer" is an attribute of sales tax that needs to be separately captured. These are sales tax money paid by Automotive Dealers to the Michigan Department of State - New/used car sales. Discounts apply.	3/16/2009	
50	2. Use Tax		
51	"Use Tax on Purchases" is an attribute of use tax that needs to be separately captured.		
52	"Use tax on Sales and Rentals" is an attribute of use tax that needs to be separately captured.		
53	3. Withholding Tax	3/12/2009	The following attributes of a withholding filer can co-exist

Req No.	Requirement	Date revised	Assumptions
54	"Flow-thru" is an attribute of withholding tax that needs to be separately captured.		
55	"Payroll Service Providers" is an attribute of withholding tax that needs to be separately captured.		
56	"Accelerated" is an attribute that needs to be separately captured. These taxpayer who pay $480,000 annually in withholding tax, by law are require to file on an Accelerated schedule and must file electronically (EFT).	3/12/2009	
57	4. Michighan Business Tax (MBT)		
58	SBT - Split current SBT tax type into MBT (see item 4 above) and SBT as appropriate. Must be done to backfeed old TACS system?		
59	5. Motor Fuel/IFTA -New/Changed Registration sends notificaiton to the Motor Fuel Divison.	3/10/2009	
60	a. Separate tax code for IFTA motor carrier.		
61	b. Both tax type and fuel types related attributes needed for motor fuel.		
62	6. Tobacco Tax -New/Changed Registration sends notificaiton to the Motor Fuel Divison.	3/10/2009	
63	Other Business Partner types with direct relationship to all tax types (non 518)	3/10/2009	The "Other business partner" attribute will be entered manually for Phase 1. Existing BP's with these attributes will be part of conversion.
64	D. Tax Preparation Providers	3/10/2009	Will be automatically converted from TACS Registration, and updated in batch as elsewhere required, and SAP will provide manual update capability.
65	E. Software Developers	3/10/2009	
	Functionality to Establish master record		

Req No.	Requirement	Date revised	Assumptions
67	Add new taxpayers		
68	SAP allow manual and batch update change of existing TR, FEIN or SSN for existing Registered account.		
69	Establish identification number when needed (Treasury Assign Number, TR)		
70	Allow for Multiple identification numbers (FEIN, TR, ME, SSN, Driver License, SST ID, Preparer ID), abitility to distinguish between Contract Partners (FEIN, TR, SSN) and General business partners (may carry more than one of these numbers simultaneously for GBPs - SSNDriver License, Preparer ID).		SST ID is phase 1 attribute of sales tax type, and is carried in standard notation in STL ledger to allow required different delinquency handling. We must find a way to capture the SST numbers under sales tax for the related FEIN or TR so the SST number can be backfed to TACS Reg for crossreference record (XRASSTPDI - phase 1).
71	Establish Business relationships (LCC, Partnerships, POA, Payroll Service, Tax Preparer, blank, etc…) to MKK contract partner account(s) and vice versa.		
72	Store legal address for account		
73	Store multiple addresses (Mailing, Physical, multiple filing locations) by tax type		
74	Store multiple business locations		
75	Ability to send booklet request to legacy and record the history of the request.		
	Functionality to Maintain (update) master record		
77	Change account number FEIN, TR, SSN and auto update cross-references See item 87.		
78	Change address		
79	Change business types (NAICS) and SIC (only backfeed SIC to TACS)		
80	Change kind of ownership		
81	Change locations		

Req No.	Requirement	Date revised	Assumptions
82	Update identification number. allow multiple numbers for MKK contract partners and general business partners.		
83	Change or add relationships and related cross-reference numbers (SSN, TR, ME, FEIN, SST, blank)		
84	Correct or update filing method manually or in batch		
85	Ability to identify various filing frequencies by tax type (monthly, quarterly, annual) by tax type and /or tax type location(s)		
86	Ability to identify payment method by tax type (paper, EFT debt, EFT Credit, e-file. Separately indicate if legislativitly mandated or voluntary.		
87	Add comments why the various maintenance changes are made, date, etc.		
88	Ability to revoke a Sales Tax license with appropiate correspondence getting generated.	3/3/2009	The sales tax act provides an administrative process for notice of intention to revoke the sales tax license, a hearing, the notice of revocation and the right to appeal the revocation decision. The license is yearly. The same process would apply to a decision not to renew the license each year. The license may be reinstated by Treasury.
89	Ability to reinstate Sales Tax license and send license request to legacy system. (multiple copies).	3/3/2009	
90	Ability to reissue Sales Tax license based on taxpayer requests. (multiple copies).	3/3/2009	
91	Ability to reissue SUW booklet request based on a taxpayer request and send to Legacy (multiple copies of the License).	3/3/2009	
92	Process to reinstate tax types based on taxpayer requests.		
93	Transfer a business location to another account		

Req No.	Requirement	Date revised	Assumptions
94	Implement a process to Consolidate multiple accounts manually and automatically	3/10/2009	
95	Ability to reverse consolidation of multiple accounts		
96	Electronic funds transfer maintenance Additional data items needed (see forms 2248, 2328 & 4515): Date of Request First affect filing Period Date Stopped Contact Person (Name, Phone, Fax, email) Tax Types requested Tax Types Mandated New Application/Recertification	3/11/2009	
97	Add tax types		
98	Enter/change start and discontinue dates for tax types with appropriate authorization		
	Miscellanous		

Req No.	Requirement	Date revised	Assumptions
100	Listed are items to address when establishing process(es) for POA: POA can be for a set time period or Unlimited. Deceased Taxpayer will automatically expire a POA (sole proprietors, individuals) New POA will expire any previously received POA's. Need ability to establish relationship between a single POA to many taxpayers. Some POA's maybe doing business with Treasury as a business customer. Currently there is no unique identifier on the POA form. IRS form a unique identifier call Centralized Authorization File (CAF) No. Ability to send correspondence in parallel, one to taxpayer and to POA. Ability to use POA address as an additional source for resending undeliverable mail.	3/17/2009	
101	Ability to maintain Registration source attribute - new e-Registration, new paper Registration, Registered from return/payment, Registered from UIA match, Registered from IRS match, etc.? *Note: Any data element from an IRS source must be so identified and retain this attribute throughout its life*. and related entry date for contract partner Carry registration source types in SAP updateable table for maintainence by selected business users.		
	ADDRESS STANDARDATION		

Req No.	Requirement	Date revised	Assumptions
103	Use address verification software SAP PostalSoft to verify/standardize addresses for both added and updated addresses,		SAP PostaSoft is the state standard (Now called Data Services for XI 3.0)
104	Standardize Address will result in, parsed street address (Street Number, Name and directional indicators), use of postal standard directional abbreviations, (N, S, E, W. NE, NW, SE, SW), Street abbreviations (ST, AVE, DR, RD), suite/apartment, "attention/care of" and Postal Office Box use.		
105	The system automatically identifies and assigns the correct city and state based on entry of a 10 digit zip code with dash, 9 digit zip code, 5 digit with Street address or combinations thereof.		
106	The system automatically identifies and assigns the correct 9 digit zip code based on entry of a street, city, and state address..		
107	The system automatically posts foreign addresses including country codes and foreign postal codes. Formatting based on the Country automatically done for mailings.	3/10/2009	For SAP to TACS, SAP will have to convert SAP country code to TACS Registration standards for TACS district -territory. Additionally format foreign addresses for warrant printing through MAIN
108	The system automatically assigns county codes based on zip code based on table provided by State and maintainable by authorized business users.		
109	Provide a core process to add/change an address from a tax return. Update taxpayer account and store prior addresses according to business rules in tables. Respectively for legal address, other addresses, locations within a tax, etc. Business rules in table for when to require manual review.		
	CORRESPONDENCE / MAILINGS		

Req No.	Requirement	Date revised	Assumptions
111	As taxes are added/removed for each Taxpayer, an appropriate mailing (licenses / tax returns) must be issued / mailed to multiple addresses or a work item issued to the tax division needing the information. .	3/10/2009	When SUW efile is developed in SAP, the mailing volumes will decline such that vendor printing / mailing would no longer be justified and "one-off" basis would come from SAP? One offs currently are warehoused electronically and sent weekly to a third party vendor. Exceptions are Licenses only which are issued as requeste,daily.
112	Returns / Licenses must be generated from many different activities, such as:	3/10/2009	For Phase one, requests for licenses and/or booklets for SUW will be a request from SAP to Legacy. Other tax types need to be notified by email or work list item.
113	a. Triggered by change in filing frequency	3/10/2009	
114	b. Triggered by Business or Owner Name Change	3/10/2009	
115	c. Triggered by addition of Withholding taxes or other tax types (if determined withholding will be filed on a separate return from sales & use taxes)	3/10/2009	
116	d. Triggered by address change	3/10/2009	
117	e. Less frequent or more frequent filer would trigger a print request for applicable returns	3/10/2009	
118	f. Triggered by account number change?	3/10/2009	
119	Automate sending letter when insufficient data is received to complete full registration. See requirement 24.	3/3/2009	
120	Provide the capability to stop the mailing of registration forms and correspondence based on business rules.	3/10/2009	It is assumed once the request has been processed outside of SAP it can not be stopped.
121	Provide immediate access to outbound correspondence history information for Registration and ability to filter by tax type or security access rights of user.		

Req No.	Requirement	Date revised	Assumptions
122	Allow outbound correspondence to be viewed online, before and after printing. The print preview shall accurately depict the order of use of all name, DBA, and address elements for domestic and foreign addresses.		
123	Provide the capability to flag an account for incoming taxpayer correspondence to be routed to a specific user.		
124	Provide the capability for the Correspondence Module to allow for quick and easy additions of documents and changes to documents and to allow for various formatted letters, memos and documents. Updated Requirement: Enable the State to take charge of the development and maintenance of form/letter templates.		
	END USER CONFIGURATION		
126	Provide *authorized end users with* a means to add new items to configured table lists, such as NAICS codes, new letter messages or new ownership types..	3/3/2009	
127	Provide authorized end users with the capability to add additional tax types to taxpayer account. Tracking entry date, effective date, source, user id, etc.		
128	Provide *authorized end users with* the *ability* to indicate that a taxpayer has been identified as a PDT (potentially dangerous taxpayer)	3/10/209	This functionality does exist with MBT. Need to ensure it also is available as full function item for all tax types.
129	Provide *authorized end users with* the *ability* to indicate that a taxpayer has been identified as a Constitutionally Challenged Taxpayer (tax protestor).	3/10/209	This functionality does exist with MBT. Need to ensure it also is available as full function item for all tax types.

Req No.	Requirement	Date revised	Assumptions
130	Provide *end users with* a means, which can be used to trigger various processes, to denote that the taxpayer has a history of filing fraudulent returns through field level security. Updated Requirement: Provide a flag for BP's that are being audited, or are a considered a fraud risk. On the return we are introducing a rule to check the flag for at risk business partners.		
131	Provide *end users with* a means to denote and reverse that the taxpayer is undergoing criminal proceedings and whom to contact or have SAP notify of any changes to contract partner's account and filing / payment failures. Ability to terminate this "flag" and date and who set /removed this flag. These capabilities through field level security.		
132	**SEARCH CAPABILITIES**		
133	Provide the capability to search by various defined data items and date ranges.		
134	Provide the capability to search for existing taxpayers (what type(s) of SAP partners - contract partner, general business partner, business partner relationship?) by displaying all taxpayers in the database by name or portion of the name supplied by user input.		

Req No.	Requirement	Date revised	Assumptions
135	Provide the capability to search for existing taxpayers by input of an address and displaying all taxpayers in the database having that same address. Ability to preclude from query results as desired addresses by city, state, zip and filter down to specific city, state, zip. Ability to search by city, zip code, street number range & street name or combination thereof. While this milestone is limited to Registration 1, the Contractor must in the SUW milestone provide a single search across both account profile addresses and return addresses across tax types.		
136	Provide the capability to search for existing taxpayers (specify by contract partner only, general business partner only, separately for other business partner types or combinations thereof, and by name) by input of an FEIN, ME, TR, SSN, etc and displaying all taxpayers in the database having that same ~~FEIN~~ account number (both for currently active account number and account numbers with a validity end date).		
137	Provide the capability to search for existing taxpayers by input of one or more Treasury assigned account number(s), at least 14 alpha/numeric characters, and displaying all taxpayers in the database having that same assigned account number (both for currently active account number and account numbers with a validity end date)..		

Req No.	Requirement	Date revised	Assumptions
138	Provide the capability to search for existing taxpayers (specify by contract partner only, general business partner only, separately for other business partner types or combinations thereof, or by input of an SSN or name) and displaying all taxpayers in the database having an association with that same SSN or FEIN (both for currently active account number and account numbers with a validity end date)..	3/10/2009	
139	Provide the capability to search for existing taxpayers by input of an SSN and displaying all taxpayers in the database having an association with that same SSN (both for currently active account number and account numbers with a validity end date)..		
140	Provide for search for an address (street number and street name, city, state , zip or combinations thereof) across contract partners' various address types across each tax type for a specified time period (could help determine if single location business is out of business, its successors, etc.).		
	SAP CONFIGURATION / SETUP		
142	The SAP Registration system shall be designed in a manner which enables Sales, Use and Withholding to be implemented and to be the foundation for future Business tax roll-outs, etc. A complete PSCD Data Model for Sales, Use and Withholding is the desire outcome of this requirement. What will the Contact Account, Contract Object(s) and Revenue Types settings need to be to register/convert an SUW Taxpayer.	3/3/2009	

Req No.	Requirement	Date revised	Assumptions
143	Detect and prevent duplicate active MKK taxpayer accounts based on FEINs, TRs, SSNs, ME s of SAP active MKK partners before creating new MKK taxpayer profiles. Allow SAP general business partners to have duplicate FEINs, TRs, SSNs, ME's. but only one 'active' MKK account, unique external businees number in the SAP base table. Allow MKK partner accounts to have duplicate inactive external account numbers.	3/10/2009	Flag to worklists. Do not flag to worklist when account number match is for different account number types (SSN, FEIN, TR)
144	Maintains versions of taxpayer profile information by always adding new information, never updating existing information. Old and new values and who updated must be visible in displays.	3/3/2009	
145	Maintains a history of rule changes to Treasury business rules by always adding new rules, never updating existing rules.	3/3/2009	
146	Intentionally left blank		
147	Workflow rules will be applied to create, prioritize and route work items for accounts requiring further action. Further action may include routing the account electronically to another division, working exceptions for accounts with insufficient data and/or flagging accounts for required report/inquiry requirements		
148	Provide for local printing of documents at Treasury offices and remote locations based on access rights.		

Req No.	Requirement	Date revised	Assumptions
149	Provides an audit trail of all activity related to taxpayer contract partner, contract accounts and contract objects profiles, and general business parnters and vendor partners by keeping track of who created or modified the profile and when the creation or modification took place.		
150	Provides the capability for viewing taxpayer profile summary information. The Business Partner and all their registered tax types.		
151	Provides the capability to inquire on demographic data and the ability to summarize taxpayer data by tax type.	3/10/2009	
152	Provides the capability to inquire on demographic data and the ability to summarize taxpayer data by location by tax type	3/10/2009	
153	Provides the capability to inquire on demographic data and the ability to summarize taxpayer data by business class.	3/10/2009	
154	Intentionally left blank		
155	Consistent profile information is reflected on each screen. Each screen includes the taxpayer's FEIN/TR id number and name.		
	SAP TAX FREQUENCY CONFIGURATION / SETUP		
157	System maintains a history of the reporting frequencies, by tax, for each taxpayer. This history is to include the applicable dates for which the reporting frequency was in effect, and related discontinued periods between active periods by tax type.		

Req No.	Requirement	Date revised	Assumptions
158	System supports configurable reporting periods by tax type or groups of tax types and related required methods of paying the tax(ex. reporting period triggered by amount of liability) i.e.. Accelerated filing		
159	System supports taxpayers with irregular reporting requirements (ex. Seasonal Businesses creates filing obligations only for applcable months each year).		
160	For taxpayers reporting irregularly, the system maintains a schedule of when the taxpayer **will** be conducting business.		
161	System allows for changes manually and programmatically to taxpayer reporting from one frequency to another and maintains history of changes.		
162	System maintains a history of the reporting frequencies, by tax, for each taxpayer and by location for a tax as applicable to a tax or the periods of required filing by location (start and end dates of filing requirements for each location). This history is to include the applicable dates for which the reporting frequency was in effect.		
163	Provide the capability for changes to taxpayer reporting from one fiscal tax year to another by tax type through manual update or automatically through interfaces.		
	SAP CROSS REFERENCE CONFIGURATION / SETUP		
165	Provide for multiple relationships at both the entity (taxpayer) and account (tax type) levels.		
166	Provides the capability to link taxpayers related in a parent and subsidiary relationship.		

Req No.	Requirement	Date revised	Assumptions
167	Provides the capability to link corporate officers, sole proprietorships, general partners, etc, including social security number, drivers license number, date of birth **where available**, to the MKK account.		
168	Provide the capability to link to and from businesses that have merged to form a new entity. Distinguish these predecessor /successor relationships from other types of predecessor / successor relationships. Provide start and end dates of these relationships.		
169	Provide the capability to link to and from businesses that have divested to form new entities Provide start and end dates of these relationships.		
170	Provide the capability to link to and from general partners of partners, sole proprietors, and corporate officers, by tax identification numbers, to any related account.		
171	Provide for multiple associations (e.g. Entity to Entity, Account to Account, Entity to Account, Entity to Agents, and Account to Agent). Relationships should be established at the Taxpayer Level and provide ability to further modify and expand at the Tax Type (Account) level as needed.		
172	Provide a view to display all relationships for a Business Partner		
	SAP DATA CONFIGURATION / SETUP		

Req No.	Requirement	Date revised	Assumptions
174	Provide the ability to indicate a business change of ownership on the taxpayer profile including new owner's name and tax identification number and start and end dates of same. Capture and index both predecessor and successor business accounts from applications or entered manually.		
175	Provides the ability to indicate a business change of ownership on the business profile including new owner's name and tax identification number.		
176	Provide the capability to record each location for one or more tax types for taxpayers with multiple locations,. Search by contract partner address, or contract object address only, or both.		
177	Provide the capability for recording notes and/or narratives about actions taken for each taxpayer and the user who did it and the date it was done. The system must auto stamp user name and date in notes or comments fields.		
178	Provide the capability to indicate to users that a taxpayer has filed for bankruptcy. Expand for bankruptcy filing date, plan confirmation date, chapter type, whether filed direct with court, which bankruptcy court, etc. - entry either manual or by batch update from external system(s)	3/10/2009	
179	Provide a means to denote that the taxpayer is out of business for each tax and all taxes, the source of the information and the effective date by tax. Source date, effective date, user id who entered, etc		
180	Provides the ability to create worklist for exception cases for online follow-up for incomplete registrations.		Yes but on-line registration should not allow submission with data misformatted or not provided.

Req No.	Requirement	Date revised	Assumptions
181	Provide the capability to establish an account (from sources other than e-registration and paper applications, such as returns and payments)as long as the minimum amount of data is provided. Require a minimum of company or business name, legal mailing or physical address and the tax type and related start/stop dates, kind of ownership, SIC, NAICS, tax type(s), filing frequency, tax type start and stop dates, registration source.	3/10/2009	
	Supporting Tribal Registration, Sales Tax Collection and Tax Sharing See additional infromation/forms at: **http://www.michigan.gov/taxes/0,1607,7-238-43519_43527---,00.html**	**3/3/2009**	Tribal Sales Tax Collection is a small volume population, however the taxpayer relationship, tax collection and sharing are complex and unique, and must be understood to properly define SUW.
183	The system must support the relationship between a Tribe, Tribal Member, and Tribal Entity and specific tax types.		
184	A Tribe must have a valid agreement with the State. The system must be able to recognize this certification. All Tribal Members and Enities must have a relationship to the Tribe. Acceptance of a sales tax reimbustment is dependent on this relationship.		
185	The system must recognize an individual as belonging to a Tribe. Identification of tribal members includes their addresses and respective tribal enrollment numbers.		
186	The system must recognize a Business/Business Location belongs to a Tribe.		
187	The system must be able to load new Entities/Members in batch from electronic files from the Tribe.		

Req No.	Requirement	Date revised	Assumptions
188	The system must be able to interface the Tribal registration data to the current Tribal legacy system.		
189	The system must be able track individual members that live within Tribal and Trust Lands or outside the Tribal and Trust Lands.		Tribal member can move away from the Tribe and return. This activity is reported to the State and Maintain for tax enforcement purposes.
	Support for Delinquency Processing		
191	Ability to recognize and bypass accounts with registration types that should be ignored during a system sweep for delinquent accounts (seasonal filers, flow-thru-entities re specific tax types, etc.)		
192	The ability to avoid delinquency processing on tax types that do not have filing periods (e.g. property transfer tax and individual use tax)		
	Streamlined Sales Tax (SST)		
	STREAMLINED SALES TAX (SST) click to see FTA website for SST		

Req No.	Requirement	Date revised	Assumptions
195	Streamlined Sales Tax (SST) registration data when received and validated, an acknowledgment file is created and sent back to the National SSTR system confirming that data has been successfully validated. Currently, there are 10 different types of SST records (two each SSN/FEIN). They are; A New Registration - SSN/FEIN, Updated Registration - SSN/FEIN, Discontinued Registration - SSN/FEIN, Unvolunteered Registration - SSN/FEIN and Delete Registration - SSN/FEIN. All records will be processed through a set of business rules determining how each application type is loaded to SAP. If during applying business rules that there are any applications that cannot be loaded to SAP, they must be identified and reported to the National Streamline Sales Tax Registration Web Service team. Correspondence requesting additional data will NOT be used for SST data. For more detail information, visit: http://www.streamlinedsalestax.org	**3/2/2009**	**SSTR/SST Overall Assumption:** Goal is to build the complete interface with the SST web service for receiving SERs, Payments, and Information Reports. Posting of payments will need to be interfaced to the legacy system until SUW is developed. All SST business rules for payment application and return processing will be done in the SUW phase.
196	SAP SST registrations shall capture the SST account number as a cross-reference, and backfeed the legacy TACS Registration system with the SST number so that TACS can create the cross-reference in TACS.		

Req No.	Requirement	Date revised	Assumptions
197	SAP SST registrations shall be referred to the Account Profile worklist with a unique error code for Registration staff to determine if the account is already registered under an FEIN. If not registered under an FEIN, the Registration staff will manually register the SST account in SAP using a TR number or ME number.		
198	The system shall use SSTR/SST data element names as the naming standards where applicable throughout the system. Any deviation must be clearly documented and approved.	3/2/2009	Any and all data that is defined and processed through SAP must contain use the naming convention establish by the ASC X12/TIGERS Group. Its critical that data names follow a standard naming convention that can be communicated at all governmental levels. It is known if a Tigers name is the same as a base SAP table name that the base table name can not change. Data mapping documents will must identify these discrepancies. Additionally, any Tigers name that is required to be stored in SAP will be prefixed with "Z_".
199	The system shall accept add/changes/discontinuances of **registration**/account profile data.		
200	**Transmissions (For SST)**		
201	The system shall receive communications in accordance with the SST "Transmission Architecture" which has these components:		
202	Transmission Header		
203	TransmissionID - Unique to this transmission by this transmitter. Comprised of TransmitterID, 5 characters Julian Date, and a 6 character Transmission identifier which is usually a sequential number. If the data file is transmitted again for whatever reason the TransmissionID must change.		
204	Timestamp (Optional) - Timestamp of when the file was made.		

Req No.	Requirement	Date revised	Assumptions
205	Electronic Transmitter Identification Number (ETIN) AKA SSTP-ID AKA CSP-ID aka TIN		
206	ProcessType - "P" for Production and "T" for Test "P" process types in SAP production environment and "T" process types in SAP test environment		
207	Transmission Manifest		
208	Reference DocumentID		
209	Documents		
210	DocumentID - Similar in structure to the Transmission ID, must be unique within the transmission. Must match a reference in the Transmission Manifest.		
211	DocumentType		
212	Payload		
213	The system shall provide a "Receipt" (Says we got the transmission) of each Return batch as well as an "Acknowledgement" (says we accept the transmission/document as valid) of each return/batch.(XML document saying the transmission was received).		
214	**Acknowledgement (For SST)**		
215	The system shall make and Acknowledgement document (XML Document saying the transmission and/or item was accepted/rejected) for each Transmission and each Item.		
216	The system shall provide one or more error structures for each document rejected.		

Req No.	Requirement	Date revised	Assumptions
217	**Components (For SST)**		
218	**Acknowledgement Header**		
219	Timestamp – Timestamp of creation of acknowledgement document		
220	**Acknowledgment Manifest**		
221	Transmission Reference – TransmissionID of Transmission being acknowledged.		
222	Document Reference – DocumentID of Documents being acknowledged. If entire Transmission is being rejected this element will not be present.		
223	**Transmission Acknowledgement** – One of these structures for each transmission being acknowledged.		
224	TransmissionID – Must match the corresponding element of the Transmission being acknowledged.		
225	Timestamp – Much match the timestamp of the original transmission being acknowledged.		
226	Transmission Status – (A)ccepted, (R)ejected – Indicates if the entire transmission was accepted or rejected.		
227	Errors – One Structure for each error in the transmission being reported.		
228	**Document Acknowledgement** – One of these structures for each document being acknowledged. If a transmission is accepted, the system shall create one Document Acknowledgement for each Document within that transmission. Each document must be accepted or rejected.		

Req No.	Requirement	Date revised	Assumptions
229	DocumentID – DocumentID of Document being acknowledged.		
230	DocumentType – DocumentType of Document being acknowledged. (Simplified Electronic Return, Information Report, Registration)		
231	DocumentStatus – Contains an (A)cceptance or (R)ejection of the referenced document.		
232	PaymentIndicator – Indicates whether a payment was received with the document and whether the payment was accepted or rejected.		
233	(A)ccepted		
234	(R)ejected		
235	(N)o-Payment		
236	Error – One error structure for each error in the document being reported. If the documents was error-free, no error structure will be made for that document.		
237	Error Structure		
238	ErrorCode – There is a list of standardized error codes for common errors. There is also a code range for state specific errors.		
239	All state specific error codes begin with a 2 letter state designation		
240	ErrorMessage - There is a list of standardized error messages for common errors.		
241	SeverityIndicator (Optional)		

Req No.	Requirement	Date revised	Assumptions
242	DataValueInError		
	Cancellation/Revocation		
244	Ability to process cancellation requests from the following channels		
245	Notice of change or correspondence?		
246	· The taxpayer has an active license		
247	· The cancellation is initiated by the taxpayer or Tresury		
248	Cancellations will automatically cancel pending delinquency notices, bills, or assessments for post cancellation periods, where appropriate.		For Reg 1 & MBT initially.
249	Cancellations will automatically cause the system to issue revised notices/bills for previously issued delinquency notices, bills, and assessments for post cancellation periods, where appropriate.		For Reg 1 & MBT initially.
250	Cancellations can be reversed online and maintaining the historical entries.		
251	The system will automatically track, display, and support reporting of cancellation dates and reversal of cancellation dates as part of its stored history.		
252	The system will track the entire liability start and stop date history for each tax for each taxpayer as part of its stored history.		
253	The system will provide an online checklist of actions required and taken by the system and users that tracks and controls the due diligence steps that must occur prior to a cancellation taking effect.		
254	**Security**		

Req No.	Requirement	Date revised	Assumptions
255	Creating and maintaining the name and DBA name field(s) shall be restricted to SAP program(s) and to Registration users for business accounts / taxes.		
256	Gathering, storage in data bases and all transmissions of taxpayers' "private" information must be encrypted in accordance with DIT standards – e.g., social security numbers, EFT information, bank account names/numbers, drivers license numbers, birth dates and other "private" information protected by State or Federal privacy laws.	3/10/2009	
	Other		
258	List all fields to be converted.		
259	EG, list fields not to be converted (all others to be converted unless State determines): District-territory codes Number of locations Tax Liab Previous Tax Liab Useage Code Previous Useage Code Number of locations Exclude all HST records Exclude all Audit-File records Exclude LSB (list SSNs to Businesses) index Exclude LBS (list business to cross-references) index Last activity code? Last activity date? List incomplete		

Req No.	Requirement	Date revised	Assumptions
260	EG, list fields to be converted : Forms field (relates to SUW only?) Size field (relates to SUW only?) File class (convert Miscellaneous (map for each tax type as to contents - eg, for SUW relates to expected/ required payment method? ME base number Legal address effective date Legal address processed date Legal address source (valid source types to be provided by State and put into SAP table) Legal address returned mail indicator Seasonal open and closing months List incomplete		
261	**Documentation/Naming Conventions & Standards**		
262	All FRICE-W items developed for Regisation must adhere to the DIT's naming convention. The name is defined into four components: 1. SAP Requirement - file name begins with "Z_". 2. DIT Requirement, next five characters are "TI04_" 3. DIT Requirement, next 4 characters sequentially assigned, three digit number, "000_" Refer to as; "FRICE-W Number" - See FRICE-W Number Assignment tab. 4. Remaining characters are free form, must be meaningful. e.g. Control Total report may be named Z_TI04_201_NewRegTot	3/2/2009	

Req No.	Requirement	Date revised	Assumptions
263	File Names: Any FRICE-W item that produces a file or report must have the FRICE-W name as predecessor characters followed by 'Z" for reports, "Q" for a file and a digit number that is incremented for each output item. E.g. If FFRICE-W application Z_TI04_201 produces two reports, there names will be: Z_TI04_201_Z01_Control and Z_TI04_201_Z02_ErrorList If FFRICE-W application Z_TI04_201 produces two files, there names will be: Z_TI04_201_Q01_Payments and Z_TI04_201_Q02_ErrItems	3/2/2009	
264	All custom development must be documented. This will include Functional and Technical Specifications, File Structure/mapping documents and Report layouts. All supplemental doucmentation must have same FRICE-W name. e.g. Z_TI04_201_FS.doc (Functional Specificaiton) Z_TI04_201_TS.doc (Technical Specificaiton) Z_TI04_201_Q01.XLS (File Structure/Mapping) Z_TI04_201_Z01.doc (Report Layout)	3/2/2009	

Req No.	Requirement	Date revised	Assumptions
265	Every report produced by the system will use a standard template with the following items: Line 1: 1. left edge, FRICE-W assigned report name 2. Centered, Heading Michigan Department of Treasury 3. right edge, printed Date Line 2: 1. left edge, parameters (e.g. date range) 2. centered, Tax Description (MBT, SUW, etc...) 3. right edge, Printed Time Line 3: 1. left edge, parameters (e.g. date range) 2. centered, Report Title 3. right edge, Page number Every balancing control report shall identify the SAP environment for which it is run.	3/10/2009	
266	Every outbound correspondence must adhere to a standard template as defined by The State. Every templete will be designed and approved by Treasury's Forms and Document Services Divison. Every outbound correspondence will be unit / integration tested through printing (including names & addresses), approval queue workflow for approval, image indexing and capture in FileNet, and viewability through the SAP document viewer.	3/2/2009	
	Reports		

Req No.	Requirement	Date revised	Assumptions
268	Monthly Report that totals by tax type, the number of active accounts, registrations in process, discontinued accounts and total accounts. Grand total all registered accounts on file by business account number types (business accounts, ME #s, SSNs, special useage accounts, etc.)	3/10/2009	
269	Monthly File Class Report by tax type, file classes accelerated, EFT, EFT/accel/sales, EFT/accel/Withholding, monthly, lockbox, jeopardy, probationary. Subtotals by quarterly and annual with a grand total.	3/10/2009	
270	Kind of Ownership Report Group by tax type and in total, (individual, husband & wife, husb-wife partnership, partnership, Michigan corporation, Mich Corp Sub S, Mich Prof Corp, Outstate Corp, Outstate Sub S, PC Outstate, Estate/Fiduciary, Stock/Investment club, Social Club/Fratnl, Other-Misc, Unknown - no code, Flow thru Entity.)	3/11/2009	
271	Monthly Report - "Summary of Active Taxpayers" by type of ownership by the size of annual taxes (Size Code) & filing type - by ownership kind, and by Fiscal Filing Dates.	3/10/2009	Size code table to be provided by the state.
272	Taxpayer Master File Summary control totals (monthly) - total taxpayer masters, and problem address accounts.	3/10/2009	

Req No.	Requirement	Date revised	Assumptions
273	Weekly report of employee proficiency/productivity: Work List Items assigned Work List Items worked Work List Items pending Work List Items not assigned One page per worklist itemized by day, sorted by employeed ID and message code.	3/10/2009	
274	Monthly Taxpayer Master Activity Report Total Beginning Accounts, Total SUW, Total MBT, Total SBT, Total MF, Total MC, Sub-Total counts (Pending accounts, Changes, Request ST license, Request SUW returns, SUW-New-Liabilities) by New, Reinstate Account, Add Tax, Discontinue account, Stop Tax, Total Active. Separate totals at bottom - Pending New Accts, Account No. Changes, Changes, Request sales tax license, Request SUW Returns, Request, SUW-New_Liabilities. Total Activity for the month.	3/10/2009	
275	Monthly System Proficiency Report; totalling all system correct items from Business Rules.	3/10/2009	
276	Monthly Report of Work List Notification Messages. Totals for each message, beginning, new messages, messages cleared and ending totals.	3/10/2009	
277	**Correspondence Letters (current)**	3/10/2009	
278	1-Incomplete forms / unable to process letter relating to and trigger by:	3/10/2009	
279	Registration for Michigan Taxes (form 518)	3/10/2009	

Req No.	Requirement	Date revised	Assumptions
280	Notice of Change or Discontinuance (form 163)	3/10/2009	
281	Power of Attorney (form 151)	3/10/2009	
282	Payroll Power of Attorney Authorization (form 3683)	3/10/2009	
283	2-Annual SUW Return letter (less than $750 dollars collected annually)	3/10/2009	
284	3-Change in ownership, need new application letter	3/10/2009	
285	4-Federal / state e-file program (need FEIN not TR or ME account number) Letter	3/10/2009	
286	5-ME account number issued letter (SUW filed from multiple locations or using a payroll service)	3/10/2009	
287	6-Request for Better Address, triggered by returned mail (also asks for identification information if business was sold, or if business permanently discontinued)	3/10/2009	
288	7-ME account number issued letter II	3/10/2009	
289	8-Consolidating ME account numbers into FEIN account number (and separately issuing new returns under FEIN number)	3/10/2009	
290	9-TR account number assigned letter (asks for FEIN number)	3/10/2009	
291	10-Letter to taxpayer that payroll service is going to file withholding for them (asks for form 3638, or signatures on 3638)	3/10/2009	
292	11-Ceased using payroll service or have new payroll service letter (asks for new payroll service info, or discontinuance of business or withholding tax info)	3/10/2009	
293	12-Letter of partial tax type registration and reasons not for other taxes (see reasons)	3/10/2009	

Req No.	Requirement	Date revised	Assumptions
294	13-Returned sales tax license letter	3/10/2009	
295	14-Registration from a Tax Return letter (requesting completed application)	3/10/2009	
296	15-Letter from an account review. Requests either an SUW 160 return for variable periods, and /or form 165 Annual Return for SUW for tax year ending (variable).	3/10/2009	
297	16-Requests application due to : (selected message) -return filed for a business tax and / or payment we were unable to locate -information indicating you will be paying business taxes, but account has been inactive for over 6 months -information indicating you will be using (variable) as your payroll service -business not registered, please complete via the WEB site or file form 518	3/10/2009	
298	17-Need to verify FEIN letter To properly process a taxpayers return, payments and correspondence, Treasury needs to verify the FEIN. (e.g., used when application received from a third person using an FEIN from an already registered FEIN)	3/10/2009	
299	Documentation of the following must be provided in an electronic format, online (SAP Help menu) and in two hard copies the following work products:	3/16/2009	
300	• Testing scripts	3/16/2009	

Req No.	Requirement	Date revised	Assumptions
301	• Specification documentation (Functional and Technical)	3/16/2009	All modules that are custom (denote by a filename being prefixed by a Z or Y. If current application is copied and altered to meet a business need it to must be documented. If the module is altered waiting for an OSS note to be delivered by SAP it must be cross referenced. All FRICE-W items must be documented.
302	• Production migration updated	3/16/2009	Where applicable current MBT deliverables can be updated to support Registration implementation.
303	• User Manuals updated	3/16/2009	
304	• Technical Manuals	3/16/2009	
305	• Data Element Dictionary	3/16/2009	
306	• Operations Manual	3/16/2009	
307	• Interface Documents – Data Mappings.	3/16/2009	Data mapping must include source to Database mapping and use agreed upon naming standard.
308	All updates of documentation must be maintained during the term of the Contract and maintenance/warranty agreement.	3/16/2009	

APPENDIX 2 (Detailed Interface Document)

INTERFACES FOR NEW REGISTRATION

Inbound to SAP

1. **Legacy conversion**. This interface will pass all necessary data items from the State's legacy system to SAP. This interface will be a one time event.
2. **Legacy Registration batch program updates**.
   Single interface containing update requests originating from legacy batch programs. Type of requests, discontinuance of a tax, change to filing frequency, business size change, stop/end date update, etc… Only impacts data items that are identified in conversion.
3. **UIA E-Registration application**
   New Business Registrations from taxpayers using the UIA Website.
4. **Streamline Sales Tax** (multiple structures in schema, bi-directional)
   New Business Registrations from taxpayers using the Streamlined Sales Tax Registration System Website.
5. **IRS Address file**
   This interface will be to obtain additional demographics that are not currently part of Legacy Registration (i.e. NACIS codes). Gap analysis may identify additional SAP data items that are not currently maintained in legacy registration. The IRS is a source for NACIS and could for other gap identified items.
6. **Payroll Agencies**
   This interface will provide the relationship that a taxpayer is using a payroll service and who that payroll service is. Some of the business needs meet will be identifying the payment channel for a taxpayer, alternative contact for late filing of payments and reduce mailings of paper coupons.

Outbound from SAP

7. **Conversion refresh.**
   SAP will be the master system for Business registration. It is paramount that the data in SAP be the same in legacy so tax systems can to continue functioning. The data that resides in SAP will be standardized to the USPS standards during conversion which means data will change. These changes need to update legacy registration. This interface should ideally be the same as the following "Refresh to Legacy Registration with the exception of the volume.
8. **Refresh to Legacy Registration**
   Daily/real-time interface that sends updates from SAP to Legacy for those data items that are stored in both systems, including the SUW returns booklets requests and sales tax license requests (daily and annual book runs).
9. **UIA E-Registration feedback file**
   Flat file interface to UIA informing them the new registration was received successfully or unsuccessfully. One time status for each new registration from the UIA WEB site.
10. **MIBOS (list of new accounts)**
    Flat file interface from SAP to MIBOS of all new registrations (web or paper).
11. **Siebel**
    Daily interface file of new and changed data, including account number changes. Similar to the "Refresh to Legacy Registration" interface file.
12. **Data Warehouse**
    Daily interface file of new and changed data. Similar to the "Refresh to Legacy Registration" interface file.

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

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET **January 17, 2008**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE (616)336-7937 **Dennis Nickels**
Deloitte Consulting LLP **333 Bridge ST, N.W., Suite 700** **Grand Rapids, MI 49504** **dnickels@deloitte.com**	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: Mark Lawrence **MBT/MIITAS**	
CONTRACT PERIOD From: **September 15, 2007**	To: **December 31, 2010**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately this contract is hereby INCREASED by $200,000.00. The contractor will provide the State with consulting expertise on a time-and-materials (T&M) basis as described in the attached Statement of Work. All other terms, conditions, specifications, and pricing remain the same.

Please Note: The Vendor Number/Mail Code has been corrected.

Overview of Contract Increase

Previous Contract Value:	**$ 14,950,000**
CN 1 Increase:	**$ 200,000**

AUTHORITY/REASON:

Per Contractor and MDIT agreement and Administrative Board Approval on January 15, 2008.

TOTAL REVISED ESTIMATED CONTRACT VALUE: $ 15,150,000

Exhibit A
to
Amendment, Dated November 30, 2007, to Contract No. 071B8200018 (the "Contract") between the Michigan Department of Information Technology (the "Department") and Deloitte Consulting LLP ("Deloitte Consulting")

The services ("Services") described in this Statement of Work ("SOW") to the Contract Modification to which this Exhibit A is attached (the "Amendment") will be performed by Deloitte Consulting. In performing the Services, Deloitte Consulting may subcontract services to its affiliate, Deloitte Financial Advisory Services LLP ("Deloitte Consulting"). Performance of the Services is subject to certain modifications to the terms of the Contract, which modifications are attached to the Amendment as Exhibit B.

Scope of Services

Deloitte Consulting will assist the Michigan Department of Treasury (or "you") and others in advising the Governor of the State of Michigan as to framing and exploring innovative opportunities, including the development of an inventory of revenue generating, cost savings, risk transfer, and process efficiency opportunities, qualifying the identified opportunities, and providing a draft of the organizational structure needed to bring the select opportunities to fruition, in order to meet the Governor's agenda for reinvestment in programs and infrastructure. Deloitte Consulting will assist an internal working group, convened by or on behalf of the Governor, in organizing its efforts around the aforementioned objective. The Services will also include assisting the Michigan Department of Treasury in its development of an operating plan to institutionalize the Governor's plans to meet the short and long term objectives of the State of Michigan (the "State")

The Services will not include the drafting statements of work or specific business or technical requirements, nor do or will the Services involve support of any Request for Proposal, Request for Qualifications or Quotation, or procurement process. Moreover, it is our understanding that neither Deloitte Consulting, its affiliates or its related entities will be precluded from pursuing or performing any future State opportunities to provide services, including provision of any solutions or implementation of any recommendations regarding the State's potential public-private-partnership initiatives, as a result of the performance of the Services. It is anticipated that this engagement will be concluded February 1, 2008.

Deliverables

The nature of the Services will necessitate prompt communication to the Department of our findings that result from performing the Services as those Services are performed. Therefore, it will not be possible for all of our communications to be in the form of written reports. Accordingly, any information, documents, or other communications provided by Deloitte Consulting, whether in writing or otherwise, including, without limitation, any reports (including, without limitation, our final written report, if any, on the Services performed hereunder) or memoranda issued by Deloitte Consulting, should be considered by the Department in the context of the nature of the Services that we have agreed to provide. Such information, documents, communications, if any, and any drafts thereof, including, without limitation, any draft or final reports or memoranda, whether in writing or otherwise, are herein referred to collectively as the "Deliverables."

The Department agrees that the Deliverables are solely for the Department's informational purposes and internal use in connection with the Services, and are not intended to be relied upon by or for the benefit of any person or entity other than the Department. The Department further agrees that, except to the extent required by applicable law (including the Michigan Freedom of Information Act), none of the Deliverables shall be circulated, quoted, disclosed, or distributed to, nor will reference to any of the Deliverables be made to, anyone who is not (1) an employee or official (with a need to know), or a member of State management, who may use the Deliverables solely for purposes of the Department's

evaluation of the Services; (2) a legal advisor of the Department acting strictly in an advisory capacity to the Department, who may use the Deliverables solely to assist the Department in connection with matters which are the subject of the Services, provided that the Department shall ensure that such legal advisor does not further circulate, quote, disclose, or distribute any of the Deliverables, or refer to Deloitte Consulting in connection with the Services or any related transaction or any of the Deliverables; or (3) any other professional advisor of the Department acting strictly in an advisory capacity to the Department, who may use the Deliverables solely to assist the Department in connection with matters which are the subject of the Services and who has agreed in writing not to, except to the extent required by applicable law (including the Michigan Freedom of Information Act), further circulate, quote, disclose, or distribute any of the Deliverables, or refer to Deloitte Consulting in connection with the Services or any related transaction or any of the Deliverables. For purposes of this paragraph, the term "professional advisor" does not include, among others, lenders or other financial institutions participating in or considering participating in any financing relating to the Services.

Professional Standards

In providing the Services, Deloitte Consulting personnel will follow (1) *Code Of Ethics for Professional Accountants* issued by the International Federation of Accountants, (2) the general standards outlined in Rule 201 of the AICPA *Code of Professional Conduct* [ET section 201.01], and (3) the related guidance for consulting services established under Rule 202 of the AICPA *Code of Professional Conduct* [ET section 202.01].

Engagement Team

Deloitte Consulting

Dennis Nickels, a Deloitte Consulting Principal, will have overall responsibility for the Services. Other Deloitte Consulting professionals may be included as needed during the engagement. Affiliates or entities related to Deloitte FAS will provide services as a subcontractor of Deloitte Consulting in support of the Services. Mark Davidoff, a Deloitte FAS partner, will such subcontracted services.

The Department

While the Deloitte Consulting team described above has the experience and knowledge necessary to perform the Services, your participation and that of other members of your team will be critical to achieving required engagement performance. Deloitte Consulting will rely on the Department to provide timely access to the properties, personnel, information, and documents necessary to perform the Services and to participate in the planning and cooperative activities required to successfully complete the engagement.

Fees and Expenses

As this SOW will be billed on a time and materials basis, at the below hourly rates for professional fees, the actual fee will depend on your requirements and on circumstances encountered while performing the Services; however, based on the information available to us at this time, our professional fees and expenses will not exceed $200,000. If new data or information received during the course of this engagement that require the structure or scope of our analysis to be altered, we will promptly notify you of how such changes might impact our fee estimate. We will not undertake an expansion of the scope of the Services without mutual written agreement.

The foregoing estimated professional fees also reflect our current hourly billing rates. Our hourly rates are adjusted from time to time, and we will advise you promptly if a rate adjustment is being made by Deloitte Consulting that will increase the professional fees expected to be billed in this engagement beyond the above estimate. The following rate schedule will apply to the Services:

Level of Professional	Hourly Rate
Partner, Principal, or Director	**$425**
Senior Manager	**375**

Manager	**325**
Senior Associate	**250**
Associate	**200**

We will submit monthly progress invoices to you showing a single amount for the Services that reflects the actual work performed and a separate amount for expenses incurred. Payment shall be due upon receipt of an invoice.

Timing

We have commenced the Services, upon your verbal approval and authorization to proceed.

* * * * * * *

CONTRACT AMENDMENT
DATED NOVEMBER 30, 2007
TO CONTRACT NO. 071B8200018

EXHIBIT B

These services ("Services") contemplated by this Contract Modification are to be performed on a time-and-materials ("T&M") basis under Contract No. 071B8200018 (the "Contract") between the Department and Deloitte Consulting LLP. Performance of the Services is subject to certain modifications to the terms of the Contract, which are set forth below:

1. Invoicing and Payment

Contractor shall invoice the State on a monthly basis for all time and expense incurred in the prior monthly period. Invoiced amounts are not subject to any acceptance of deliverables and Section 2.105 of the Contract (Deliverable Acceptance) is not applicable to the Services. Invoices are due within thirty (30) days of the invoice date.

2. Warranties

Notwithstanding any warranty included in or required by the Contract, the only warranty applicable to the Services provided by this amendment only is the following: Contractor warrants that the Services shall be performed in good faith and in a professional manner. **FOR THIS AMENDMENT ONLY**, **CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

3. Limitation of Liability

The Contractor's aggregate liability for damages to the State related to this Contract Modification or the performance of the Services, regardless of the form of action, shall be limited to the professional fees paid for the Services, except to the extent finally judicially determined to have resulted primarily from Contractor's bad faith or intentional misconduct.

Neither the Contractor nor the State shall be liable hereunder, regardless of the form of action, for consequential, incidental, indirect, or special damages.

For purposes of Section 2.306 of the Contract, the fees paid to the Contractor in connection with the Services shall not be included in any calculation of the amount of professional fees paid under the Contract.

4. Use of Services

Except as required by applicable law (including the Michigan Freedom of Information Act, Public Act No. 442 of 1976, as amended), the Services and any associated deliverables shall be solely for the State's informational purposes and internal use, and are not intended to be, and should not be, used, disclosed to, or relied upon by any person or entity other than the State and its officers and employees.

5. Key Personnel

Notwithstanding Section 1.201 of the Contract, there are no Key Personnel applicable to the Services.

6. Other

In addition to termination rights afforded the parties by the Contract, Contractor may terminate performance of the Services in the event that circumstances change such that Contractor's performance of any part of the Services would be illegal or otherwise unlawful or in conflict with independence or professional rules.

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

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

December 10, 2007

NOTICE
OF
CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Deloitte Consulting LLP** **333 Bridge ST, N.W., Suite 700** **Grand Rapids, MI 49504** **dnickels@deloitte.com**	TELEPHONE (616)336-7937 **Dennis Nickels** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: **MBT/MIITAS**	
CONTRACT PERIOD From: **September 15, 2007**	To: **December 31, 2010**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

Estimated Contract Value: $14,950,000

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

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

CONTRACT NO. 071B8200018
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Deloitte Consulting LLP** **333 Bridge ST, N.W., Suite 700** **Grand Rapids, MI 49504** **dnickels@deloitte.com**	TELEPHONE (616)336-7937 **Dennis Nickels** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: **MBT/MIITAS**	
CONTRACT PERIOD From: **September 15, 2007** To: **December 31, 2010**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are enclosed.** **Estimated Contract Value: $14,950,000**	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the req No. 071I7200239.

FOR THE VENDOR:	**FOR THE STATE:**
Firm Name	Signature **Elise A. Lancaster**
Authorized Agent Signature	Name **DMB, Purchasing Operations Director**
Authorized Agent (Print or Type)	Title
Date	Date

STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Michigan Integrated Tax Administration and Processing System (MBT/MIITAS)
Phase 1 – Michigan Business Tax Integration Services

Buyer Name: Steve Motz
Telephone Number: 517-241-3215
E-Mail Address: motzs@michigan.gov

Michigan Business Tax Integration Services Contract

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APPENDIX 1 – Technical & Business Requirements
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APPENDIX 3 – Draft Project Workplan
APPENDIX 4 - Letter from SAP confirming approach of EP# 3

Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (State), through the Michigan Department of Management & Budget (MDMB), on behalf of the Michigan Department of Information Technology (MDIT) and the Michigan Department of Treasury (Treasury), has entered into contract with Contractor LLP. to provide design, configuration, development, testing, training, change management, implementation, warranty and support services for the SAP software, (acquired under separate contract), that will support the core business processes and functions of a state tax and revenue agency.

This includes the end-to-end processing and administration of taxes, including:

- Processing and administration of tax filings, returns, payments, refunds, and other related tax administration needs identified in the design phase;
- Capturing and storing relevant taxpayer and associated business partner account information including demographic information, payment and reporting requirements, and all other associated tax data.
- Tracking the financial transactions through the tax system and interfacing with other related Treasury systems, and the State's accounting systems.
- Providing detailed tax information needed to support Customer Service transactions. This will include interfacing with the State's current Siebel CRM system and other Web-based functions.

The SAP product will provide the framework for the Michigan Integrated Tax Processing and Administration System to which all mainframe Tax and Revenue systems will transition in future projects. This project defines the first implementation and is focused on the Michigan Business Tax.

The Contractor will have right of first refusal for future implementations or phases. A tentative list of future projects, which will be elaborated within separate statements of work, is:

- Sales, Use, and Withholding Taxes
- Business Registration Process
- Discovery, Audit, and Collections Processes
- Individual Income Tax Processing
- Misc. Taxes/Wrap-Up

The company providing development/implementation/integration services is hereafter referred to as the "Contractor". Any references to the "Software Vendor" refer to SAP Public Services, Inc. (SAP.) Any references to PCO refer to the vendor selected to manage the Project Control Office.

Services shall begin on October 1, 2007 with complete implementation of the Phase 1 Integrated Tax system and the Michigan Business Tax to be completed no later than December 31, 2008.

1.002 BACKGROUND

Vision Statement: The new integrated tax processing and administration system will significantly improve the effectiveness and efficiency in both tax processing and tax administration. It is envisioned that the new system will enable increased revenue generation; provide the ability to adapt to changes and additions to tax laws; increase voluntary compliance of taxpayers through better cross tax analysis; increase self service and electronic filing, refunding and payment options; and provide process improvements to promote better utilization of Treasury staff.

The purpose of the new integrated tax processing and administration system project is to provide Treasury a statewide, integrated service delivery system for tax and revenue management of multiple business taxes. The Project will leverage SAP ERP (primarily the PSCD – Public Sector Collections and Disbursements functionality) as a platform and connect to many related systems and technologies used to enable the State to:

- Improve voluntary compliance by taxpayers;
- Increase efficiency and effectiveness of Treasury operations;
- Reduce operational systems costs for Treasury through use of a common, well-supported, easily updated platform; and
- Provide a platform sufficiently flexible to support changes in the State's tax structure and policies.
- Provide consistent interfaces for end users that are easy to learn and use.
- Provide one platform that can provide common tax processing and administration functions that can be utilized by multiple taxes

The PCO Contractor will provide project management control/support and technical control/support to the MBT/MIITAS project.

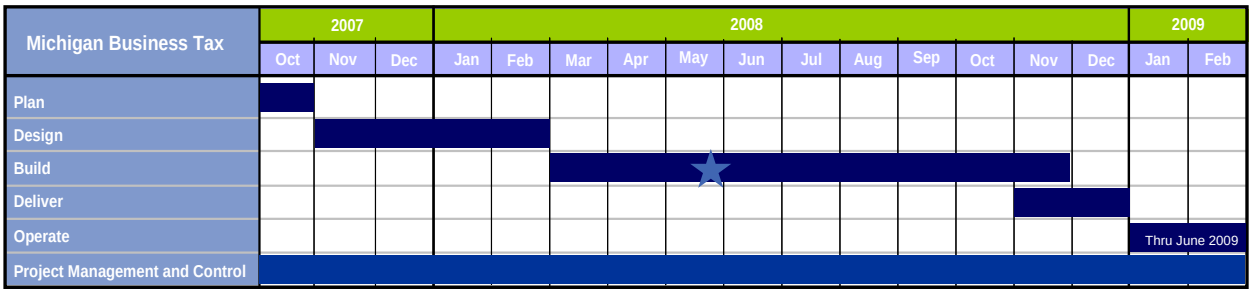
The Contractor shall work with key State of Michigan staff to perform a "knowledge transfer" throughout the project. This will enable the State to maintain and support the system at the end of the contract. This will encompass both business (i.e., Treasury) and technical (i.e., DIT) staff.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

Contractor shall meet the Technical and Business Requirements outlined in Appendix 1 of this contract.

The project will follow the timeline as noted below.



★ Implementation of the Registration Master File

This project will be developed and implemented in two releases:

- **Release 1.0**: Implementation of the Registration Master File to support converted and new registrations for the Michigan Business Tax within SAP. The source of the Master File data to be used for data conversion will be the current SBT master registration file. This release shall occur by July 1, 2008.

- **Release 2.0**: Full implementation of all remaining functionality MBT/MIITAS Appendix 1 shall occur by December 31, 2008.

- **Warranty** The warranty period will commence the day after full implementation and will be for the duration of 6 months.

Technical Infrastructure

The SAP solution will reside on the State of Michigan's SAP solution landscape, thus providing a complete architecture environment solution to address the business and technical requirements of the MBT/MIITAS project.

The SAP Tax & Revenue (TRM) solution will use the SAP Portal to provide the capability to use the Tax Agent work center, which provides tax return exception handling functionality.

The State of Michigan will provide UNIX-based servers and Oracle databases, which allows the State of Michigan to take advantage of SAP runtime licensing.

5. The State will procure and install the hardware and operating systems for the technical environments needed to complete the project.

6. The State will install SAP software, up to ERP 2005 Enhancement Pack 2 onto the SBX/DEV instance and all future environments as they are established.

7. The Contractor will upgrade all environments which the State has install ERP 2005 Enhancement Pack 2, configure, and test SAP software, up to ERP 2005 Enhancement Pack 3 onto the SBX, DEV, QA, TRN and PRD instances.

   SAP PSCD Customer Enhancement Pack #3 (EP3) will be the starting point for this project and is expected to be available November 30, 2007. The letter from SAP IBU confirming EP3 delivery dates along with contingency approaches for blueprinting and conference room pilots in the event the delivery date is not met is provided in Appendix 4. If EP3 is not released by January 31, 2008, Contractor will move forward with the MIITAS project using a direct download from SAP of the EP3 specific TRM components to the ERP 6.0 Enhancement Package #2 (EP2) system. Post go-live, Contractor will assume the responsibility for the upgrade and additional regression testing required to support the upgrade to the EP3. As noted in the communication from SAP, if the download from SAP is needed, the normal SAP support process via Online Support System (OSS) will not be available. During this time and until the upgrade to EP3, Contractor will serve as the initial point of contact for support. Contractor will have access directly to the SAP TRM development team to resolve any issues.

8. The State will procure and install all necessary infrastructures operating software for this project.

9. The State will procure the SAP software

Requirements

During the Design phase of the project, Contractor will hold sessions with the State to verify and validate the business requirements outlined in *Appendix 1, Technical & Business Requirements*. These sessions will be organized around key business process areas such as registration, tax return processing, payment processing, taxpayer accounting and revenue accounting. The Contractor will work closely with The State to determine the actual number of sessions to be held per business process area, determine the appropriate attendees, create the agendas, and develop a calendar of the scheduled sessions.

In the sessions The Contractor tax and revenue subject matter experts will facilitate focused dialogues with State representatives to drill down on each requirement associated with the subject business process area to develop a deeper understanding of the details of the requirements. Minutes will be produced for each session and distributed to the State for review/correction. Finalized minutes will become the basis for the development of low level requirements for each business process area. The full set of low level requirements by business process area will be submitted to the State for review. Once finalized, the low level requirements will essentially provide a detailed view of the scope of the project and will be managed throughout subsequent phases of the project.

This collaborative approach will confirm mutual understanding by both the State and the Contractor team members of the business requirements that the system design needs to fulfill.

Business Process Designs

During the Design phase of the project, the Contractor will hold sessions with the State to verify and validate provisional business process designs (henceforth referred to as the State's To-Be process designs). As with the requirements verification and validation process, the process design verification and validation sessions will be organized around key business process areas such as registration, tax return processing, payment processing, taxpayer accounting and revenue accounting. The Contractor will work closely with the State to determine the actual number of sessions to be held per business process area, determine the appropriate attendees, create the agendas, and develop a calendar of the scheduled sessions.

In the sessions, Contractor's tax and revenue subject matter experts will facilitate focused dialogues with Department representatives to drive out the details of each business activity within each business process. For each business activity, we will work collaboratively with the Department to identify inputs, outputs, decision points, business rules, data elements, triggers, forms, notices, correspondence, reports, interfaces, conversion requirements, and security/authorization and user role(s) requirements. Low level business requirements developed during the requirements verification and validation sessions will be reviewed in conjunction with the process designs and may be further refined to achieve consistency between the requirements and the To-Be process designs.

The resulting revised/verified To-Be process designs will embody the Department's business requirements and will serve as input for transformation into To-Be SAP-enabled business process designs.

Gap Analysis

As part of the transformation of revised/verified To-Be process designs into To-Be SAP-enabled business process designs, the Contractor will map SAP software functionality to the verified/validated To-Be process designs and associated low level requirements. This software mapping exercise will yield gaps between standard/configurable software functionality and the Department's business requirements and revised/verified To-Be process designs.

For each gap identified, the Contractor will propose a strategy for closing the gap. Gaps may be closed by changing the requirement and/or To-Be business process design to better align and take advantage of standard/configurable software functionality, developing custom code to enhance the software functionality, or a combination thereof.

As part of developing each gap closure strategy, we draw upon our long and collaborative relationship with SAP to obtain their input and guidance. This will confirm that the designed solution is consistent with and aligned to the long-term direction or the product. Having SAP involvement in this project activity also provides them with the opportunity to have insight into the needs of their customers and continue to grow and develop TRM functionality.

The gap analysis and proposed gap closure strategy will be presented to the Department for discussion and joint agreement. The agreed-upon strategy for gap closure may result in updates to the verified/validated low level requirements and/or To-Be process designs. Where the agreed upon gap closure strategy calls for custom development, the resulting development activity undertaken will be done in such a manner so as to not impair the software's ability to be upgraded in the future.

The outcome of the gap analysis will provide input to the development of To-Be SAP-enabled process designs and the creation of a "development inventory" of forms, reports, interfaces, conversions, enhancements, and workflows (FRICE-W) to be developed during the Build phase.

Design/Blueprint

A key project work product will be the development of the To-Be SAP-enabled business process design. This work product will represent the culmination of our collaborative efforts with the Department to verify/validate business requirements and the Department's provisional process designs and identify and develop a strategy for gaps in standard/configurable software functionality. The To-Be
SAP-enabled business process design will provide a:

- Vehicle for defining the scope of conference room pilots that will be used to demonstrate the design to the Department.
- Roadmap into the Build phase – it will drive the configuration and custom development required to realize the design.
- Starting point for the training and testing threads of the project.
- The To-Be SAP-enabled business process design will establish the "footprint" for subsequent implementations

Data Model

The SAP TRM (PSCD) solution has a robust data model that can support Michigan's integrated tax processing needs including the current implementation of the new Michigan Business Tax and subsequent implementations of Sales, Use and Withholding Tax, Individual Income Tax and Miscellaneous taxes. A critical success factor for the Department and the Contractor will be to use the SAP TRM solution objects and structures as intended by SAP. This will confirm extensibility throughout future tax implementations and software upgrades. SAP understands that while very robust, their data model will not always meet 100 percent of the data needs of a tax agency.

In order to confirm solid decision-making in regards to the Michigan TRM/PSCD data design, we will allocate time in requirements validation sessions to address unique data needs of MBT as well as Michigan's future tax implementations (Sales, Use and Withholding Tax, Individual Income Tax and Miscellaneous taxes) so that we can take these needs into consideration in formulating the initial data design.

Configuration

In conjunction with the finalization of the approved To-Be SAP-enabled business process design, a configuration inventory will be developed. This inventory will identify the SAP Implementation Guide (IMG) activities that will need to be configured to realize the approved design. The configuration inventory will essentially represent a "task list" of configuration activities to be undertaken during the Build phase. The configuration task list will also provide a high-level description of the objects that need to be configured and can be used to:

- Measure project progress during the Build phase for the MBT implementation
- Provide a baseline for identifying future configuration required to implement subsequent taxes
- Provide a roadmap for knowledge transfer to Michigan team members who will assume configuration responsibilities

The value of the configuration inventory to subsequent implementations is not to be underestimated as certain configuration activities will need to be preformed only once with the initial implementation and others will need to be performed for each subsequent tax type.

Conference Room Pilot

The Contractor will use conference room pilots (CRP) to demonstrate key areas of the To-Be SAP-enabled business process design. We will work closely with the Department in determining the schedule, areas to be demonstrated and participants for each demonstration session.

Conference room pilots will allow for active demonstration of the system's functions and validation of the To-Be SAP-enabled business process design. The Department's Sandbox environment will be utilized to develop the conference room pilots and will consist primarily of configuration with limited custom development. During the conference room pilots, it is expected that further confirmation of the gap closure strategy will be received.

The feedback received from the conference room pilot sessions will be used to further refine/update the To-Be SAP-enabled business process design and related configuration and development inventories.

The culmination of the Design phase will be receipt of the Department's approval of the To-Be SAP-enabled business process design. This approval will signal the transition from the Design phase to the Build phase.

Integration

The mandatory Interfaces are defined in Appendix 2,

State (Treasury and DIT) personnel throughout the project will work with Contractor Key Personnel to help accomplish knowledge transfer.

Contractor will have overall responsibility for meeting overall project milestones, with the State having specific responsibilities supporting individual tasks within the milestone in order for it to be completed. These responsibilities are further described below and in section 1.202, State Staff, Roles and Responsibilities

Interfaces

7. XI will be the middleware solution. Contractor will have responsibility for defining and configuring the overall interface architecture. The State will be responsible for procuring the software/hardware and the necessary installation.
8. Contractor and the State will work together to define the requirements for the interfaces. The State will bring the knowledge of the legacy systems and identifying the data sources of information that has to pass to or update with data from MBT/MIITAS . The Contractor will drive the requirement sessions and provide the input of the data needs for the core SAP application.
9. The Contractor will configure the interface architecture and develop/unit test all interface components from the SAP side which extract data from or input data to MBT/MIITAS .
10. The State will develop/unit test all interface components which extract data from or input data to the legacy systems.
11. The State will be responsible for the cleansing of data coming from legacy systems. For purposes of cleansing with interfaces, the State may need to define business rules or extract logic to properly parse or default data needed for passing to SAP. Contractor will assist in defining the data requirements for SAP.

Data Conversion

6. The Contractor will have overall responsibility for defining the data MBT/MIITAS requirements for SAP and the recommended conversion approach, and will provide oversight of the execution of the data conversion at the time of cutover.
7. The State will be responsible for identifying the legacy data sources, extracting and cleansing the data from the legacy systems.
8. If manual data conversion is required, the State will be responsible for the completion of the manual data entry
9. The Contractor will be responsible for the loading of the data into MBT/MIITAS and the production of any required data conversion reporting.
10. State will be responsible for the validation of data converted to SAP (i.e., will perform the data validation during cutover execution).

The Contractor will work closely with the State to determine the specific requirements for each of these interfaces and associated data maps will be generated to support the development efforts. The interface development work required on the legacy system side will be the responsibility of State staff while the SAP portion of the interface development work will be the responsibility of Contractor resources to complete.

The conversion requirement identification and validation process will function similar to the interface sessions. The Contractor's team will work closely with the State staff to identify specific requirements for conversion from the State's Registration and SBT system and again a data map will be generated to support the development efforts. The responsibility is again split with the legacy data pull development work being the primary responsibility of the State conversion staff while the SAP load portion will be the responsibility of Contractor resources.

Testing

Contractor understands the criticality of comprehensive planning and tightly managed execution of testing throughout the development life cycle. Our methodology and approach encompasses all aspects of testing including unit, sequence, integration, user acceptance, and performance testing.

Each of the testing cycles is critical to the overall success of the implementation. Contractor will provide a comprehensive test plan that includes the test scope, test scenarios, test processes, timeframes for testing and persons responsible for completion of the testing activities.

Contractor will closely monitor and manage all testing activities to confirm timely resolution of issues discovered and timely completion of all testing activities. Reports will be generated to track status throughout all cycles of testing.

Rollout and Implementation

The deployment process is a finely orchestrated event that requires significant planning and preparation to confirm that everything comes together as planned.

Contractor's comprehensive methodology includes many templates and sample plans that will be leveraged in the development of the deployment approach and detailed plan.

Contractor resources will be responsible for the overall management of the deployment and will closely monitor and manage all aspects of production deployment to make sure that all activities are sequenced appropriately and completed as laid out in the deployment plan. Periodic conference calls will be scheduled during the deployment process so that all stakeholders are informed of status and any issues that arise. This allows for rapid issue resolution and facilitates a smoother deployment of the production system.

Warranty Support

Contractor will provide Warranty Support as described in Article 2 section 2.507.

Application Support

The Contractor will work collaboratively with the State throughout the life of the project to coach the State staff in their functional roles in preparation for taking ownership of application support.

Contractor will provide 18 months of Post-Warranty Production Support for a total cost to the State of $3,300,000. Contractor will have primary responsibility for Production Support in year one (month 1 – month 12 from go-live) and will transition primary responsibility to the State starting year two (months 13 to 24 from Go-Live). During year 2, Deloitte will assist the State team in performing their activities and tasks. Deloitte will provide a staff of seven (7) FTEs for the duration of Year one, and three and a half (3.5) FTEs for the duration of Year two. During year one of production support, the State may use 7,000 hours from the combined capacity of the seven (7) FTEs, as a pool of hours for enhancements and other mutually agreed upon developmental activities. A change control process will be established to prioritize and track the use of these 7,000 hours.

Extensions for Additional Functionality

Contractor is committed to using the SAP TRM solution to the fullest extent to meet the Department's requirements. As such, we are not proposing to use any additional plug-ins and/or bolt-ons for additional functionality over and above those that the Department already licensed.

Configuration of Middleware Integration Point

Contractor will use SAP XI as the integration tool for the MBT/MIITAS project.

Configuration of SAP for Interfaces and Cross-System Integration

Contractor addresses the configuration of SAP interfaces for cross-system integration by following a well defined methodology, proven through numerous SAP implementations. The process of configuring the interfaces begins with the development and use of a checklist to verify that all the necessary integrations and interfaces have been considered in the designing the "To-Be" SAP solution.

Each interface is then associated with a business requirement, which is then translated into a functional specification. Interface technical specifications are developed from the functional specifications and they provide the technical design and implementation details necessary to configure, test, and implement the interfaces. In addition, interface data risks are defined, evaluated, and controlled by Contractor's implementation team. The Contractor will take responsibility for the above configuration.

Configuration of SAP for Data Conversions

The Contractor will initiate the task of mapping and loading data conversions by beginning with an Applications Assessment. This assessment makes sure that the technical project team has a thorough understanding of the current MBT/MIITAS software applications, their underlying technology, performance, reporting capabilities, and the integrations between applications, with particular consideration given to areas that could trigger integration and conversion requirements. The assessment also involves evaluating data quality and readiness for migration, estimating data realignment and cleansing efforts, and scoping and visioning data conversion development activities. Functional and technical specifications are developed, conversions planned, configured, tested, and verified.

Data Mapping Activities

The Contractor and State's method of joint data mapping and conversion has great value in developing skills within the State's technical teams and enhances the eventual knowledge

transfer from the Contractor implementation team to the State's technical team. Contractor retains the responsibility for completion of data mapping and conversion throughout the contract period of the MBT/MIITAS project.

Transition

The Contractor will develop and deploy a comprehensive change leadership approach integrating training and knowledge transfer activities to enable the transition of Treasury staff and business operations to the new application.

Knowledge Transfer

The Contractor will identify the required key skills and provides a framework where MBT/MIITAS team members can acquire those skills through both formal and informal learning opportunities, while tracking the progress of MBT/MIITAS team members during the project. We will develop a knowledge transfer plan that provides for the evaluation, monitoring and remediation for project team members. Plans will be formulated with the goal of enabling the project team and facilitating the transfer of responsibilities over the course of the project. It is our understanding that enabling MBT/MIITAS self sufficiency is a common goal and our shared responsibility.

Training

Partnering with the State's training resources, the Contractor will develop a training strategy that includes transition and sustainable elements through a full understanding of the State's requirements and capabilities. This will be done in conjunction with the MBT/MIITAS training resources that are made available to work with our resources. The Contractor will develop the training strategy to reflect and facilitate the Train-the-Trainer approach that is required for this engagement.

The training approach includes the development of the training strategy, the design of the training curriculum, the development of the training materials and the delivery of the Train-the-Trainer program. The State of Michigan Trainers which will be trained by Contractor during the Train-the-Trainer program will then deliver the training to the end-user community. It is anticipated that the Contractor training team will work with the State of Michigan Training Coordinator and business process subject matter experts throughout the development of the training materials

Documentation - *Technical Manuals*

The implementation of the SAP solution requires the ongoing development of technical documentation. Environment design information, FRICE-W functional and technical specifications, testing, and configuration information will be thoroughly documented by the technical implementation and support teams. The project documentation will be retained by the State and is necessary for the ongoing support and administration of the SAP solution and environment.

Documentation - *User Manuals*

User guides/user manual to support End user training will be produced by the Contractor using agreed upon tools and templates...

Operations and Administration Services

The Contractor will provide the State with SAP environment skilled level operation and administration services for the duration of this Contract. Leading practices will be utilized and documented, thus providing the State with an excellent means of transitioning knowledge and skill set to the State's technical support teams.

End-User Training

The Contractor will develop a training strategy that includes transition and sustainable elements through a full understanding of the State's requirements and capabilities. This will be done in conjunction with the MBT/MIITAS training resources that are made available to work with our resources. The Contractor will develop the training strategy to reflect and facilitate the Train-the-Trainer approach.

Pool of 5000 Hours to Complete Requirements after Contract is executed

The Contractor has provisioned a pool of 5000 hours to complete the MBT/MIITAS requirements within the proposed project staffing plan. The Contractor will work with the State to plan and schedule the necessary requirement sessions and due diligence activities using these 5000 hours to complete the MBT requirements.

System Support Services During/After Warranty Period

Contractor will provide the warranty system support as described earlier in this section.

Contractor will provide 18 months of Post-Warranty Production Support through December 31, 2010. Contractor will have primary responsibility for Production Support in year one (month 1 – month 12 from go-live) and will transition primary responsibility to the State starting year two (months 13 to 24 from Go-Live). During year 2, Deloitte will assist the State team in performing their activities and tasks. Deloitte will provide a staff of seven (7) FTEs for the duration of Year one, and three and a half (3.5) FTEs for the duration of Year two. During year one of production support, the State may use 7000 hours from the combined capacity of the seven (7) FTEs, as a pool of hours for enhancements and other mutually agreed upon developmental activities. A change control process will be established to prioritize and track the use of these 7,000 hours.

Operations Support Services During/After Warranty Period

The Contractor will provide 18 months of Post-Warranty Production Support through December 31, 2010. The Contractor will have primary responsibility for Production Support in year one including 24x7 support (month 1 – month 12 from go-live) and will transition primary responsibility to the State starting year two (months 13 to 24 from Go-Live). During year 2, Deloitte will assist the State team in performing their activities and tasks. Deloitte will provide a staff of seven (7) FTEs for the duration of Year one, and three and a half (3.5) FTEs for the duration of Year two. During year one of production support, the State may use 7,000 hours from the combined capacity of the seven (7) FTEs, as a pool of hours for enhancements and other mutually agreed upon developmental activities. A change control process will be established to prioritize and track the use of these 7,000 hours.

Shared Responsibility for Interfaces To/From Legacy Systems

The responsibility for interface identification, definition, configuration and testing of interfaces between the SAP environment and legacy systems is shared between Contractor and the State. Contractor and the State will share the responsibility for the identification, transition/conversion, cleansing, and migration of data to the SAP system. Contractor assumes responsibility for the completion of the activities while actively involving State personnel data cleansing and migration activities.

Extracting Data From/To SAP

The State is responsible for the extraction of data from or populating data to legacy systems. The Contractor is responsible for data extraction from or loading into the SAP solution through the MBT/MIITAS project period. The Contractor is responsible for configuration of the middleware component

1.102 OUT OF SCOPE

Responsibility for communication outside of the project team will rest with the State, except for the services provided by an experienced Organizational Change Management and Training Manager.

The acquisition of hardware and related software will be the responsibility of the State and is out of scope for this proposal.

The establishment of the Project Control Office is being handled by the state. It is expected that all project tasks for all parties working on this project will be coordinated through the master project plan coordinated by the PCO.

The Contractor is not responsible for decommissioning outdated or replaced systems.

Further assumptions of in/out of scope are noted in the Compensation and Payment section of Article 1

1.103 TECHNICAL ENVIRONMENT

The State's standard technical environment is referenced below:
Existing/Legacy Systems
Hardware Environment:
Mainframe (Legacy): Unisys Libra 595 Production
O/S: MCP 10.1 SSR 51.1 (June 2006)
Servers (Legacy and SAP): SUN
O/S: Solaris 10
Database: Oracle 10g
Desktop Workstations (Legacy and SAP): Dell GX620 and earlier
O/S: Windows XP Professional and 2000 Pro
Applications: Office for Windows 2003 and others
Browser: Internet Explorer 6.0.2

Network Environment:
Network Devices:
Cisco switches and routers
CiscoWorks for configuration management
Monitoring:
CA Unicenter, and SAP Solution Manager

Contractor's proposed solution is an end-to-end SAP solution. Based on our understanding of your SAP software license, our proposed solution would not require the State to purchase additional SAP software. We would utilize the following:

SAP Products	Description
ECC 6.0 ERP 2005	Core SAP platform including FI-GL, CO, FM*
SAP IS-PS-CD (Enhp 3)	SAP Tax and Revenue Management for Public Sector
SAP XI 3.0	Interfacing middleware architecture Including Siebel Adapter by iWay
SAP Enterprise Portals 7.0	Front end to SAP products, usability, and Single Sign-On Public facing web site, needed with enhancement pack 3 for Tax Agent cockpit
Solution Manager 4.0	System performance monitoring, SAP OSS access and technical support, and ASAP methodology/tools
Interactive Forms Based On Adobe	For form processing

The software will be current to its latest release in order to facilitate efficient integration. Oracle DBMS has been purchased by the State and is installed with the SAP software in a test environment. FileNet Image Services will be v3.6 or higher.

1.104 WORK AND DELIVERABLE

Each party shall reasonably cooperate with the other party in the performance of the Contract, including provision by the State of timely access to data, information, and its personnel. The State shall be responsible for the performance of its obligations and for the accuracy and completeness of data and information provided to the Contractor. Contractor's performance is dependent upon the timely and effective satisfaction of the State's responsibilities.

The Contractor shall provide services and staff to perform the following activities:

Activity 1 – Plan (Complete Project Preparation)

Activity 2 – Design (Complete Business Blueprint)

Activity 3 – Build (Complete Realization)

Activity 4 – Deliver (Complete Final Preparation)

Activity 5 – Operate (Go-Live and Support)

Activity 6 – Project / Contract Management

Please note that Activities 2 through 5 will be performed for both the Registration and Full MBT releases. The workplan, included as Appendix 3 is a draft and will be finalized during the Plan Activity. The completion of Registration go-live will constitute the payment item #3 milestone.

Each activity is described in more detail later in this section, including the specific requirements (i.e., tasks and deliverables) for the activity. Each of these activities should be performed by a set of people (i.e., team or sub-team) responsible primarily for the given activity; however, the Contractor is not constrained from organizing their team in any manner they deem appropriate provided the requirements of the contract are met.

To the extent known, requirements for the deliverables have been documented in this contract. However, prior to the creation and submission of each deliverable, the Contractor will work with the State Project Manager to determine and agree upon the final format, content, acceptance criteria, and review process for the deliverable. The result will be a Deliverables Expectation Document (DED) for each deliverable.

The Contractor shall propose a format for each deliverable and gain State approval prior to preparation of the deliverable. This approval process shall include submission of a DED. The sole purpose of the DED is to ensure that a common understanding exists between the State and the Contractor regarding the scope and content (depth and breadth) of the deliverable prior to the Contractor beginning work on the deliverable. The complexity of the DED should be proportional to the complexity of the deliverable. The DED will contain items such as:

- Deliverable objectives
- An outline of the deliverable, table of contents, sample format, sample pages, and a general description of the information that will be contained in the deliverable
- Deliverable acceptance criteria consistent with the requirements of this contract

Following is a high-level description of each activity:

Activity 1 – Plan (Complete Project Preparation)The objective of the Plan activity is to complete overall project implementation and resource planning. The high-level project implementation plan developed during the Vision phase is further detailed by adding tasks. Initial project team training is delivered to give the project team a foundation in the software package and the EVD implementation methodology. The project monitoring and governance processes that were defined during the Vision phase are reviewed, updated, and implemented. These processes include: status reporting, issue tracking and resolution, scope management, and quality assurance. The technology infrastructure that is needed support business requirements and processes is designed. The PCO will provide structure and controls in this phase and will be responsible for creating all project management and planning tools. The completion of Activity 1 will constitute the payment item #1 milestone.

Tasks:

Task 1 – Prepare and Plan for MBT/MIITAS
Task 2 – Develop Project Control Procedures
Task 3 – Develop Organization Change Management and Training Plan
Task 4 – Develop Technical Management Procedures
Task 5 – Perform Readiness Assessment and Project Kickoff

Deliverables:

Deliverable 1 – Project Plan (Project work plan (WBS and schedule), Team organization chart, Resource plan, Status reporting processes and templates)
Deliverable 2 – Project Control Procedures (Issue management plan, Risk management plan, Scope management plan, Quality assurance plan, System change management plan, Contract and cost management plan, Communications plan)
Deliverable 3 – Change Management and Training Plan
Deliverable 4 – Technical Management Procedures
Deliverable 5 – Readiness Assessment and Project Kickoff

Activity 2 – Design (Complete Business Blueprint) The objective of the Design activity is to develop a design based on the business case, requirements definition, software gap analysis results, and software prototyping efforts. Key components of this phase include the business process design, the software functionality disposition, and an understanding of the potential organizational changes. During this phase, the client develops a detailed understanding of how the selected software will support its business operations. Technical components (e.g., hardware) are developed to support design process. The completion of Activity 2 will constitute the payment item #2 milestone.

Tasks:

Task 1 – Prepare Development Environment
Task 2 – Conduct Requirements Validation
Task 3 – Perform Gap Analysis
Task 4 – Conduct Conference Room Pilots
Task 5 – Develop Design Package

Deliverables:

Deliverable 1 – Release Development Environment
Deliverable 2 – Requirements Validation Document
Deliverable 3 – Requirements Traceability Matrix
Deliverable 4 – Conceptual Approach and Gap Analysis Document
Deliverable 5 – Conference Room Pilots
Deliverable 6 – MBT/MIITAS Design Package (business process design, the business process master list, configuration inventory, and development inventory for FRICE-W)

Activity 3 – Build (Complete Realization) The objective of the Build activity is to configure the system based on both the business and technical requirements. Once the system is configured, and unit and system tests have been conducted, integration testing is planned and executed, and the system is prepared for user acceptance testing and training. Forms, reports, interfaces, conversions and enhancements (FRICE-W objects) are developed and tested, security profiles are created, and multiple environments (e.g., testing, training, production) are established. The completion of Activity 3 will constitute the payment item #4 milestone.

Tasks:

Task 1 – Configure Application
Task 2 – Design and Develop Specifications for FRICE-W
Task 3 – Conduct Unit Testing
Task 4 – Develop Business Process Procedures
Task 5 – Conduct System Testing
Task 6 – Define and Setup Security
Task 7 – Develop End User Training
Task 8 – Prepare Test and Production Environments
Task 9 – Develop Support Procedures
Task 10 – Conduct User Acceptance and Volume/Stress Tests

Deliverables:

Deliverable 1 – Configuration Documentation
Deliverable 2 – FRICE-W Design Specifications
Deliverable 3 – System Unit Testing Documentation
Deliverable 4 – Business Process Procedures Document
Deliverable 5 – System Test Documentation
Deliverable 6 – Security and Roles Documentation
Deliverable 7 – Training Plan
Deliverable 8 – Training Course Curriculum
Deliverable 9 – Train-the-trainer Course Materials
Deliverable 10 – Train-the-trainer Evaluations
Deliverable 11 – Released Production Environment
Deliverable 12 – MBT/MIITAS Support Procedures

Activity 4 – Deliver (Complete Final Preparation) The objective of the Deliver activity is to execute system and business cutover. Cutover involves final system testing (user-acceptance), user training, and the formation of a support organization. The production system is ready to support business operations at the end of this phase. The completion of Activity 3 will constitute the payment item #5 milestone.

Tasks:

Task 1 – Conduct End User Train-The-Trainer
Task 2 – Prepare Final Production Environment
Task 3 – Develop Cutover and Conversion Plan
Task 4 – Execute Cutover

Deliverables:

Deliverable 1 – Production Ready System (at completion of User Acceptance Test for each release)
Deliverable 2 – Final Production Environment
Deliverable 3 – Cutover and Conversion Plan
Deliverable 4 – MBT/MIITAS Go-Live

Activity 5 – Operate (Go-Live and Support) The objective of the Operate activity is transition from a pre-production environment to business operations. During this phase, the implementation team transfers responsibilities to the support organization, optimizes overall system performance, and institutes continuous improvement. Tasks include all typical ongoing production support activities such as corrective maintenance (i.e., "bug fixing") and adaptive maintenance (i.e., modification of the system to keep up with necessary technical upgrades). During year one of production support, the State may use 7,000 hours from the combined capacity of the seven (7) FTEs, as a pool of hours for enhancements and other mutually agreed upon developmental activities. The payment item #6 will be processed after the completion of the first 60 days of Activity 5, Final Acceptance. The first six months of the Operate Activity will include the Warranty. The Warranty period will begin at full implementation anticipated for December 31, 2008. The payment of item #7 will be processed after the completion of the first 6 months of Activity 5. Payment of item #8 and item #9 will be divided evenly into monthly payments over the course of month 7 – 24 of Activity 5.

Tasks:

Task 1 – Maintain and Support Application
Task 2 – Perform Ongoing Production Support Knowledge Transfer
Task 3 – Provide System and Service Enhancements

Deliverables:

Deliverable 1 –System Operations Status Report

With regards to Warranty, the following will be defined

Contractor will provide warranty support as described in Article 2 Section 2.507.

Activity 6 – Project / Contract Management The objective of the Project/Contract Management activity is to manage the schedule, resources, and activities within the framework of the Project Plan. Typical project management tasks such as Scope Management, Communications Management, Financial Management, and Risk/Issues Management are performed here, as well as all required Contract Management tasks and functions.

Tasks:

Task 1 – Perform Project Management Functions
Task 2 – Perform Contract Management Functions

Deliverables:

Deliverable 1 – Bi-weekly Status Reports
Deliverable 2 – Contract Change Requests and Orders

1.2 Roles and Responsibilities

The following overview provides definition of State v. PCO Contractor v. Contractor roles and responsibilities:

4. The **Contractor** is accountable to the State of Michigan MBT/MIITAS Project Manager . Their primary responsibility is provide design, configuration, development, testing, training, change management, implementation, warranty and support services for the SAP software, (acquired under separate contract), that will support the core business processes and functions, as defined in Appendix 1, in order to support the new Michigan Business Tax. The Contractor provides both revenue business process knowledge and SAP T&RM knowledge

5. The **PCO Contractor** is also accountable to the State of Michigan MBT/MIITAS Project Manager. Their primary responsibility is to provide independent third-party control, monitoring, and project management processes for the project. The PCO Contractor provides depth and breadth of knowledge and experience in project management and technical control processes to ensure project delivery.

6. The **State** maintains overall authority and control over the MBT/MIITAS effort. This is primarily manifested in the MBT/MIITAS Executive Steering Committee, comprised of Treasury and DIT representatives, which will meet to review overall plans – and progress against those plans – on a regular basis. The Steering Committee will rely on the MBT/MIITAS Project Manager for the day-to-day operational oversight necessary to maintain control of the effort.

Location of Work

a. The work is to be performed, completed, and managed at the following location:
Operations Center
7285 Parsons Drive
Dimondale, MI 48821

1.201 CONTRACTOR,STAFF ROLES AND RESPONSIBILITIES

All persons assigned to this contract shall be employees, or subcontractors, of the Contractor and, in the case of key personnel, meet the qualifications outlined below, and must sign the required Treasury non-disclosure and confidentiality forms. The Contractor must include a similar provision in any contract with any subcontractor selected to perform work under this project. Contractor's staff must be able to pass a security clearance check conducted by the Contractor. Contractors must present certifications evidencing satisfactory background checks and drug tests for all staff identified for assignment to this project. Contractor is responsible for any costs associated with ensuring their staff meets all requirements.

The Contractor will provide, and update when changed, an organizational chart, indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work. Contractor will provide:

1. Personnel with the ability to work professionally with the users, administrators, Treasury, MDIT and other State agencies serving the citizens of the State of Michigan
2. Personnel with the experience and ability to translate State requirements into the SAP functionality
3. Personnel with the ability and focus to complete knowledge transfer to State Staff in addition to completing individual tasks and deliverables.
4. Personnel with the ability to document and act on customer suggestions and complaints.
5. Personnel with the ability to document problems, fixes, resolutions and preventative measures for the future.
6. Personnel with the ability to troubleshoot problems and provide timely resolutions in order to prevent downtime.

The Contract Manager will have prime responsibility and final authority for the work completed by the Contractor and must have a regular on-site presence for the duration of the project and be available to the Executive Sponsors for issues that cannot be resolved at the project level.

Key Personnel

For any personnel changes, resumes must be provided and the State given time to review to accept or reject any personnel changes before they are authorized. The State reserves the right to have any proposed resource replaced when, in the State's judgment, that resource is unqualified for the project. The Contractor will commit that staff identified below will actually perform the assigned work for the duration of the Phase 1 project. Any staff substitution must have the prior approval of the State. Each personal identified as meeting a key role must meet

the State minimum standards. The following Contractor staff roles are identified as "Key Personnel" for this project.

Role	**Individual**
Contract Administrator	Todd Higgins
Project Manager	Rita Scoggins
Technical Architect/Technical Lead	David Rausch
Lead Software Specialist	Nasser Hanif
Organizational Change Management and Training Manager	Gabrielle Manteghi

Each of these roles is defined below:

Contract Administrator. The duties of the Contract Administrator shall include, but not be limited to: i) supporting the management of the Contract, ii) facilitating dispute resolution, and iii) advising the State of performance under the terms and conditions of the Contract.

Project Manager. The Project Manager will work closely with the designated personnel from the State to oversee a complete and successful execution of the requirements of this contract. The Contractor's Project Manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services
- Maintains adherence to the project charter and scope document
- Coordinate all of the activities of the Contractor personnel assigned to the project
- Schedules work assignments, sets priorities, directs work, and addresses deviations from plans
- Create all reports required by State
- Manage Contractor's subcontractors, if any
- Develop the initial project plan and schedule, and provided updates to the PCO Manager as needed
- Serve as the point person for all project Contractor issues
- Coordinate and oversee the day-to-day project activities of the Contractor team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Use change control procedures
- Prepare project documents and materials

Technical Architect/Technical Lead. The Technical Architect/Technical Lead will work closely with the project team to design and help implement the integrated system, including all SAP components, middleware, and extensions The Contractor's Technical Architect/Technical Lead responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities for Technical Architecture and SAP System Administration Services including SAP system security processes
- Adhere to the project charter and scope document
- Coordinate all of the activities of the Administration and Security Technical personnel assigned to the project (Contractor and State)
- Schedule relevant work assignments, set priorities, directs work, and addresses deviations from plans
- Assess and report relevant project status and feedback
- Escalate project issues, project risks, and other concerns
- Review Administration and Security Technical project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Use change control procedures
- Prepare relevant project documents and materials

Lead Software Specialist. The Lead Software Specialist will work closely with the designated State personnel to oversee a smooth transition to the new system. The Contractor's Lead Software Specialist responsibilities include, at a minimum:

- Coordinate all defined Contractor responsibilities for SAP functional development
- Recommend and deliver appropriate processes, tools, and templates for the Functional Teams (Contractor and State)
- Adhere to the project charter and scope document
- Assess and report relevant project status and feedback
- Escalate project issues, project risks, and other concerns
- Review project functional deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Use change control procedures
- Prepare project documents and materials

Organizational Change Management and Training Manager. The Organizational Change Management and Training Manager will work closely with the designated State personnel to oversee a smooth organizational transition to the new system. The Contractor's Organizational Change Management and Training Manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities for Organizational Change Management and Training Services
- Adhere to the project charter and scope document
- Coordinate all of the activities of the Organizational Change Management and Training personnel assigned to the project (Contractor and State)
- Schedule relevant work assignments, set priorities, directs work, and addresses deviations from plans
- Coordinate and oversee the day-to-day project activities of the Organizational Change Management and Training team
- Assess and report relevant project status and feedback
- Escalate project issues, project risks, and other concerns
- Review Organizational Change Management and Training project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Use change control procedures
- Prepare project documents and materials

Named Non-Key Personnel

In addition to the Key personnel above, Contractor will provide the following Named Non-Key Personnel to provide advice and/or facilitate during the blueprinting phase.

We have planned for the blueprint project advisors to be on-site for a total of three weeks each during the blueprint phase to facilitate, participate and contribute to the requirements work sessions. Additionally they would be reviewing the output of the blueprint work sessions for there completeness.

- George Mitchell *
- David Casey
- John Rampulla
- Robbie Visser **

* Shall be committed 25% to this project from November 2007 through January 2008, and available to the project team after, on an as needed basis.

** Shall be committed 75% to this project through blueprinting

The Contractor will have primary responsibility for all activities noted in Section 1.104 Work and Deliverables except for those noted below as State primary responsibilities. Contractor will have primary responsibility including the warranty phase and the six months of support. The final 12 months of support the Contractor will assist with the State having primary responsibility.

1.202 STATE STAFF ROLES AND RESPONSIBILITIES

State Project Team

The State will provide staff to assist the Contractor throughout the performance of this contract. The State will provide an MDIT Project Manager, working closely with a Treasury Business Owner, to lead the project under the direction of Executive Sponsors from Treasury and MDIT. The MDIT Project Manager will work closely with the Treasury Business Owner.

The State project team will include project teams staffed from both Treasury and MDIT.

The State will make its best effort to provide the necessary type, number and timing of State resources for the roles noted below and in accordance with the project workplan found in Appendix 3.

It is the expectation of the Contractor that the State will provide the following resources

State of Michigan Resource Allocation						
	Prep	Blueprint	Realization	Final Prep	GoLive Pprep	Warranty/ Operations
	Oct1-30	Nov1-Feb28	Mar1-Aug31	Sept1-Nov30	Dec1-30	Jan1 - June30
Process	5	5	5	0	0	2
Org Design and Training	1	3	6	8	8	0
Testing			1	10	10	0
Contract Admin	1	1	1	1	1	0
Project Management	1	1	1	1	1	0
Technical Architect	1	1	1	1	1	1
BASIS	2	2	2	2	2	1
ABAP		4	6	6	6	1.5
Interface		4	4	4	4	1
Conversion	2	2	2	2	2	
Oracle DBA/System Admin	0.5	0.5	0.5	0.5	0.5	0.5
Total	13.5	23.5	29.5	35.5	35.5	7
Business	6	8	12	18	18	2
Technical	5.5	13.5	15.5	15.5	15.5	5
Management	2	2	2	2	2	0

State of Michigan Role	Responsibilities	Skills Expected
Contract Administrator	• Administer contract terms • Negotiate changes of scope when and if new regulations/requirements require revised functionality • Participate in PCO activities	• Contract administration knowledge and experience • Knowledge of State of Michigan Project Management Methodology, Systems Engineering Methodology, and Accelerated SAP Methodology • Written and oral communications skills
Project Manager	• Participate in schedule development by providing technical information and guidance	• Knowledge of State of Michigan Project Management Methodology, Systems Engineering Methodology, and Accelerated SAP Methodology

State of Michigan Role	Responsibilities	Skills Expected
	• Timely review and approval of resolution of escalated issues • Liaise with stakeholder agencies to prepare for the implementation of the new system. • Liaise with the PCO contractor to evaluate and incorporate report recommendations into the project management plan • Facilitate communications • Plan and facilitate risk meetings • Maintain master risk database for all identified risks • Plan and facilitate issue meetings • Maintain the master issue/action item database for all identified issues/action items • Review and approve plans and schedules for release and delivery of configuration items • Provide change control decisions as required to modify and clarify requirements • Manage all State resources • Prepare weekly status reports • Prepare steering committee reports • Participate in PCO activities • Provide project plan updates to the PCO • Negotiate changes of scope when and if new regulations/requirements require revised functionality	• Certified Project Management Professional preferred • MIITAS Business Case knowledge • Thorough understanding of Michigan Treasury business and technical requirements • Written and oral communications skills
Process Lead/Analyst	• Provide policy, regulation, forms, reports and procedural reference	• Knowledge of Accelerated SAP Methodology • MIITAS Business Case knowledge • Thorough understanding of Michigan Treasury

State of Michigan Role	Responsibilities	Skills Expected
	material and interpretations • Confirm business process designs • Define system and configuration requirements • Identify business rules • Assist with system configuration • Participate in testing and cutover activities • Assist with configuration and development of forms, reports and correspondences	business and technical requirements • Analyst knowledge may be limited to a particular subject area (e.g. registration, tax return processing, taxpayer accounting, revenue accounting, compliance, etc.) • Written and oral communications skills
Technical Lead	• Manage the State technical resources • Liaise with State agencies, including MDIT • Lead the team from the State side on interface and conversion analysis and design	• Knowledge of Accelerated SAP Methodology • Knowledge of Michigan's Systems Engineering Methodology • Knowledge of MIITAS business and technical requirements, especially those that relate to interfaces and conversions • Knowledge of current systems and interface architecture • Written and oral communications skills
ABAP Programmer	• Perform ABAP development • Develop extensions as needed • Support conversion and interface teams as needed • Engage in knowledge transfer from Deloitte Consulting	• ABAP Programming experience • Knowledge of Michigan Treasury business and technical requirements • Written and oral communications skills
BASIS	• Define and configure security • Manage the operating system • Provide technical configuration support • Engage in knowledge transfer from Deloitte Consulting	• Knowledge of Michigan Treasury technical requirements • BASIS training • Written and oral communications skills
XI Interface trainee	• Engage in knowledge transfer from Deloitte Consulting	• Trained in XI
Legacy Interface Developer	• Design interfaces	• Knowledge of Michigan's Systems Engineering Methodology

State of Michigan Role	Responsibilities	Skills Expected
	• Develop interfaces • Test interfaces	• Knowledge of Michigan Treasury systems and interfaces • Experience in developing technical data maps • Previous interface development experience • Written and oral communications skills
Conversion Developer	• Prepare legacy data for conversion • Design, develop, and test legacy extracts	• Knowledge of Michigan's Systems Engineering Methodology • Knowledge of Michigan Treasury legacy systems • Experience in developing technical data maps • Previous conversion development experience • Written and oral communications skills
Change and Training Lead	• Prepare project communications • Oversee development of training materials • Identify and develop policies and procedures • Support Go-Live	• Knowledge of Michigan Treasury business and technical requirements • Experience in providing communications for a large systems integration project • Experience developing systems training materials • Understanding of the unique needs of Michigan Treasury staff • Written and oral communications skills
Trainer/Training Delivery	• Deliver end user training • Coordinate Training Delivery • Support Go-Live	• Experience delivering training to end users • Written and oral communications skills
Tester	• Use business knowledge to identify test scenarios • Prepare user acceptance test scripts • Conduct user acceptance testing	• Knowledge of Michigan Treasury business and technical requirements • Experience preparing and executing test scripts • Written and oral communications skills

The State will contribute through the project as noted in section 1.104, Work and Deliverables in order to assist the Contractor complete the project. The State will take primary responsibilities for the following areas

- Legacy Interface Development
- Legacy Conversion Development
- HW/SW Procurement and Installation
- External Communication and Change Management
- User Acceptance Test
- Stakeholder Management
- The Recipient of Knowledge Transfer Activities
- Operations/Support in final 12 months

The following provides further clarification of the States Roles and Responsibilities:

- MDIT will be responsible for the State's infrastructure and work together with the Contractor and Software Vendor in determining the system configuration.
- MDIT shall provide a Contract Administrator whose duties shall include but not be limited to supporting the management of the Contract.
- Contract Oversight for Treasury is performed by the Bureau of Program Management.
- The State will assign DIT and Treasury staff to the project. These individuals will be dedicated full-time to the MBT/MIITAS project and are expected to become the subject matter experts for various areas of the system.
- During the Warranty and first six months of Operations phase, the State resources will assist the Contractor. During the final 12 months of Operations, the State will have primary responsibility and the Contractor will assist the State
- The State of Michigan will make all efforts to provide six (6) ABAP/Adobe programming resources in accordance with the staffing schedule provided by Contractor. It is expected that by the time of Realization, two (2) of these ABAP programming resources will be performing at a minimum of 70% capacity of a junior ABAP programmer in the current resource market. A process will be developed between Contractor and the State to assign and monitor the progress of the work for these State resources. These State resources will be used primarily for forms and reports development. These resources will not be assigned mission critical or critical path activities. Resources familiar with Adobe development are included within these six (6) ABAP programming resources and the same level of productivity would be expected. The remaining four (4) ABAP State programmers will obtain training and shadow the ABAP development group. Although Contractor is not expecting full production of project work products from these resources, these resources will be given the opportunity to contribute on the project as skills are developed and their time is allocated as such.
- The State is responsible for extracting the legacy data, working with Contractor to map data to SAP, define translation rules and default values.
- The State is responsible for programming activity related to updating data to the legacy system for interface data coming from SAP. The State is responsible for identifying and determining the number of resources needed to perform the legacy activities.
- The State will participate in knowledge transfer activities. To accomplish knowledge transfer, the State will pair key individuals as appropriate with the Contractor and allow these resources to participate on the project full-time.
- The State will make all efforts to have its resources fully trained in XI by February 1, 2008.

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

The project plan encompasses the key project management deliverables, documenting how the project will be successfully completed. The Project Plan includes the following elements:

- Project Scope
- High-Level Requirements
- Project Schedule
- Assumptions and Risks
- Communication Plan
- Staffing Plan

It will be the role of the PCO to establish the tools, processes and procedures to develop, execute, and control the Project Plan; the Contractor is responsible for the content of the Project Plan, as well as the actual completion of assigned work agreed upon in the plan. The PCO will update the various portions of the Project Plan and facilitate the status meetings; the Contractor will provide the information (input) to enable the updates to the Plan.

A draft of the Project Work plan is included in Appendix 3. The work plan will be finalized and agreed to during the Plan phase of the project.

1.302 REPORTS

The Project Control Office (PCO) will establish a number of periodic status meetings to monitor and control the approved Project Plan. The intent of these meetings will be to identify the true status of the project and, where progress is not in line with original plans, put corrective action plans in place to bring the project back on track. These meetings will also serve to keep all levels of management informed of project status, highlighting major issues and roadblocks requiring management involvement and/or decisions.

1.4 Project Management

1.401 ISSUE MANAGEMENT

The MBT/MIITAS Project Control Office (PCO) is responsible for establishing an issues management process, including the creation of an issues log; meetings to prioritize, review, and resolve issues; and the development and execution of an issues escalation procedure. The PCO is also responsible for providing the tool(s) to track the project issues. It is the State's intent to leverage DIT standard processes and tools utilized successfully on other State IT projects. But the prospective Contractor should know that the PCO owns the responsibility for the issues process and toolset.

The Contractor is responsible for the identification of issues impacting the quality and/or timing of their deliverables, as well as the timely resolution of assigned issues.

1.402 RISK MANAGEMENT

The MBT/MIITAS Project Control Office (PCO) is responsible for establishing a risk management process, including the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, the monitoring of risk items, and periodic risk assessment review. Similar to issues management, the PCO owns the processes and tools for risk management.

The Contractor is responsible for the identification of risks for each project (release) and the MBT/MIITAS program as a whole. Mitigating and/or eliminating assigned risk items will also be the responsibility of the Contractor.

1.403 CHANGE MANAGEMENT

The MBT/MIITAS Project Control Office (PCO) is responsible for establishing a change control process, including the recording of proposed change controls, impact assessment, change control review, and formalization of the acceptance or denial of the proposed change. Similar to issues and risk management, the PCO owns the processes and tools related to change management. This process will be used to manage enhancement requests above and beyond original scope of this contract.

The Contractor is responsible for the identification of potential change controls (along with other stakeholders), impact assessment (including schedule, cost, and risk), and participation in the formal change control reviews.

1.5 Acceptance

1.501 CRITERIA

To the extent known, requirements for the deliverables have been documented in this contract. However, prior to the creation and submission of each deliverable, the Contractor will work with the Project Control Office (PCO) to determine and agree upon the final format, content, acceptance criteria, and review process for the deliverable. The result will be a Deliverables Expectation Document (DED) for each deliverable.

The Contractor shall propose a format for each deliverable and gain State approval prior to preparation of the deliverable. This approval process shall include submission of a DED. The sole purpose of the DED is to ensure that a common understanding exists between the State and the Contractor regarding the scope and content (depth and breadth) of the deliverable prior to the Contractor beginning work on the deliverable. The complexity of the DED should be proportional to the complexity of the deliverable. The DED will contain items such as:

- Deliverable objectives.
- An outline of the deliverable, table of contents, sample format, sample pages, and a general description of the information that will be contained in the deliverable.
- Deliverable acceptance criteria which is consistent with the requirements of the contract.

The State and the Contractor will follow section 2.105 DELIVERABLE ACCEPTANCE PROCEDURE for the submission and acceptance of deliverables and milestones. Each of the deliverables have been noted in Section 1.104, Work and Deliverable. Each of the milestones have been noted in Section 1.6, Compensation.

1.502 FINAL ACCEPTANCE

Final acceptance for this contract will be based on the following:

1. Full deployment of the MBT/MIITAS meeting all requirements contained in Appendix 1 and further refined during *Activity 2.* The system must be fully operational in the production environment for a minimum of two months.

The above will be signified by formal approval from the MBT/MIITAS Project Manager and Treasury Project Sponsor.

1.6 Compensation and Payment

The State will reimburse the Contractor for Hardware and Software acquired on behalf of the State, within 45 calendar days from the submission of the invoice.

Compensation and payment for the commodities and services required by this contract include:

1. The table on the below contains the agreed upon payments and payment schedule. The payments include the total fixed-price of $11,150,000 for implementation and warranty; the total post-warranty support of $3,300,000; pool of 2,000 additional hours to be used for enhancements during the term of the contract for $500,000. This results in a total of $14,950,000. The payments schedule for post warranty production support will be established at a later time within the contract at a point that SLA's and activities are more clearly delineated between the State and the Contractor. During year one of production support, the State may use 7,000 hours from the combined capacity of the seven (7) FTEs, as a pool of hours for enhancements and other mutually agreed upon developmental activities. A change control process will be established to prioritize and track the use of these 7,000 hours.

Item #	Name	Total Cost
1	Complete Project Preparation	$ 348,000.00
2	Complete Business Blueprint	$ 1,495,000.00
3	Taxpayer Registration Milestone	$2,000,000.00
4	Complete Realization	$ 3,028,000.00
5	Complete Final Preparation	$ 2,093,000.00
6	Go Live and Support	$ 1,186,000.00
7	Warranty Month 1 thru Month 6	$ 1,000,000.00
8	Post Warranty production support : Month 7 thru Month 12	$1,500,000.00
9	Post Warranty production support: Month 13 thru Month 24	$1,800,000.00
10	2000 additional enhancement pool hours	$ 500,000.00
TOTAL COST (All Phases)		$ 14,950,000.00

The following assumptions are made regarding the fixed price cost:

- The rates provided in this response are for additional services requested during the MBT/MIITAS MBT Phase of the Michigan Business Tax project
- Decisions on the version of the software to be implemented for MBT will be mutually agreed upon by SAP, Contractor and the State
- Costs for required software for the MBT project will be licensed by Michigan Treasury directly from SAP
- Services included in this proposal are to support the mySAP Tax and Revenue solution, including the following modules: FI, Internet Service Request, Adobe Interactive Forms, Portals, FI-CA and PS-CD
- Michigan Department of Treasury (Treasury) and Michigan Department of Information Technology (MDIT) project team members will go through the applicable SAP training, including ISR, Adobe Forms, Portals, FI-CA, PS-CD, Basis and ABAP. We assume the costs for SAP project team training curriculum will be provided by the Michigan Treasury in their software vendor license
- MDIT and Treasury resources will be actively involved in the creation and approval of major deliverables. As a result of their continuous review and contributions to the project, we assume that formal deliverables will be reviewed and approved in a timely manner with no more than 2 review cycles. State resources on the development teams will also participate in the approval process, educating reviewers in the contents of the deliverable, and sharing ownership and responsibility of the approval. The second review cycle will be conducted to make agreed upon changes identified in the first review cycle. The content and format for a deliverable will be agreed upon prior to work on that deliverable. Reviewers and approvers will be responsible for understanding the substance of the deliverables and providing consolidated, actionable comments
- We will rely on the State’s final approval of a deliverable in writing at the completion of the review cycle so we can continue forward with project tasks, activities and phases

- For the six month warranty period following system Go-Live, Contractor will warrant that the MBT/MIITAS system as described in the *Warranty* section of our proposal
- Services included in the Contractor's proposal will support Michigan Business Tax processes outlined in the RFP
- The State will procure required hardware and software and complete the necessary installation timely so that it does not impede the Project Plan
- The State will be responsible for the legacy side of interfaces, including the design, development, testing and operation with their internal and external systems and conversion of data from legacy systems. The State will provide the interface designs from the legacy side and provide the Contractor with the input file formats required
- The Contractorwill provide the interface designs from the SAP side and provide the State with the input file formats required
- Staffing/Resources
  - Michigan Treasury will provide focused and dedicated resources to complete project tasks at the direction of the Contractor's project manager
  - Basis, Security, UNIX Administrators, Database Administrators, Network Administrators and others required for establishing and maintaining development, quality assurance, and production environments, will be staffed by The State. In addition Michigan will make all efforts to provide 6 trained ABAP resources
  - Michigan project team members will receive necessary SAP training as recommended by Contractor
  - Key functional team members will be available at key points during requirements gathering, data definition, tables identification, reconciliation and integration testing to work with the project team to make certain requirements are consistently and carefully defined
  - Business Process Owners and power users will be available through out the implementation including but not limited to requirements gathering, user acceptance testing (UAT) and roll out process
- Contractor will provide information in identifying the business rules required
- Contractor assumes that the State will license Productivity Pack from or other tools for project team use. State Treasury personnel will be involved in the creation of training documentation and materials and conduct end user training
- Based on the central location of users, we are assuming that Web-based training materials and/or programs are not required for the MBT Project phase. The SAP training environment will be accessible for remote offices for training.
- Interfaces are based on the essential items listed in *Appendix 2*. Work effort estimates are based on the information described in *Section 1.101, Scope* of our proposal
- Data conversion is limited to conversion of registration data, MBT estimated payments made into the SBT system and SBT carry forward amounts
- No holdback will be applied to the payment schedule noted above

Hourly Rates Matrix for Consulting and Programming Services

Contractors are to complete the matrix of hourly rates for the Contractor's consulting and programming services – at various skill levels and for both functional and technical consultants.

Firm, Fixed Hourly Rates for Staffing Categories

Staffing Category	Req's Pool Hours	Enhancements Pool Hours	Hourly Rate
Project Manager	As needed	As needed	$280.00
Systems Architect	As needed	As needed	$260.00
Business Specialist	As needed	As needed	$260.00
Technical Writer	As needed	As needed	$165.00
Training Coordinator	As needed	As needed	$210.00
Change Management Consultant	As needed	As needed	$210.00
Support Staff	As needed	As needed	$145.00
Workflow Coordinator	As needed	As needed	$210.00
Infrastructure Team Resource	As needed	As needed	$145.00
Configuration Management Team Resource	As needed	As needed	$165.00
Application Architecture Team Resource	As needed	As needed	$165.00
Environment Planning/Prep Team Resource	As needed	As needed	$165.00
Systems DBA Team Resource	As needed	As needed	$145.00
Network/Dev Environment Support Team Resource	As needed	As needed	$145.00
Data Modeler Team Resource	As needed	As needed	$145.00
Data Loader/Utilities Team Resource	As needed	As needed	$165.00
Senior or Expert Analyst	As needed	As needed	$260.00
Senior or Expert Programmer	As needed	As needed	$210.00
Programmer/Analyst	As needed	As needed	$165.00
Programmer	As needed	As needed	$145.00
Database Administrator Services	As needed	As needed	$165.00
Testing Lead Resource	As needed	As needed	$260.00
TOTALS	As needed	As needed	-------

1.7 Additional Terms and Conditions Specific to this SOW

Contractor plans to complete the majority of the work on-site, working collaboratively with the respective Treasury and DIT counterparts. As noted in the answers to the questions, this on-site, collaborative approach improves the knowledge transfer process. In addition, the majority of this work should be conducted on Monday – Friday from 8:00am to 5:00pm. We also recognize that a few items will impact this approach from time-to-time throughout the project. Many of our consultants will be commuting to the project on a weekly basis. Travel schedules may prevent some of our team members from being on-site exclusively during these hours. In addition, various tasks may require work after these core hours along with weekend work. Occasional off-site work may be needed and the State will act in a reasonable fashion to permit approval for this off-site work.

The State will provide physical workspace for all Contractor staff. Included in this workspace are basic office furniture, telephone for local calls, and a PC configured to meet State requirements, office supplies and conference rooms.

Remote access to the State network is provided only through a Virtual Private Network (VPN) with a Remote Access Server (RAS) secure id token. VPN access will be granted on a very limited basis, and only where necessary.

Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contract is for system to provide design, configuration, development, testing, training, change management, implementation, warranty and support services for the SAP software, (acquired under separate contract), that will support the core business processes and functions of the Michigan Business Tax (MBT) for the MBT/MIITAS Project for the State of Michigan. Orders will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Department of Information Technology / Treasury, hereinafter known as DIT/TREASURY. Where actions are a combination of those of Acquisition Services and the State agencies, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the commodities and/or services described herein. Acquisition Services is the only office authorized to negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Acquisition Services will remain the SOLE POINT OF CONTACT throughout the procurement process.

Contractor proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of the contract from any individual or office other than Acquisition Services and the listed contract administrator

All communications covering this procurement must be addressed to contract administrator indicated below:

Department of Management and Budget
Acquisition Services
Attn: *Steve Motz*
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
517-241-3215
motzs@michigan.gov

2.003 NOTICE

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

2.004 CONTRACT TERM

The term of this Contract will be for 3 (3) years and three (3) months and will commence with the issuance of a Contract. This will be approximately *September 15, 2007,* through *December 31,, 2010*.

Option. The State reserves the right to exercise up to two (2), one-year (1) option, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a

basis for any decision by Acquisition Services to exercise an option year. Any such option exercise will be contingent upon the State and Contractor mutually negotiating and reaching mutual agreement on a statement of work and pricing to govern the option year period.

Extension. At the sole option of the State, the contract may also be extended. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.

Written notice will be provided to the Contractor within 30 days provided that the State gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension. If the Government exercises this option, the extended contract shall be considered to include this option clause.

2.005 GOVERNING LAW

The Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing this agreement, Contractor consents to personal jurisdiction in the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

2.006 APPLICABLE STATUTES

The following statutes, rules, and laws are applicable to the performance of this contract; some statutes are reflected in the clauses of this contract. This list is NOT exhaustive.

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)
MI OSHA MCL §§ 408.1001 – 408.1094
Freedom of Information Act (FIOA) MCL §§ 15.231, et seq.
Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.
MI Consumer Protection Act MCL §§ 445.901 – 445.922
Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.
Department of Civil Service Rules and regulations
Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.
Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.
MCL §§ 423.321, et seq.
MCL § 18.1264 (law regarding debarment)
Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.
Contract Work Hours and Safety Standards Act (CWHSAA) 40 USCS § 327, et seq.
Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795
Rules and regulations of the Environmental Protection Agency
Internal Revenue Code
Rules and regulations of the Equal Employment Opportunity Commission (EEOC)
The Civil Rights Act of 1964, USCS Chapter 42
Title VII, 42 USCS §§ 2000e et seq.
The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.
The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.
The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.
The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.
The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.
Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106
Sherman Act, 15 U.S.C.S. § 1 et seq.
Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.
Clayton Act, 15 U.S.C.S. § 14 et seq.

2.007 RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

2.008 HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

2.009 MERGER

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

2.010 SEVERABILITY

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

2.011 SURVIVORSHIP

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of the Contract for any reason.

2.012 NO WAIVER OF DEFAULT

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

2.013 PURCHASE ORDERS

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.

2.1 Vendor/Contractor Obligations

2.101 ACCOUNTING RECORDS

The Contractor and all subcontractors shall maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Pertinent financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, federal agencies providing federal financial participation (FFP), or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three years from expiration date and final payment on the Contract or extension thereof. This provision does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

1. When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized

assets in the accounting records, the Contractor shall notify Acquisition Services within 30 days.

2. The Contractor shall also notify the Acquisition Services within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

The Contractor shall:

1. Maintain current, accurate, and complete inventory records of assets and their costs;

2. Provide Acquisition Services or designated representative ready access to the records upon request;

3. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and

4. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.

2.103 RESERVED

2.104 IT STANDARDS

1. EXISTING TECHNOLOGY STANDARDS. The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at http://michigan.gov/dit.

2. PM METHODOLOGY STANDARDS. The State has adopted a standard documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. This policy is referenced in the document titled "Project Management Methodology" – DMB Administrative Guide Procedure 1380.02 issued June 2000. Vendors may obtain a copy of this procedure, as well as the State of Michigan Project Management Methodology, from the Department of Information Technology's website at http://www.michigan.gov/projectmanagement.

   The contractor shall use the State's PPM to manage State of Michigan Information Technology (IT) based projects. The Requesting agency will provide the applicable documentation and internal agency processes for the methodology. If the vendor requires training on the methodology, those costs shall be the responsibility of the vendor, unless otherwise stated.

3. ADHERENCE TO PORTAL TECHNOLOGY TOOLS. The State of Michigan, Department of Information Technology, has adopted the following tools as its Portal Technology development efforts:

   - Vignette Content Management and personalization Tool
   - Inktomi Search Engine
   - E-Pay Payment Processing Module
   - Websphere Commerce Suite for e-Store applications

Vendors must use the Portal Technology Tools to implement web content management and deployment efforts for agencies. Tools used for web-based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be

coordinated with the Department of Information Technology, Enterprise Application Services Office, e-Michigan Web Development team.

Under special circumstances vendors that are compelled to use alternate tools must submit an exception request to the Department of Information Technology, Enterprise Application Services Office, e-Michigan Web Development team, for evaluation and approval of each alternate tool prior to proposal evaluation by the State.

2.105 DELIVERABLE ACCEPTANCE PROCEDURE

Pursuant to Section 1.5 of the Contract, the parties have agreed to the following deliverable acceptance procedure:

(a) All Deliverables prepared by Contractor shall have the written approval of the State project manager or his or her written designee that such Deliverables comply in all material respects with the requirements of the Contract, which approval shall not be unreasonably withheld.

(b) The State shall complete its review of a Deliverable in not more than ten (10) business days. The State shall provide Contractor (i) with approval of the Deliverable or (ii) with a written statement, as provided below, of the deficiencies preventing approval. Such business days shall be counted from and include the first working day following the delivery of the Deliverable to the State.

(c) The State's review and approval of Deliverables shall be solely for the purpose of determining compliance in all material respects with the requirements for such Deliverable as set forth in the Contract and not for any other purpose, including, without limitation, format or style of the Deliverables or the incorporation at that time of additional ideas or functionality. Approval shall be granted if the Deliverable conforms in all material respects to such requirements. In the event of the State's rejection of a Deliverable, the State shall provide a written statement which identifies in reasonable detail all deficiencies and which cites the corrective actions or changes to be made by Contractor in order to make the Deliverable conform in all material respects to the Contract requirements. Deliverables requiring only minor or cosmetic corrections and not requiring extensive re-review by the State and for which corrections have been promised by Contractor within specified times will be deemed approved.

(d) Contractor shall have thirty (30) business days to complete all such corrective actions or changes in order for such Deliverable to conform in all material respects with the requirements set forth herein. The count of such business days shall begin on the first business day following Contractor's receipt of the written statement of required corrective actions or changes as set forth in paragraph (b) of this Section.

(e) The State shall have five (5) business days to complete a review of the corrective actions or changes made to the Deliverable in response to the State's written statement of deficiencies as set forth in paragraph (b) of this Section and notify Contractor in writing of acceptance or rejection. The count of such days shall begin on the first business day after the State receives the corrected or changed Deliverable from Contractor. The State's review and approval of such corrected or changed Deliverable shall be solely for the purpose of determining that corrections have been made to bring the Deliverables into compliance in all material respects with the Contract’s requirements and not for any other purpose, including, without limitation, for format, style or the incorporation of additional ideas or functionality.

(f) Notwithstanding the foregoing provisions of this Section, approval of a Deliverable or corrected Deliverable shall be deemed given by the State if (1) the State has not delivered to Contractor a notice of deficiencies in writing for such Deliverable (or corrected Deliverable) prior to

the expiration of any period for the State review thereof as set forth in this Section or (2) the Deliverable (or corrected Deliverable) is placed by the State into production or used by the State in its operations.

(g) Contractor shall be entitled to rely on any such approval of a Deliverable for purposes of all subsequent stages of Contractor's performance hereunder. Upon the State's approval of each Deliverable, the State agrees that in the event of a contradiction between the relevant Statement of Work and the approved Deliverable, the contradiction shall be resolved by the approved Deliverable controlling.

2.106 RESERVED

2.107 RESERVED

2.108 COMPETITION IN SUB-CONTRACTING

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

2.109 CALL CENTER DISCLOSURE

Vendor and/or all subcontractors involved in the performance of this contract providing call or contact center services to the State of Michigan must disclose the location of its call or contact center services to inbound callers upon their request. Failure to disclose this information may be a material breach of this agreement.

2.180 Insurance

2.181 Liability Insurance

(a) Liability Insurance

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

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

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

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

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.
See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

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

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Acquisition Services, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider or authorized representative. All Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

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

☑ 1. Commercial General Liability with the following minimum coverage:

$2,000,000 General Aggregate Limit other than Products/Completed Operations
$2,000,000 Products/Completed Operations Aggregate Limit
$1,000,000 Personal & Advertising Injury Limit
$1,000,000 Each Occurrence Limit
$500,000 Fire Damage Limit (any one fire)

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

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

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

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

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

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

☑ 4. Employers liability insurance with the following minimum limits:

$100,000 each accident

$100,000 each employee by disease
$500,000 aggregate disease

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

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

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

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

(b) Subcontractors

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

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the Office of Acquisition Services certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the

State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

2.2 Contract Performance

2.201 DELIVERY SCHEDULE & CONTRACTOR EFFORT

The parties acknowledge the importance of the proposed dates for completion of the "Taxpayer Registration", and "Go Live" milestones, in order to validate the core SAP system. Contractor agrees to use diligent and all commercially reasonable efforts to meet the dates identified in Article 1, Section 1.101.

2.202 CONTRACT PAYMENT SCHEDULE AND CONTRACT PRICING

See Section 1.6 Compensation and Payment regarding the contract payment schedule.

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the firm, fixed hourly rate provided in Section 1.6.

Invoices will be subject to audit for accuracy and allowability by the Contract Administrator.

Contractor's properly submitted invoices will be paid by the State within forty-five (45) days of receipt. Contractor shall be entitled to interest in accordance with State law with respect to any late payments.

2.203 POSSIBLE PROGRESS PAYMENTS

The Government may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.204 RESERVED

2.205 ELECTRONIC PAYMENT AVAILABILITY

Electronic transfer of funds is available to State contractors. Vendor is required register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at www.cpexpress.state.mi.us.

2.206 PERFORMANCE OF WORK BY CONTRACTOR

The Contractor shall perform on the site, and with its own organization, according to the statement of work of this contract, work equivalent to at least 100 percent of the total amount of work to be performed under the contract. This percentage may be reduced by a supplemental agreement to this contract if, during performing the work, the Contractor requests a reduction and the Contract Administrator determines that the reduction would be to the advantage of the Government.

2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of the Contract. The State fiscal year is October 1st through September 30th. The Contractor(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of the Contract.

2.302 RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual responsibilities of Contractor, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve subcontractors and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract. Any change in subcontractors must be approved by the State, in writing, prior to such change.

Each party shall reasonably cooperate with the other party in the performance of the Contract, including provision by the State of timely access to data, information, and its personnel. The State shall be responsible for the performance of its obligations and for the accuracy and completeness of data and information provided to the Contractor. Contractor's performance is dependent upon the timely and effective satisfaction of the State's responsibilities hereunder.

2.303 ASSIGNMENT AND DELEGATION

The Contractor shall not have the right to assign this Contract, to assign its rights under this contract, or delegate any of its duties or obligations under the Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the 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 Director of Acquisition Services.

The Contractor shall not delegate any duties or obligations under the Contract to a subcontractor other than a subcontractor named and approved in the bid unless the Director of Acquisition Services has given written consent to the delegation.

2.304 TAXES

Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State's Tax Exempt Certification is available for vendor viewing upon request to the Contract Administrator.

2.305 INDEMNIFICATION

General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation, in each case with respect to third party claims initated against the State: (1) for bodily injury (including death) or damage to real or tangible property, in each case that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable .

Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, 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 (other than third party materials including commercial software and hardware), or the operation of such equipment, software, commodity or service (other than third party materials including commercial software and hardware), or the use or reproduction of any documentation provided with such equipment, software, commodity or service (other than third party materials including commercial software and hardware) infringes any United States 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. The obligations under this provision shall not be applicable to: (1) modification by the State or its agents or contractors of the equipment, software, commodity or service provided by the Contractor (unless such modification is at Contractor’s direction); (2) any material provided by the State to Contractor and incorporated into, or used to prepare, the equipment, software, commodity or service (except to the extent that Contractor has modified such material and such modification is the basis of the infringement); (3) use of the equipment, software, commodity or service by the State in other than its specified operating environment; or (4) the State’s failure to use corrections or enhancements made available to the State by the Contractor.

Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor’s breach of the No Surreptitious Code Warranty set forth in Section 2.507(b).

Indemnification Obligation Not Limited

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 benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in sub clauses, 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 sub clause.

Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect not withstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract and any indemnification is contingent upon the following.

(a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against the State. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor suffers damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election").

(b) If Contractor delivers a Notice of Election relating to any claim, Contractor shall promptly initiate defense of the claim and: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim that involves any admission of fault or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the commencement by Contractor of any case or proceeding for relief as debtor under the bankruptcy, insolvency or similar laws of any competent jurisdiction. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the reasonable cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.306 LIMITATION OF LIABILITY

The Contractor's liability for damages to the State, regardless of the form of action, shall be limited to $10,000,000 or professional fees paid which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to $10,000,000.

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

2.307 CONTRACT DISTRIBUTION

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

2.308 FORM, FUNCTION, AND UTILITY

If the Contract is for use of more than one State agency and if the good or service provided under this Contract do not the meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the good or service from another source.

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the bidder hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

2.310 RESERVED

2.311 TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to *180 days* after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance.

2.312 WORK PRODUCT

Upon full payment for each such deliverable, all deliverables first created and required to be provided under the Contract ("Work Products") shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State. If any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon full payment for each such Work Product, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.

Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies developed outside the Contract (collectively, the "Development Tools") and created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, and any derivative works thereof, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to use, for its internal purposes, any such Development Tools that are delivered solely in connection with the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.

The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

2.313 PROPRIETARY RIGHTS

A. *Software Ownership*

Ownership of Work Product by State.
All software Deliverables first created under the Contract, upon full payment by the State for each such Deliverable, shall be owned by the State and shall be considered works made for hire by the Contractor for the State. The State shall own all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables. Development Tools (as defined in Section 2.312) shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such Developmental Tools, except as necessary to use, for its internal purposes, any such Development Tools that are delivered solely in connection with the Deliverables.

Vesting of Rights. With the sole exception of any Development Tools, the Contractor shall assign, and upon full payment for each such Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any such Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon State's request, the Contractor and/or its personnel shall confirm such assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State shall have the right to obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

Software License: Third Party Commercial Software
With respect to any Licensed Software, the State's use of any such software shall be in accordance with the terms and conditions of the commercial license provided by the vendor of each such Licensed Software, provided that Contractor shall endeavor to cause any such vendor to agree to license terms and conditions that are identical to license terms and conditions that such vendor has already agreed with the State under existing license agreement(s). Contractor shall provide the State with a copy of such license terms in advance of delivering the Licensed Software.

2.314 WEBSITE INCORPORATION

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

2.4 Contract Review and Evaluation

2.401 CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement(s), the person named below will be allowed to oversee the Contract performance on a day-to-day basis during the term of the Contract. However, overseeing the Contract implies **no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Acquisition Services**. The Contract Compliance Inspector for this project is:

Patty Bogard
Department of Information Technology
Contracts and Procurement
525 W. Allegan Street, Atrium
Lansing, MI 48909
Email: BogardP@michigan.gov
Phone: 517-335-4051

2.402 PERFORMANCE REVIEWS

Acquisition Services in conjunction with the *DIT/TREASURY* may review with the Contractor their performance under the Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contract.

Upon a finding of poor performance, which has been documented by Acquisition Services, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Acquisition Servicesthe Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

(a) Inspection of Work Performed. The State's authorized representatives, including Federal agencies, shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and during business hours, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives, so long as no security, labor relations policies and propriety information policies are violated.

(b) Examination of Records. No more than once per year, Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the terms and conditions of the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

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

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

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

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

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS

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

2.502 RESERVED

2.503 RESERVED

2.504 RESERVED

2.505 CONTRACTOR WARRANTIES

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with professional standards customary in the industry;

2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;

3. The Contractor will use reasonable efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;

4. With respect to time-and-materials services, the Contractor will use reasonable efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;

5. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;

6. The Contractor has duly authorized the execution, delivery and performance of the Contract;

7. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.

8. The contract appendices, attachments, and exhibits identify all types of equipment and software services represent the contractors good faith estimate necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.

9. Except for third party software and hardware, the Contractor is the lawful owner or licensee of any Deliverable licensed or sold to the state by Contractor or developed by Contractor under this contract, and Contractor has all of the rights necessary to convey to the state the ownership rights or license use, as applicable, of any and all Deliverables.

10. If, under this Contract, Contractor procures any third party equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items as set forth in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

11. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.

12. The Contractor is qualified and registered to transact business in all locations where required.

13. To Contractor's knowledge, neither the Contractor nor any Affiliates, nor any employee of either working on the Contract, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of

this Agreement. Contractor shall notify the State promptly of any such interest that Contractor believes would create such a conflict of interest.

To the extent that any such information was provided, to Contractor's knowledge, all financial information furnished by Contractor to the State as part of its response to the ITB or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial information. Since the respective dates or periods covered by such financial information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. To Contractor's knowledge, all written information furnished to the State by Contractor in connection with this Contract, including its bid, is materially true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

2.506 STAFF

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval, any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

The vendor staff roles identified as "Key Personnel" are provided in Article 1, Section 1.201 – Contractor, Staff Roles and Responsibilities.

2.507 SOFTWARE/SYSTEM WARRANTIES

(a) Performance Warranty

For a period of 6 months following full implementation of the System (the "Warranty Period"), Contractor warrants that the System will conform in all material respects to the requirements of the System as set out in the Contract and the accepted Deliverables. For purposes hereof, "System" means Release 2, as defined in Article 1, Section 1.101 of the Contract.

If, within the Warranty Period, the System fails to comply with this warranty, Contractor will repair Defects as necessary to bring the System into compliance with the warranty at no cost, provided that, for any such failure the State notifies Contractor in writing of the failure and describes the correct operation, provides Contractor with adequate documentation and evidence to reproduce the failure, and, when necessary, demonstrates the failure so that the cause of the failure may be traced and corrected. Contractor will make such warranty repairs within two weeks following written notification or such longer period as may be necessary using diligence and dispatch. For purposes hereof, "Defect" means any material error in the System that prevents the System from performing materially in compliance with the required System functionality.

Contractor will have no obligation to make warranty repairs attributable, specifically to the State's misuse or unauthorized modification of the System; the State's failure to use corrections or enhancements that are made available; the State's use of the System in combination with any product other than one specified by us; the quality or integrity of data from other automated or manual systems with which the System interfaces; hardware, systems software, telecommunications equipment or software not a part of the System which is inadequate to allow proper operation of the System or which is not operating in

accordance with the manufacturer's specifications; or operation or utilization of the System in a manner not contemplated by the Contract.

Contractor does not warrant that all nonconformities, errors or defects have been or can be eliminated from the System or that operation of the System will be error-free.

With respect to any third party hardware product or any software product, the terms and conditions of the warranty to the State with respect to such a product will be identical to the terms and conditions of the warranty provided by the manufacturer or software developer of the product and subject to all limitations contained therein. Contractor bears no responsibility of any kind for those products and the warranties for those products will be passed through to the State. The terms of this warranty do not apply to those third party products.

The performance warranties expressly included in this Contract are the exclusive warranties with respect to the System and its performance and all other warranties are waived.

(b) No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of custom developed software developed hereunder and provided to the State contains or will contain in any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty." This warranty shall also apply to third party software licensed by Contractor to the State, except to the extent that Contractor informs State in writing that any such third party software may contain surreptitious code. Contractor may update this list throughout the course of the Contract.

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

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

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

(c) Calendar Warranty

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

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and

date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., web pages, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

(d) Third-party Software Warranty

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

2.508
RESERVED

2.509
RESERVED

2.6 Breach of Contract

2.601 BREACH DEFINED

Failure to comply with articles, sections, or subsections of this agreement, or making any false statement in this agreement may be considered a material breach of this agreement giving the state authority to invoke any and all remedies available to it under this agreement.

In addition to any remedies available in law and by the terms of this contract, if the Contractor breaches Sections 2.508, 2.509, or 2.510, such a breach may be considered as a default in the performance of a material obligation of this contract.

2.602 NOTICE AND THE RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a reasonable time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same matter or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); changes in applicable law or regulation, or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best

efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation. In the event of any change in applicable law or regulation that imposes additional requirements on the State with respect to the system, the parties will mutually negotiate an equitable adjustment to the Contract price and schedule with respect to any additional system functionality that the State desires to meet such additional requirements.

2. If any of the above enumerated circumstances, other than changes in applicable law or regulation, substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.7 Remedies

2.701 CANCELLATION

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

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured (or an acceptable plan of correction presented) within the reasonable time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

   In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, subject to the agreed limitation of liability set forth in this Contract, the Contractor shall be responsible for all reasonable costs incurred by the State in canceling the Contract, including any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

   In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

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

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.

3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.

4. Criminal Conviction. In the event 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 upon the Contractor's business integrity.

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

6. Termination by Contractor for Breach. Contractor may terminate the Contract based upon a breach by the State of any material obligation applicable to the State under this Contract, which breach has not been cured (or an acceptable plan of correction presented) within thirty (30) days of the State's receipt of written notice of breach from the Contractor

2.702 RIGHTS UPON CANCELLATION

A. Rights and Obligations Upon Termination

(1) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be reasonably necessary, or that the State may reasonably direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in equipment and software that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, upon full payment therefore, unless otherwise directed, all Deliverables and other Developed Materials intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

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

(3.) If any such termination by the State is for cause, the State shall have the right to set-off against any amounts due Contractor the amount of any damages for which Contractor is liable to the State under this Contract or pursuant to law or equity.

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

B. Termination Assistance

If the Contract (or any Statement of Work issued under it) is terminated for any reason before completion, Contractor agrees to provide for up to two-hundred seventy (270) calendar days after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of the Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. The State shall compensate Contractor for such

termination assistance at the same rates and charges set forth in the Contract on a time and materials basis in accordance with the Labor Rates indicated within Contractors pricing section. If the Contract is terminated by Contractor under **Section 20**, then Contractor may condition its provision of termination assistance under this Section on reasonable assurances of payment by the State for such assistance, and any other amounts owed under the Contract.

C. Reservation of Rights

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

D. End of Contract Transition

In the event the Contract is terminated, for convenience or cause, or upon expiration, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of the Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 270 calendar days. These efforts shall include, but are not limited to, the following:

(1) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to facilitate the State's use of Contractor's subcontractors.

(2) Knowledgeable Personnel. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.

(3) Information - The Contractor agrees to provide reasonable detailed specifications for all Services needed by the State, or specified third party, to properly provide the services required under the Contract. The Contractor will also provide any licenses required to perform the Services under the Contract.

(4) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services under the Contract. This shall include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level.

(5) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.

(6) Single Point of Contact. Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

(7) With respect to these efforts under this provision, the State shall compensate at the same rates and charges set forth in the Contract on a time and materials basis in accordance with the Labor Rates indicated within Contractor's pricing section.

E. Transition out of this Contract

(1) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the Contractor agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

(i) Reasonably cooperating with any contractors, vendors, or other entities with whom the State contracts to meet its telecommunication needs, for at least two hundred and seventy (270) days after the termination of this Contract;
(ii) Reserved.
(iii) Providing the State with all asset management data generated from the inception of this Contract through the date on which this Contract is terminated, in a comma-deliminated format unless otherwise required by the Program Office;
(iv) Reconciling all accounts between the State and the Contractor;
(v) Allowing the State to request the winding up of any pending or ongoing projects at the price to which the State and the Contractor agreed at the inception of the project;
(vi) Freezing all non-critical software changes;
(vii) Notifying all of the Contractor's subcontractors of procedures to be followed during the transition out phase;
(viii) Assisting with the communications network turnover, if applicable;
(ix) Assisting in the execution of a parallel operation until the effective date of termination of this Contract
(x) Answering questions regarding post-migration services;
(xi) Delivering to the State any remaining owed reports and documentation still in the Contractor's possession.

(2) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

(i) Reconciling all accounts between the State and the Contractor;
(ii) Completing any pending post-project reviews.

2.703 RESERVED

2.704 STOP WORK

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall promptly comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:

a) Cancel the stop work order; or
b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.

2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:

   a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
   b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.

3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.

4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section. Work may not be stopped under this Contract for an aggregate period in excess of 180 days. In the event of any stop work order in excess of thirty (30) days, Contractor may reassign key personnel without penalty, provided a suitable replacement is provided if work is resumed.

2.705
RESERVED

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

The Contract 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.

2.802 TIME EXTENSIONS

Time extensions for contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that the contract completion date will be extended only for those specific elements related to the changed work and that the remaining contract completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.

2.803 MODIFICATION/CHANGES Change Order/Contract Modification Process

The State reserves the right to modify this contract within the general scope at any time during the contract term pursuant to the process set forth in this Section. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary.

In the event that the State desires such a modification or change, it shall deliver a written change request to the Contractor. The Contractor shall then, within a reasonable period of time, deliver to the State a proposed change order response setting forth any proposed changes in the Contract's delivery schedule and Contract price resulting from the State's change request. Such change order response shall then be subject to the mutual agreement of the State and the Contractor. If such change order response is mutually agreed by the State and Contractor, the Contract shall be modified, in writing, accordingly to reflect the parties' agreement of the change order response (including whether such change shall be performed on a fixed price or T&M basis). The Contractor will not be required to perform any such change unless there is mutual agreement on the change order response.

Changes may be increases or decreases. IN THE EVENT PRICES OF CHANGES ARE NOT ACCEPTABLE TO THE STATE, THE CHANGES SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.

The State reserves the right to add an item(s) that is not described on the item listing and is available from the Contract vendor. The item(s) may be included on the Contract, only if prior written approval has been granted by Acquisition Services.

2.804 AUDIT AND RECORDS UPON MODIFICATION

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

Contractor shall be required to submit cost or pricing data with the pricing of any modification of this contract to the Contract Administrator in Acquisition Services. Data may include accounting records, payroll records, employee time sheets, and other information the state deems necessary to perform a fair evaluation of the modification proposal. Contract Administrator or authorized representative of the state shall have the right to examine and audit all of the contractor's records, including computations and projections, related to:

1. The proposal for modification;
2. The discussions conducted on the proposal, including those related to negotiation;
3. Pricing of the modification; or
4. Performance of the modification.

Contractor shall make available at its office at all reasonable times the materials described in the paragraphs above.

If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement.

Technical & Business Requirements

Appendix 1

Contractor shall provide deliverables, services and staff, and otherwise do all things necessary or incidental to provide the functionality required for the State's business operations, in accordance with the requirements as set forth below.

Column 1 (Item Number): lists the item number for each desired functional requirement.
Column 2 (Functionality Group): identifies the functionality group.
Column 3 (Requirements): is the functional requirement to be addressed.
Column 4 (Requirements Clarification): The following key will assist with clarification of the requirement: • **FC** – "Functional Configuration" of the business processes. No SAP development activity or coding is required to meet the requirement. • **DA** – Standard SAP "Development Activity" will be used to meet the requirement. Standard SAP Development Activities include Reporting, Interfaces, Enhancements, Conversions, Forms, and Workflow. Integrator must list the language (e.g. ABAP, JAVA, etc.) and any other technology required to complete the development activity. • If the requirement is met without any Functional Configuration or Development Activity, then it shall be marked as "**Y**".

Technical Requirement

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
1	Technical Requirement	The delivered system must develop business functionality through configuration as opposed to custom coding. No modifications allowed to the SAP baseline.	Y - Standard Functionality Supports
2	Technical Requirement	The delivered system must not contain business rules, configurations, or processes that are unique to any other client of the bidder.	Y - Standard Functionality Supports
3	Technical Requirement	The system to be developed must be delivered with full functional, technical, operational, user and training documentation.	Y - Functional, technical and operations documentation is an integral part of the SAP system. SAP provides complete, easy-to-use documentation for all of its solutions. SAP provides HTML based documentation online and on read-only CDs/DVDs. The documentation can also be found through the SAP Help Portal at http://help.sap.com. Deloitte Consulting's knowledge transfer process provides client specific documentation.
4	Technical Requirement	The delivered system must be upgradeable by future SAP releases to provide both functional enhancements and keep the solution current with new architectures and technologies including versions of operating systems, database management systems and any third party products that are required for operation or maintenance.	Y - Standard Functionality Supports
5	Technical Requirement	The integrator must have a successful track record of multiple SAP upgrades.	Y - References can provided
6	Technical Requirement	The delivered system must allow for other vendor programs/modules to be added on without changing or degrading the baseline source code and in a manner that does not unduly complicate the upgrade path.	Y - Standard Functionality Supports
7	Technical Requirement	The integrator will provide training for both technical and end user (Train-the-Trainer). SAP to provide technical training as indicated in RFP, otherwise vendor responsible.	Y - Knowledge transfer is a standard component of the Deloitte Consulting approach and is a key differentiator from competitor organizations.
8	Technical Requirement	The delivered system must employ a thin client that supports browser based interfaces with a limited number of browser plug-ins. Any access that is not recommended through the thin client architecture must be clearly documented in the bid.	Y - Standard Functionality Supports
9	Technical Requirement	The delivered system must use native database drivers for Oracle.	Y - Standard Functionality Supports

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
10	Technical Requirement	The delivered system must be scalable at the web, application, and database level, meaning additional application hardware can be used to address increases in system loads without modifying program code	Y - Standard Functionality Supports
11	Technical Requirement	The delivered system must be fully self-contained and capable of being operated and maintained by State staff with no dependency on Contractor services for its routine operation and maintenance.	Y - SAP solutions are designed for ease of use and are built for deployment anywhere in the world. The system is self contained and can be operated by the State staff with the appropriate training. Deloitte Consulting's collaborative approach and focus on knowledge transfer allows for the development of internal skills and eliminates the need for future contractor services for routine operation and maintenance.
12	Technical Requirement	The delivered system must comply with the State standard for operating and hardware systems. http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html	Y - The proposed SAP solution is compliant with the State's current technical architecture. SAP solutions are platform independent. As such you can leverage the existing platforms within your enterprise to implement SAP. This allows for long term maintenance of the solution without modifying any programs and results in a lower TCO.
13	Technical Requirement	The delivered system must support the State standard web server platforms.	Y - Standard Functionality Supports

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
14	Technical Requirement	The delivered system must be built on top of .NET and/or commercial J2EE component models and application server platforms without the use of proprietary extensions that might hinder platform interoperability.	Y - A key SAP differentiator is its ability to support both .NET and J2EE technologies thus providing customers with the flexibility of choice. The SAP Web Application Server (WAS) is a Sun Certified J2EE Web Application Server. SAP J2EE Engine is an integral part of the SAP WAS and incorporates the J2EE standard. With the SAP .NET connector, companies can extend SAP solutions powered by SAP Net Weaver with applications built for the Microsoft .NET platform. This connector offers bi-directional access so SAP applications can access and integrate .NET services. At the same time, projects developed in a .NET environment can access SAP business functionality. The SAP .NET connector comes with comprehensive support for Visual Studio .NET IDE. SAP actively participates in all major standardization bodies: JCP, OASIS, UDDI and W3C are among the most market-influencing consortia.

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
15	Technical Requirement	There must be a clear commitment to provide standard API's to other COTS products, (for example: Electronic Documentation Management Systems (EDMS), CRM, Trillium, FileNet, etc.). • Demonstrate the integrators ability to work with established companies.	Y - Deloitte Consulting works with most of the key application vendors and have strategic alliances with many of the vendors in the EDM space. We work closely with our vendor partners and have assisted them in product development, end user training, technical due diligence and performance tuning. We also have relationships with key data quality tool vendors, in the event alternative tools are required to successfully execute this project. Our approach is to work with whatever tools are available to best meet the needs of the State. SAP provides mechanisms for interfacing with external systems in both real-time or batch. In either case, all business rules (including security, input validation and referential integrity) are enforced, primarily because the interfaces are made at the SAP NetWeaver Application Server and not at the Database Layer. Business Application Programming Interfaces (BAPIs) are the standard SAP interfacing mechanism. SAP makes public all of their APIs at http://ifr.sap.com. BAPIs allow integration at the business level, rather than the technical level. This provides for greater stability of the linkage and independence from the underlying communication technology. BAPIs have standard business interfaces, which enable external applications (with the help of SAP business objects) to access SAP processes, functions and data. SAP provides a repository of hundreds of BAPIs for all standard SAP input transactions. Client programs that use BAPIs to access SAP business objects can be part of the same SAP system, part of an external system (for example, a .NET or Java or J2EE application), part of an HTTP Gateway, or part of another SAP system. Also, SAP supports de-coupled, message oriented middleware based integration, called the SAP NetWeaver Exchange Infrastructure (SAP XI). The aim of the SAP XI is to integrate different versions of SAP and non-SAP systems implemented on different platforms. The SAP

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
			Exchange Infrastructure is based on a native Web infrastructure and an open architecture that leverages open standards (in particular those from the XML and Java environments).
16	Technical Requirement	The delivered system functionality of editing/viewing of records must provide screen refresh within two seconds of submission 95% of the time.	Y - The proposed SAP solution comes with cost-effective, responsive, easily adaptable, and maintainable user interfaces for professional business solutions. SAP has been engineered to minimize network traffic and system load in order to maximize the speed of the system response time to its end users.
17	Technical Requirement	The delivered system functionality of editing/viewing of records must provide error notification within two seconds of submission 95% of the time.	Y - The proposed SAP solution comes with cost-effective, responsive, easily adaptable, and maintainable user interfaces for professional business solutions. SAP has been engineered to minimize network traffic and system load in order to maximize the speed of the system response time to its end users.
18	Technical Requirement	In the delivered system the printing of existing reports (non-ad hoc) must begin within ten seconds 95% of the time.	Y - The proposed SAP system includes a robust set of printing and reporting tools, each of which has its own set of procedures for executing report programs. The reports can be printed from a remote system or can be printed directly. In either case, the response times will be less than 10 seconds, irrespective of load on the system. The proposed SAP solution provides tools to help manage users' expectations for response times for reports they will run with the product. SAP has been engineered to maximize the speed of the system response time for the end users.
19	Technical Requirement	In the delivered system the response time required to open any supporting application (for example: Word) must be within eight seconds 95% of the time.	Y - The proposed SAP solution comes with cost-effective, responsive, easily adaptable, and maintainable user interfaces for professional business solutions. SAP has been engineered to minimize network traffic and system load in order to maximize the speed of the system response time to its end users.

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
20	Technical Requirement	The delivered system search for records must return results within five seconds 95% of the time.	Y - The proposed SAP solution provides a wide variety of search criteria to its users. It allows use of wild card characters within a search and search based on case sensitivity or insensitivity. Response time for each search is determined by many parameters: number of users, size of hardware, size of database, number of key fields and others.
21	Technical Requirement	The delivered system must be able to process long running request asynchronously meaning the user may continue with other tasks while such things as a long running report or database update run “in the background”.	Y - The proposed SAP solution will be sized and scoped specific to the State’s requirements to allow you to use asynchronous remote function calls whenever you need to establish communication with a remote system, but do not want to wait for the function’s result before continuing processing. Asynchronous Remote Function Calls (RFCs) can also be sent to the same system. In this case, the system opens a new session (or window) and allows you to switch back and forth between the calling dialog and the called session.
22	Technical Requirement	The configured software must comply with MDIT Enterprise Software standards. The Standards can be found at the following address: http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html	Y - The proposed SAP solution is compliant with the State’s MDIT Enterprise Software standards.
23	Technical Requirement	The delivered system’s internal control functionality must ensure that the data entry and processing associated with a business event has been completed before updating the database.	Y - Data entered into the SAP system passes through the SAP NetWeaver Application Server for processing before reaching the database. The SAP NetWeaver Application Server checks for any inconsistencies with the data and updates the data in the database only if all the relevant and required information is available.
24	Technical Requirement	The delivered system must provide secure access control at database, workstation, and individual operator levels.	Y - The SAP application architecture provides a comprehensive security offering incorporating security technologies to mitigate risks to systems and infrastructure. The characteristics include authentication, Single sign-on, Authorization, and Secure communication.

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
25	Technical Requirement	The delivered system must be configured for single sign-on user authentication using LDAP.	Y - SAP provides certified integrations to LDAP servers as part of the comprehensive security capabilities. The SAP NetWeaver Application Server is delivered with the LDAP Connector to allow use of directory services for SAP systems. The SAP LDAP Connector is a software component that controls an SAP system access request made to a directory server.
26	Technical Requirement	The delivered system must support the concept of an identity vault, containing usernames and passwords loaded from a secure/trusted source.	Y - The proposed SAP system handles the security for all information managed by SAP directly. SAP systems authorize users according to a role-based identity management approach. SAP provides easy, Central User Administration (CUA) using a directory service. You can manage user master records both of SAP and non-SAP applications centrally in one system. Changes to data are then automatically distributed to the subsystems providing an overview in the central system of all user data in the entire system landscape. This means that the administrator assigns authorizations to users based on the job they perform within the particular system thus SAP systems need not rely on any external system.

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
27	Technical Requirement	The delivered system must provide secure access control based upon unique user login, for types of record and by function performed (for example: Display, Add, Edit, and Delete).	Y - The proposed SAP solution provides robust security features. Every SAP user is given a unique ID with password. The password must meet specific rules for example, minimum length, minimum complexity, etc. Every user is assigned a role(s) in there profile. The system administrator is responsible for managing and maintaining the user profiles within Profile Generator. These roles determine the access of users to various records, functions, etc. Access can be restricted at various levels for example, fields, screens, functions, transactions, database operations, etc. This is accomplished by specifying the roles to the individual elements.
28	Technical Requirement	The delivered system must check each user's access privileges at login, and automatically disables or enables client functions (in real time) based upon the user's profile.	Y - As part of the robust security capabilities provided, the proposed SAP solution authenticates the user at login and responds according to the privileges of the user, instantaneously.

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
29	Technical Requirement	Security and control mechanisms, with pop-up notification, of long running ad hoc queries.	Y - The proposed SAP solution's security features are inherent in the delivered reporting tools, standard audit reports to meet requirements for security violations logging. This can limit the abuse of adhoc queries. Also, SAP has a standard feature to allow the end user to stop execution of any query, in case it exceeds the time expectation.
30	Technical Requirement	The configured system must be capable of handling encrypted index and key fields, for example, Social Security Number.	Y - SAP provides the capability to secure sensitive data like SSN, passwords, and Credit Card numbers by encrypting them and storing. SAP uses 40-bit and 128-bit SSL encryption for this purpose. 56-bit Data encryption Standard (DES) is also supported. SAP J2EE Engine lets you store sensitive data such as passwords. To save such data in encrypted form, they use the SAP J2EE Engine secure storage area. Data saved in this area is encrypted using a secret key created explicitly for the application or service. The SAP J2EE Engine uses the triple Data encryption Standard (3DES) algorithm to perform the encryption. So, to be able to use this service, you must install the full version of the SAP Java Cryptographic Toolkit. The Secure Storage service uses the Key Storage Service to generate and store the keys used by the applications to encrypt and decrypt the stored data. Secure exchange of sensitive business data is also an important security aspect in the portal environment.
31	Technical Requirement	Mechanism for management to over-ride the restriction of long running queries.	Y - The system can be configured by the technical team in a variety of ways to allow or limit long running queries. This is one aspect of the SAP Basis/NetWeaver administrator.
32	Technical Requirement	The delivered system must be able to accommodate phased implementation and future expansion without a major impact to the installed components (for example: Collections, SUW, and Income Tax).	Y - The SAP system is a fully integrated Enterprise Resource Planning (ERP) system where all applications use the same version of the software. All data is stored in a shared, central database, providing true, real-time integration of additional functionality and modules. One of the strengths of SAP is that it provides a shared

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
			business logic model that is pre-integrated out-of-the-box. Expanding or incorporating another component that is not currently being used is done frequently without major impact on the existing components already implemented.
33	Technical Requirement	All functionality of the system will be integrated and designed to work together using a common database with no redundant data entry or data storage.	Y - The SAP system is a fully integrated Enterprise Resource Planning (ERP) system where all applications use the same version of the software. All data is stored in a shared, central database, providing true, real-time integration.
34	Technical Requirement	The delivered system supports paperless processing through the use of electronic documents that are routed for electronic signatures through user-defined approval paths.	Y - Standard Functionality Supports
35	Technical Requirement	The delivered system must have the capability to accept and output transactions in electronic data interchange (EDI) or XML formats.	Y - SAP supports paperless processes through the use of electronic documents and signatures. You can use digital signatures and document encryption in your application to provide for document security. These documents are then protected as independent objects using Secure Store and Forward (SSF) mechanisms. This means that the documents are secured regardless of where they are stored or how they are transported. You can apply a digital signature to any digital document or message, which is comparable to a handwritten signature on a paper document.
36	Technical Requirement	The delivered system must have the capability to use the same edits and validations regardless of the input source. (Batch or online)	Y - All business rules (including security, input validation and referential integrity) are enforced for both batch and online.
37	Technical Requirement	The delivered system must have the capability to process both real time and batch data simultaneously.	Y - Standard Functionality Supports.
38	Technical Requirement	The delivered system provides the capability to access scanned images that are stored externally.	Y - The inter-enterprise exchange of business documents is a core element of SAP, with the aim of quickly and efficiently supplying all parties involved in the business process with the information they require. SAP ArchiveLink provides the infrastructure to make document based information available anywhere and at

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
			the right time. Incoming documents (e.g., Web, faxes, e-mails, or scanned documents) can enter the enterprise either centrally within the organization or de-centrally in terms of cooperative (collaborative) and cross-application processes. Enhancements to the ArchiveLink interface enables de-central scanning such as scanning of documents with a scanning service and simultaneous transfer of document information to the business application. The necessary information is made available on time and is accessible to everyone.
39	Technical Requirement	All program code that is not SAP must be identified and disclosed.	Y - As a customer, SAP provides all the source code, templates, reports and any pre-configured business content as specified in your license agreement.
40	Technical Requirement	All pre-built interfaces with outside products must be identified. For example: Adobe, FileNet, Siebel.	Y - SAP provides certified, pre-built interfaces to Adobe, FileNet and Siebel in addition to other vendor solutions. To provide compatibility between the SAP platform and third-party software, SAP maintains a wide range of dynamic partner relationships within its Software Partner Program. Certification of compatibility takes place at the Integration and Certification Centers (ICCs) in Walldorf, Palo Alto, Tokyo and Bangalore. SAP offers customers selected integration scenarios on the basis of XML communication or SAP standards to connect third-party software. These comprise areas such as mobile data and transaction registration, catalog connections for e-Business, archiving, fax, and e-mail solutions, telephony integration, CAD connections and also a number of technical tools for optimizing the user environment. You can find a complete list of certified SAP integration scenarios at http://www.sap.com/ softwarepartner/scenarios. The quality of the SAP certification process is continually checked in accordance with ISO 9000 Norm. Some 700 software vendors have successfully obtained interface certification. SAP customers have a choice of over 800 partner solutions with certified interfaces with which they can adapt their SAP solution to meet their

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
			requirements. You can find a complete list of the software products with interface certification at: http://www.sap.com/softwarepartner/products.
		Back-up and Archival	Y
41	Technical Requirement	• Must be able to initiate back-up and archive by manual request.	Y - Technical configuration - SAP provides both backup and archiving solutions that can be initiated both automatically and manually.
42	Technical Requirement	• Must be able to initiate back-up and archive automatically.	Y - Technical configuration - SAP provides both backup and archiving solutions that can be initiated both automatically and manually.
43	Technical Requirement	• Must provide process(s) for the purging of data.	Y - Technical configuration - SAP offers a configurable purge and archival mechanism. The data archiving process is streamlined and simplified through the Central command of archiving administration.
44	Technical Requirement	• Must provide a process for same day retrieval of archived data.	Y - Technical configuration - SAP solutions provide a repository for data archiving. SAP also provides certified integrations to third party repository products such as iXOS, FileNet, and Documentum to store the archived SAP data.
45	Technical Requirement	• Recommend and provide Disaster Recovery procedures.	Y - Recommendation and technical disaster recovery procedural documentation will be developed as part of the implementation.

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
46	Technical Requirement	The delivered system must include comprehensive field edits to prevent incomplete or incorrect data from entering the system.	Y - SAP accommodates cross-validation edit rules between two fields or tables through the edit rules defined in the implementation guide and via table maintenance or logic. SAP enables the field validations before moving to other screen and provides users with warning and error messages. SAP allows provision for changing characteristics through the use of Transaction variants. Transaction variants allow customers to further customize the screens themselves by 1) reducing the number of fields exposed on the screen, 2) predefining field values, 3) changing mandatory/optional behavior of field, and 4) hiding whole screens and/or sub screens based on end user needs. All SAP ERP transaction variants are automatically inherited within the upgrade process.

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
47	Technical Requirement	The delivered system must ensure data integrity and control processing without customization.	Y - The SAP System handles all validations in the NetWeaver Application Server. As a result, the SAP System provides superior data integrity during system interfaces. Other solutions provide interfaces (including batch) to the system at the database or middleware level. The problem with such an approach is that basic validation rules (in the client) are bypassed and must be reproduced in the interfacing program. As a result rules must be maintained in more than one place and there is a virtual guarantee that those rules will eventually drift apart, resulting in invalid data. By providing an interface layer at the application server level, the SAP system makes certain that all data fed to the system (whether batch or real-time) will be processed by a single set of validation and security rules. It is technically impossible to pass the SAP System invalid data through an interface.
48	Technical Requirement	Must provide technical skills through knowledge transfer for State individuals who will be learning as the integrator configures SAP including establishing databases, interfaces, data conversion, system and business configurations. The State is responsible for providing the basic SAP training courses for State staff.	Y - Knowledge transfer plans will be developed and deployed for all team members. Knowledge transfer plans may include training from the software vendor (at State expense) and through one on one consultation and knowledge sharing/tutoring.
49	Technical Requirement	Must provide system administration skills through knowledge transfer for State personnel who will be responsible for ongoing maintenance and administration of the system, including security. The State is responsible for providing the basic SAP training courses for State staff.	Y - Knowledge transfer plans will be developed and deployed for all team members. Knowledge transfer plans may include training from the software vendor (at State expense) and through one on one consultation and knowledge sharing/tutoring.
50	Technical Requirement	Must provide skills through knowledge transfer for upgrades and new versions to the system that affect end-user functionality include training at no additional cost (for example: classroom or online training, training flier, release features). The State is responsible for providing the basic SAP training courses for State staff.	Y - Knowledge transfer plans will be developed and deployed for all team members. Knowledge transfer plans may include training from the software vendor (at State expense) and thru one on one consultation and knowledge sharing/tutoring.

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
51	Technical Requirement	Must provide training in a variety of formats for product installation, use, and administration for a variety of levels (for example: basic, advanced, refresher).	Y - Training plans will be developed for end users, at various levels depending on the specific needs of the user and may include classroom instructor led training, Web-based tutorials, seminars in various combinations. Knowledge transfer plans will be developed and deployed for all team members.
52	Technical Requirement	All documentation will become the property of the State.	Y - All documentation produced for the project will become the property of the State. Software vendor provided documentation may be under the copyright of the software vendor.
53	Technical Requirement	Documentation of the following must be provided in an electronic format, online (SAP Help menu) and in two hard copies the following work products:	Y - Deloitte Consulting agrees to this requirement.
54	Technical Requirement	• Testing scripts	Y - All specified forms of these documents can be provided.
55	Technical Requirement	• Specification documentation	Y - All specified forms of these documents can be provided.
56	Technical Requirement	• Production migration	Y - All specified forms of these documents can be provided.
57	Technical Requirement	• User Manuals	Y - All specified forms of these documents can be provided. Software vendor provided documentation may be under the copyright of the software vendor.
58	Technical Requirement	• Technical Manuals	Y - All specified forms of these documents can be provided. Software vendor provided documentation may be under the copyright of the software vendor.
59	Technical Requirement	• Data Element Dictionary	Y - SAP systems include an integrated Data Dictionary that performs the functions of a metadata repository. Online access to view the data dictionary is available to authorized users. Deloitte will document a list of tables relevant to PSCD and SAP TRM so that MI authorized personnel may view the tables, fields, and relevant data elements. As a knowledge transfer exercise we will show State staff how they may access and view the data dictionary.

Technical Requirements			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
60	Technical Requirement	• Operations Manual	Y - All specified forms of these documents can be provided. Software vendor provided documentation may be under the copyright of the software vendor. SAP provides the Operations Manual online, and it can be printed or linked as required by the State.
61	Technical Requirement	• Training Manuals	Y - All specified forms of these documents can be provided. Software vendor provided documentation may be under the copyright of the software vendor.
62	Technical Requirement	• Interface Documents – Data Mappings.	Y - All specified forms of these documents will be provided.
63	Technical Requirement	All updates of documentation must be maintained during the term of the Contract and maintenance agreement.	Y - Agree.
64	Technical Requirement	The delivered system will migrate smoothly to any future release of SAP.	Y - As a SAP customer, SAP provides detail upgrade and data migration paths. These details can be found at the SAP Service Marketplace Web site (http://service.sap.com) which is the external face of SAP Support

The Deloitte Consulting LLP (“Deloitte Consulting”) proposed SAP solution provides extensive capabilities that fulfill the technical requirements of the State of Michigan’s MITAP initiative. Because SAP solutions are platform independent, the State of Michigan can leverage the platforms within their existing enterprise, thus allowing for long term administration and maintenance of the solution to help lower the Total Cost of Ownership (TCO).

Deloitte Consulting is proposing a very senior Technical team that has extensive knowledge of the technical features and capabilities of the SAP TRM solution. The team proposed by Deloitte Consulting has the experience to leverage the native SAP features and tools and provide knowledge and proficiency in monitoring and fine-tuning all aspects of the technical landscape.

Technical features and functionality provided by SAP can facilitate a more effective technical team. Resident document and data archive, retrieval, and purge capabilities allow the State to direct the location and amount of data stored, thus assisting the State to manage their system growth and better control costs associated with server sprawl and unchecked data growth – to include support and administration costs. Additionally, access to sensitive data is controlled through configurable security features inherent in the SAP solution. The solution also delivers sophisticated monitoring capabilities that can be leveraged to more effectively manage the entire landscape. Deloitte Consulting’s proposed technical team has the skill set and knowledge to deliver and support all aspects of the technical landscape.

Deloitte Consulting has completed over 2,500 successful SAP projects. We work very hard to leverage project best practices from various industries to provide innovative, high performing systems for our public sector clients. We have specific knowledge of the SAP tax and revenue solution, being

the only vendor to have implemented it in production in the U.S. We have implemented SAP TRM for the State of Florida. The lessons learned from our SAP projects are continually leveraged in updates to our project management approach and to our SAP implementation methodologies.
Deloitte Consulting works collaboratively with SAP in all our implementation engagements. Our deep relationship with SAP Consulting and Development plays an important role in achieving success in our client's SAP engagements. We maintain an influential status in the SAP arena as demonstrated by our numerous rewards:

- Platinum member of SAP Global Alliance and SAP Global Logo Partner since 1991
- Recipient of the prestigious SAP Implementation Award of Excellence every year since its inception
- Local teams in Walldorf help SAP in the design, development and testing of industry solutions including TRM

The combined value of a Deloitte Consulting and SAP team reduces risk and drives success in delivering on the stated objectives for the implementation. Deloitte Consulting continues to collaborate with SAP development in certifying best practices and major go to market initiatives. We expect to continue working with SAP to further evolve the TRM solution.

Audit

Business Requirements – Audit			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
1	Audit	Provide the capability to track audits and criminal investigations by case number and to search and retrieve information on those by case number.	Y - FC and BDT within BP to identify Note: As documented in Addendum # 10, an interface to the ESKORT system has not been identified as a mandatory interface for phase 1. Additional analysis is required to determine appropriate integration time frame for inclusion.
2	Audit	Provide the audit supervisor approval capability for automatic posting of the final audit assessment after calculations are performed and the draft is finalized.	Y - FC Y - DA - Workflow Note: As documented in Addendum # 10, an interface to the ESKORT system has not been identified as a mandatory interface for phase 1. Additional analysis is required to determine appropriate integration time frame for inclusion.
3	Audit	Provide the capability to detect fraudulent returns based on defined business rules.	Y - FC - Business Rules Framework (BRF)
4	Audit	Provide the capability to flag tax returns for review with certain account numbers, addresses, bank routing numbers and bank account numbers.	Y - FC - BRF

Business Requirements – Audit			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
5	Audit	Provide the capability to use external data to locate self-employed persons who do not file a state return, as well as other types of non-filers, such as partners and shareholders of S-corporations.	Y - DA - Interface with State's Data Warehouse Note: As documented in Addendum # 10, Interfaces to some existing systems have not been identified as a mandatory interface for phase 1. Additional analysis is required to determine appropriate integration time frame for inclusion.

SAP provides robust case management functionality that has been leveraged to support similar business processes with other clients. Although this functionality exists within the SAP solution it is our understanding that Audit Selection, Audit Case Management, and Tracking as well as field audit support are all currently functioning with the ESKORT solution.

For the first phase of the project it is recommended that the functionality to support audit continue to be supported by the ESKORT system and specific fields be identified within SAP to house the needed audit and criminal investigation case identification information. The SAP system should also be configured to allow for the appropriate postings of assessments derived in the ESKORT system. Workflow functionality to support the supervisor approval of posted assessments will also be included.

In future project phases, additional analysis should be completed to evaluate the current ESKORT solution and assess alternatives for full integration through automated interface or potential replacement of ESKORT with functionality within the SAP solution based on State preferences and priorities.

Forms and Correspondence

Business Requirements – Forms and Correspondence			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
6	Forms & Correspondence	Provide the capability to search for documents by Document Locator Number.	Y - Standard Functionality
7	Forms & Correspondence	All newly created documents and changes to pre-defined documents must go through an administrative approval process.	Y - FC and DA - Workflow
8	Forms & Correspondence	Provide the capability to produce a breakdown letter of payment transactions by account and tax period.	Y - FC and DA - Adobe
9	Forms & Correspondence	Provide the capability to build, store and retrieve canned messages for the purpose of creating pre-defined and custom notices and correspondence.	Y - FC and DA - Adobe
10	Forms & Correspondence	Provide the capability to retrieve canned messages from other systems.	Y - FC - Recommend housing in SAP (Decommission individual legacy systems during future implementations.)
11	Forms & Correspondence	Provide the capability to create free form messages.	Y - FC - Adobe and BRF
12	Forms & Correspondence	Provide the capability to review all free form messages through an approval process.	Y - FC and DA - Workflow
13	Forms & Correspondence	Provide the capability to generate correspondence to the taxpayer when the Department has granted or denied an extension request.	Y - FC and DA - Adobe and BRF
14	Forms & Correspondence	Provide the capability for an electronic document to be formatted for transferring to the image system.	Y - DA - SAP supported formats
15	Forms & Correspondence	Provide the capability to automatically send a notice to taxpayers who have not filed a required report or return.	Y - FC and DA - Adobe and BRF
16	Forms & Correspondence	Provide the capability to notify the appropriate user when correspondence has been received and has been identified as being relevant to a specific taxpayer.	Y - FC and DA - Workflow
17	Forms & Correspondence	Provide the capability to stop the mailing of paper tax forms and correspondence based on business rules.	Y - FC - BRF Y - DA - Workflow
18	Forms & Correspondence	Provide the capability to automatically match any correspondence received to the appropriate error return or any return waiting for correspondence.	Y - FC - BRF Y - DA - Interface FileNET
19	Forms & Correspondence	Provide the capability to generate correspondence, automatically and on demand based on business rules.	Y - FC - BRF and Adobe

Business Requirements – Forms and Correspondence			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
20	Forms & Correspondence	Provide the capability to prevent non-filer letters from being sent to taxpayers who are identified by Treasury.	Y - FC - BRF and Adobe
21	Forms & Correspondence	Provide the capability for FileNet images to be available immediately at the desktop.	Y - DA - Interface FileNet
22	Forms & Correspondence	Provide the capability to send a requested copy of a taxpayer's return with corrections and/or adjustments noted.	Y - FC - Adobe
23	Forms & Correspondence	Provide the capability to design interactive tax forms, which are Web-based and easy to develop, while being customer friendly and easy to complete.	Y - FC - Adobe
24	Forms & Correspondence	Provide the capability to allow authorized users to map data items to a tax form by year without losing the previous year form layout and mapping.	Y - FC - Adobe
25	Forms & Correspondence	Allow database variables, canned messages, variable paragraphs and free form to be combined in a single document.	Y - FC and DA - Adobe
26	Forms & Correspondence	Must be able to interface and conform to the State's Consolidated Print Center (CPC) standards.	Y - FC and DA - Interface CPC and Print Vendor
27	Forms & Correspondence	Support multiple page letters and bills that include attachments to summarize the liability on a taxpayer account.	Y - FC - Adobe
28	Forms & Correspondence	Support the sorting of multiple letters, multiple letter types and supporting documentation to the same taxpayer to be combined in one mailing.	Y - FC - Adobe
29	Forms & Correspondence	Support multiple copy generation, alternative routing instructions and reprinting.	Y - FC and DA - Adobe and BRF
30	Forms & Correspondence	Allow notices to be viewed online, before and after printing.	Y - Standard
31	Forms & Correspondence	Allow letters to be stopped or deleted prior to printing.	Y - Standard (Online Printing)
32	Forms & Correspondence	Provide the capability for the Correspondence Module to allow for quick and easy additions of documents and changes to documents and to allow for various formatted letters, memos and documents.	Y - FC and DA - Adobe
33	Forms & Correspondence	Correspondence will support attachments from external sources (e.g. MS Office products, PDF's).	Y - Standard

Business Requirements – Forms and Correspondence			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
34	Forms & Correspondence	Provide the capability to automatically run spell check and grammar check for all free format correspondence.	Y – Contractor will use Microsoft Word to meet this requirement.
35	Forms & Correspondence	Provide the capability to flag an account for incoming taxpayer correspondence to be routed to a specific user.	Y - FC and DA - Workflow
36	Forms & Correspondence	Allow correspondence to be printed locally with administrative approval.	Y - Standard
37	Forms & Correspondence	Provide immediate access to correspondence history information.	Y - Standard
38	Forms & Correspondence	Provide the capability to generate and send correspondence or other types of taxpayer mail electronically.	Y - FC - Standard
39	Forms & Correspondence	Provide a correspondence system with functionality to automatically assess if no response to a letter has been received based on business rules.	Y - FC - BRF and DA - User Exit
40	Forms & Correspondence	The system will hold off issuing assessment if a response has been received but not yet worked.	Y - FC - BRF and DA - User Exit
41	Forms & Correspondence	If a partial payment and no correspondence is received, the system automatically sends a bill for the monies owed.	Y - FC - BRF and Adobe Y - DA - User Exit

Letters, Notices and Other Correspondence Requirements

Taxpayer communication sets the public perception of the agency – appropriate, timely, accurate communication can increase awareness in the taxpayer community and improve voluntary compliance. SAP TRM provides correspondence functionality to support these requirements. It supports the generation of simple as well as very detailed correspondence. Letters and notices can be produced from the SAP system exactly like Michigan's current correspondence. Logos and other special characters are fully supported as well.

Letters and notices can be derived by information within a document (tax return for example) or created by the user. The solution provides the ability to generate correspondence automatically or schedule for batch printing based on requirements. Basic correspondence templates may be created to allow for free form text letters or memos. These templates can contain variables that can be populated by the user or assigned by the system. The system also provides for the tracking of all correspondence issued. Each correspondence item issued from the SAP system to a tax payer can be linked to their account for future access and review.

The system controls the creation and output of forms and correspondence using the following application components:

- **Correspondence Tool** manages the process of correspondence creation using correspondence requests.
- **Print Workbench** creates print programs and obtains and computes data. The Print Workbench enables you to configure the layout of correspondence and to send correspondence via different channels: as a letter, e-mail, fax, or SMS.

- The layout of correspondence can be designed using several options in the system including - **SAPscript, Smart Forms, Adobe and PDF-based forms.**

Deloitte Consulting has deep knowledge and understanding of the forms and correspondence requirements associated with Tax and Revenue Management. We continue to work closely with SAP to provide additional requirements and test new features and functionality that have been introduced. The design developed for previous clients has provided specific enhancement needs in this area that have since been incorporated into the standard TRM solution.

Payment Processing

Business Requirements – Payment Processing			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
42	Payment Processing	Provide the capability to apply money paid by a taxpayer in a single check to multiple returns and/or tax due notices manually or automatically.	Y - FC and DA - User Exit
43	Payment Processing	Provide the capability to apply money paid by a taxpayer through multiple checks to a single return and/or tax due notice.	Y - FC
44	Payment Processing	Provide the capability to apply money paid with a single check to obligations owed by multiple taxpayers, and generate the proper transactions.	Y - FC and DA - User Exit
45	Payment Processing	Provide the capability to apply money paid with a single check to liabilities owed across multiple reporting periods, and generate the proper transactions.	Y - FC and DA - User Exit
46	Payment Processing	Provide the capability to allocate money received to tax, interest, and penalties according to business rules, and generate the proper transactions.	Y - FC
47	Payment Processing	Provide the capability to transfer monies received to other reporting periods within the same tax type for the same taxpayer, and generate the proper transactions.	Y - FC
48	Payment Processing	Provide the capability to transfer monies received to other reporting periods within the same tax type for a different taxpayer, and generate the proper transactions.	Y - FC
49	Payment Processing	Provide the capability to transfer monies received to the same or other reporting periods of other tax types for the same taxpayer, and generate the proper transactions.	Y - FC
50	Payment Processing	Provide the capability to transfer monies received to the same or other reporting periods of other tax types for a different taxpayer, and generate the proper transactions.	Y - FC

Business Requirements – Payment Processing			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
51	Payment Processing	Provide the capability to automatically issue computed tax due notices to delinquent taxpayers in accordance with business rules.	Y - FC and DA - Adobe and BRF Y - DA - User Exit
52	Payment Processing	Provide the capability to store bank routing and account numbers captured from a taxpayer's checks with appropriate safeguards.	Y - FC
53	Payment Processing	Provide the capability to generate a notice to the taxpayer regarding a bad check.	Y - FC - Adobe Y - DA - User Exit
54	Payment Processing	Provide the capability for users to enter payment transactions through the use of a GUI with proper security safeguards.	Y - FC
55	Payment Processing	Provides the capability to take credit card payments.	Y - FC and DA - File Receipt from CEPAS Note: As documented in Addendum #10, an interface to the CEPAS system has not been identified as a mandatory interface for phase 1. Additional analysis is required to determine appropriate integration time frame for inclusion.
56	Payment Processing	Provides the capability to track any taxpayer payment back to an original deposit.	Y - FC

The Payment Processing functionality in SAP TRM provides scalable, high volume transaction processing capabilities that can meet the Department's needs for MBT and subsequent tax type implementations. The Payment component in TRM supports payments in the form of cash, checks, EFT, ACH or credit cards. Payment transactions can be received and posted into the system via electronic transmission of data files from external sources or via manual entry through document posting functions. Bank routing and account numbers from check payments can be captured and stored on the payment transaction. Payment Processing functionality provides the capability to capture payments that cannot be immediately associated to a taxpayer's account and assign these payments to a work list for further research and subsequent posting to the appropriate taxpayer account.

Standard SAP TRM configuration provides the ability to post a single payment document across multiple tax types, tax periods, tax accounts and taxpayers based on defined business rules. Additionally, business rules control the allocation of a payment transaction to different liability classifications such as tax, penalty, interest, and fees. Multiple payment transactions can be used in the satisfaction of a single tax return or deficiency. The system provides the ability to move transactions posted to an incorrect taxpayer account, tax type or tax period via standard transfer transactions. SAP TRM automatically corrects all accounting entries using double-entry accounting principles and provides a detailed accounting for all transfers, adjustments or other changes that affect the application of payments and maintains an audit trail of each action taken. TRM also offers standard functionality to support processing of returned items (i.e., bad checks) this includes the generation of related correspondence.

Starting with the initial adaptation of similar payment processing functionality from its industry solution for utilities, Deloitte Consulting has worked closely with SAP to provide requirements and insights from tax agencies on the features and capabilities needed in the TRM solution to achieve high-performing and efficient payment processing operations.

Reporting

Business Requirements – Reporting			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
57	Reporting	Provide daily executive level reporting with drill down functionality to identify unusual transactions.	Y - Standard - FC and DA - Use Standard Reports, as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.
58	Reporting	The delivered system must be able to publish statistics from the records kept to administer the tax imposed by the act that details the distribution of tax receipts by type of business, legal form of organization, sources of tax base, timing of tax receipts, and types of deductions. The statistics shall not result in the disclosure of information regarding any specific taxpayer.	Y - Standard - FC and DA - Use Standard Reports as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.
59	Reporting	Provide reports and statistical analysis of the effectiveness of all return processing exceptions, identifying co variances between exceptions to promote improved revenue modeling.	Y - Standard - FC and DA - Use Standard Reports as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.
60	Reporting	Provide the capability for a user to choose whether to view the report online, electronically distribute or to print the report.	Y - Standard Functionality
61	Reporting	Produce daily reports to ensure that accounts receivables are in balance.	Y - Standard - FC and DA - Use Standard Reports as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.
62	Reporting	*Produce daily reports of transactions created by MBT system for processing elsewhere (eg, types of transactions, related numbers of transactions and dollar amounts, types and number of outbound correspondence) for use in balance to input in receiving processes/systems.*	Y - Standard - FC and DA - Use Standard Reports as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.
63	Reporting	Produce daily reports to ensure that external data received by the tax system was recorded and validated (transactions and dollar amounts are correct).	Y - Standard - FC and DA - Use Standard Reports as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.

Business Requirements – Reporting			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
64	Reporting	Develop reports that show and compare monthly and year to date totals.	Y - Standard - FC and DA - Use Standard Reports as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.
65	Reporting	Develop weekly reports by tax type at division level for returns and payments respectively (for example): • The number in backlog at beginning of week • The number and dollar amount received • The number of exceptions out for review • The number in backlog at end of week For processed returns (for example): • The dollar amount of refunds and tax due and net dollar amount of processed returns. • The number processed by SAP without adjustment • The number of filings with auto adjustment • The number of completed exception reviews • The number of returns by filing channel (electronically filed and paper filed) out in error at end of week • The number of payment errors by exception type and in total at end of week and year to date, by work groups and by tax type. • Capability to drill down to payment or return detail. • Provide separate totals for prior year returns and grand total for all returns.	Y - Standard - FC and DA - Use Standard Reports, as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.

Business Requirements – Reporting			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
66	Reporting	Provides strategic and operational management information that can be used in standard reports or accessed in an ad hoc fashion subject to business configuration. For example, • The number and dollar amount of processed returns by type of taxpayer or filer, type of tax calculation with the total dollar amount of related refunds, collections and net amount. • Provide drill down for material dollar amounts of individual refunds and payments. • Provide demographics of returns for type of tax calculation (number of returns and dollar amounts) • Stratify returns by number and amount for no money, credit-forwards, refunds and tax due respectively for processed current year returns and prior year returns for period of report. • Report totals for auto adjustments on returns by error type – number and dollar amount auto increased and auto decreased and net amount. • Report respectively on auto adjustments and manual review adjustments the number and amounts subsequently adjusted after the first clearing of the return by error code and in total. • Revenue collected by tax type and North American Industrial Classification System (NAICS) code • By sources of payment (such as credit card, EFT or check)	Y - Standard - FC and DA - Use Standard Reports, as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.
67	Reporting	Provide the capability to filter any report by any data item with in the report.	Y - Standard (Depends on the individual report type) Note: See additional information following this section.
68	Reporting	Provide ad hoc queries capabilities.	Y - Standard Functionality
69	Reporting	Allow users to generate a full range of preprogrammed standard reports, including exception reports and summary and detailed operation performance reports.	Y - Standard - FC and DA - Use Standard Reports as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.

Business Requirements – Reporting			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
70	Reporting	Allow for display or export of data in different formats (spreadsheets, access, graphs, etc.).	Y - Standard Functionality
71	Reporting	Develop a report summarizing individual or group production and proficiency statistics.	Y - Standard - FC and DA - Use Standard Reports as well as other reporting tools available in SAP Y - DA - Develop data extractors for Interface with State's Data Warehouse. (Queries and reports written from DW.) Note: See additional information following this section.
72	Reporting	Provide capability to view or print any report based on role.	Y - Standard Functionality

SAP R/3 provides several reporting tools that can be used in any combination to meet reporting requirements. These tools are typically used for operational reporting, while the data warehouse is used for analytical reporting. Since it may not be possible to select one tool to meet all reporting requirements, the following provides a brief summary of the different tools and how they can be best leveraged:

- SAP has many standard delivered reports in the system. This is the optimum starting point when determining what tool should be used to deliver a report since it does not require any development. If a standard delivered report cannot be found, a custom report using one or a combination of the tools mentioned below in points 2 through 5.
- Report Painter/Report Writer reports usually make up a majority of an organization's SAP reports. Report painter allows users to group data and drill down when required, but it can only display numeric data with the exclusion of column headers. While the Report Painter does not require ABAP, it is often used in combination with ABAP to meet reporting requirements.

- ABAP Queries allow users to create queries requiring only knowledge of the data model and basic SQL. Minimal ABAP knowledge may be useful for manipulation of data, but it is not required. If complex grouping is required, the Report painter (2) is a better choice. Also – if complex SQL or complex data manipulation is required, then ABAP reports (5) are a better choice.
- Infosets are used to specify what tables and fields may be referenced by a query. Infosets function similarly to database views and provide table joins on the data. They are most often used in combination with the other reporting tools listed above.
- ABAP Reports are custom ABAP programs that display data in a row and column format. They offer a high level of flexibility in terms of reporting logic and data manipulation. However, they require a programmer with ABAP knowledge and are usually time-intensive tasks. These are typically a "last resort" because of the high cost of development and ownership.

Additionally, it is anticipated that for some requirements the most appropriate solution may be to leverage the states current data warehouse solution. Data extractions could be developed within the SAP solution and appropriate information passed to the states data warehouse where queries and reports can be developed.
During requirements validation a detailed review will be conducted to determine the appropriate solution for each reporting requirement. Our proposal anticipates that one dozen custom reports will be required to be developed and that has been factored into our response. Deloitte

Consulting provides reporting selection tools that facilitate the selection process of how a reporting requirement can most effectively be accomplished and these tools will be leveraged during requirement validation sessions.
Deloitte Consulting continues to work with SAP to determine additional data extraction standard requirements for the TRM solution and it is anticipated that those enhancements will be incorporated in future releases of the solution. Currently, very few standard extractors exist within the TRM solution.

Return Processing

Business Requirements – Return Processing			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
73	Return Processing	Provide end users the capability to enter data from applications, into the system through the use of a GUI.	Y - FC - Adobe
74	Return Processing	Provide end users the capability to enter data from returns into the system through the use of a GUI.	Y - FC - Adobe
75	Return Processing	Provide end users the capability to enter data from reports into the system through the use of a GUI.	Y - FC - Adobe
76	Return Processing	Provide end users the capability to enter data from schedules into the system through the use of a GUI.	Y - FC - Adobe
77	Return Processing	Provide end users the capability to enter payments into the system through the use of a GUI.	Y - FC
78	Return Processing	Provide the capability to enter data from applications, in a batch mode, using data Treasury receives from sources external to the system.	Y - FC - BRF Y - DA - User Exit and Interface e-file and Data Entry
79	Return Processing	Provide the capability to enter data from returns, in a batch mode, using data Treasury receives from sources external to the system.	Y - FC - BRF Y - DA - User Exit and Interface e-file and Data Entry
80	Return Processing	Provide the capability to enter data from reports, in a batch mode, using data Treasury receives from sources external to the system.	Y - FC - BRF Y - DA - User Exit and Interface e-file and Data Entry
81	Return Processing	Provide the capability to enter data from schedules, in a batch mode, using data Treasury receives from sources external to the system.	Y - FC - BRF Y - DA - User Exit and Interface e-file and Data Entry
82	Return Processing	Provide the capability to enter data from payments in a batch mode, using data Treasury receives from sources external to the system.	Y - FC - BRF Y - DA - User Exit and Interface Bank
83	Return Processing	Provide the capability to generate notices of adjustment (e.g. tax due, refunds, overpayment notices and correspondence) using business rules (see 47 letter).	Y - FC and DA - BRF and Adobe
84	Return Processing	Provide the capability for a user to place a “hold” on an account so that further activity is suspended while the “hold” is in effect.	Y - FC - BRF Y - DA - User Exit
85	Return Processing	Provide the capability for a user to release a “hold” that was previously placed on an account.	Y - FC - BRF Y - DA - User Exit
86	Return Processing	Provide the capability for the system to pass and receive transactions (payments, adjustments, etc.) with the State’s Collection System based on predefined business rules.	Y - FC - BRF Y - DA - User Exit and Interface STAR

Business Requirements – Return Processing			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
87	Return Processing	Provide the capability to verify the payment amount reported on extension request to payments captured by the system for an account number and file period.	Y - FC - BRF Y - DA - User Exit
88	Return Processing	Provide the capability to perform data validation with auto correction, using business rules against data captured from returns. Work items are created for returns that fail validation based business rules and are then sent out based on assigned in workflows.	Y - FC - BRF Y - DA - User Exit and Workflow
89	Return Processing	Provide the capability for users to resolve return exceptions, through the use of a GUI.	Y - Standard
90	Return Processing	The capability to override exceptions with proper security.	Y - FC - BRF and Message Configuration
91	Return Processing	Provide the capability to use withholding information from various sources to determine if the employee and employer are reporting the same amount of withholding.	Y - FC - BRF Y - DA - User Exit and Interface State's Data Warehouse Note: As documented in Addendum # 10, interfaces to other legacy systems have not been identified as mandatory interfaces for phase 1. Additional analysis is required to determine appropriate integration time frame for inclusion.
92	Return Processing	Provide the capability to accept electronic data from external sources and use the data where needed (i.e., electronic payments, supply missing information on returns, complete missing taxpayer information, etc.).	Y - FC - BRF Y - DA - User Exit and Interface e-file and Data Entry
93	Return Processing	Provide the capability to automatically generate a work item according to business rules if a return is received from an out of business taxpayer.	Y - FC - BRF Y - DA - User Exit and Workflow
94	Return Processing	Provide the capability to accept electronic data from external sources and use the data where needed (i.e., electronic payments, supply missing information on returns, complete missing taxpayer information, etc.).	Y - FC - BRF Y - DA - User Exit and Interface e-file and Data Entry
95	Return Processing	Provide users the capability to enter new profile information about taxpayers into the system through the use of a GUI subject to administrative security control.	Y - Standard
96	Return Processing	Provide the capability to systematically post select profile information about taxpayers, obtained when processing tax return information.	Y - FC - BRF Y - DA - User Exit
97	Return Processing	Provide an address history for taxpayers and source of change.	Y - FC - BRF Y - DA - User Exit

Business Requirements – Return Processing			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
98	Return Processing	Provide the capability to enter new profile information about taxpayers, obtained when processing tax payment information systematically.	Y - FC - BRF Y - DA - User Exit
99	Return Processing	Provide the capability for denoting which taxes and which tax periods have been or are under tax compliance audit in order to create a work item should any return be filed for those periods.	Y - FC - BRF Y - DA - User Exit and Workflow
100	Return Processing	Develop a process to identify potential non filers and under reporters	Y - FC - BRF Y - DA - User Exit
101	Return Processing	Provide a unitary group and/or related entity cross-reference table by tax year.	Y - FC - BRF Y - DA - User Exit
102	Return Processing	Provide the capability to process multiple returns per reporting period from the same taxpayer for all tax types.	Y - FC - BRF Y - DA - User Exit
103	Return Processing	Provide the capability to denote on a taxpayer's account that a request for an extension for filing returns has been received and granted by the Department. The dates to which the extension has been granted and the periods covered by the extension are also captured.	Y - FC - BRF Y - DA - User Exit
104	Return Processing	Provide the capability for the system to automatically grant an extension to taxpayers within certain geographic regions.	Y - FC - BRF Y - DA - User Exit
105	Return Processing	Provide the capability to identify those taxpayers meeting the criteria set forth by State law to be mandated to remit monies due to the Treasury through Electronic Funds Transfer (EFT).	Y - FC - BRF Y - DA - User Exit
106	Return Processing	Provide the capability to match payments received through Electronic Funds Transfer with the return data received in various forms allowed by the Treasury.	Y - FC - BRF Y - DA - User Exit and Interface Bank
107	Return Processing	Provide the capability for the taxpayer to apply for tax credits when they have no other filing requirement. The system either notifies the taxpayer of the allowable credit or issues a refund check for the allowable credit.	Y - FC - BRF Y - DA - User Exit
108	Return Processing	Provide the capability to direct all or a portion of a refund as pre-payment of tax for the next reporting period, generating the proper transactions.	Y - FC - BRF Y - DA - User Exit
109	Return Processing	Provide the capability for money and other credits to carry forward from SBT to MBT (both conversion and continuing interface from SBT system).	Y - FC - BRF Y - DA - Conversion, User Exit and Interface SBT

Business Requirements – Return Processing			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
110	Return Processing	Provide the capability to calculate applicable adjustments to tax, penalties and interest, using various rates as defined by business rules.	Y - FC - BRF
111	Return Processing	Provide the capability to calculate applicable penalties and interest based on rules for a specific tax type.	Y - FC - BRF
112	Return Processing	Provide the capability to define and maintain penalty and interest rules in tables maintained by business users.	Y - FC - BRF
113	Return Processing	Provide the capability to call Treasury's penalty and interest module, using business rules.	Y - FC - BRF Y - DA - User Exit (Recommendation is to establish P & I in SAP for MBT and legacy P & I system remains available for all other taxes until migrated to SAP)
114	Return Processing	Provide the capability to define and maintain form validation rules in tables.	Y - FC - BRF
115	Return Processing	Provide the capability to define and maintain form data element tolerance levels in tables.	Y - FC - BRF
116	Return Processing	Provide the capability to call Treasury's penalty and interest module to calculate credit interest on a refund.	Y - FC - BRF Y - DA - User Exit (Recommendation is to establish P & I in SAP for MBT and legacy P & I system remains available for all other taxes until migrated to SAP)
117	Return Processing	Provide the capability for authorized users to waive interest, additions to tax, and penalties assessed against a taxpayer's account and generate the proper accounting transactions.	Y - FC - BRF Y - DA - User Exit and Workflow
118	Return Processing	Provide the capability for recording the user initiating a waiver or refund	Y - Standard
119	Return Processing	Provide the capability to expedite business processes on an emergency basis.	Y - Standard
120	Return Processing	Provide the capability of having a file period be less than 12 months based on business rules.	Y - FC - BRF
121	Return Processing	Sec. 601 – Develop a process to calculate and provide a rebate of over collected revenue for select MBT taxpayers.	Y - FC - BRF

The Returns Processing functionality in SAP TRM, together with the use of Adobe forms, will provide capabilities to enhance the Department's tax return processing function. Through the combination of SAP and Adobe, tax returns, applications, forms and schedules can be modeled to facilitate direct data entry or provide a means to present electronically transmitted data in a "form view". Use of the SAP Business Rules Framework (BRF) provides the means to build verification, computational and exception detection logic for each return, application, form or schedule. The rules designed will in BRF will be used for re-computing tax, verifying data (such as payments and credits) as reported by the taxpayer and identifying

exceptions. BRF provides the capability to define configurable exception messages and message classifications (auto-correct, information, warning, error, etc.). Variables and/or thresholds embedded in the business rules will be represented as table driven entries that can be maintained by authorized business users. Exception tax returns are presented as work items in the “work center” for review and resolution. As part of the review and resolution process, tax agent users can review the tax return presented in an Adobe format, review exception messages, update data on the tax return as well as on the taxpayer account as allowed by business rules, record notes about the review and simulate processing to re-invoke business rules and determine any assessment plus applicable penalties and interest. When the review of an individual return is complete it can be billed and posted to the taxpayer’s account manually (if the return needs to be expedited) or though a periodic batch process.

Through the implementation of this functionality, the Department will move away from batch and paper-centric processes, to an online processing environment where each tax submission stands on its own thus allowing the agency to take greater advantage of their investment in document imaging and electronic filing.

The Returns Processing functionality that is standard in SAP's current TRM product offering is the culmination of an ongoing collaborative relationship with Deloitte Consulting and the Florida Department of Revenue SUNTAX project and has its foundation in the original R/3 Sales and Distribution module design developed by Deloitte Consulting. Deloitte Consulting worked with SAP to help them understand the tax agencies' return processing business process requirements and features implemented in the SUNTAX solution and have been involved with SAP through every key milestone in the development and release of this functionality.

Revenue Accounting

Business Requirements – Revenue Accounting			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
122	Revenue Accounting	Provide the capability for a user to validate financial deposits by comparing deposit totals by tax type to Taxpayer Account summary totals by tax type and to Revenue Accounting summary totals by tax type.	Y - FC - FI and Fund Accounting
123	Revenue Accounting	Provide the capability for users to make adjustments in order to correct out-of-balance conditions and deposit adjustment errors as defined by bank reconciliation.	Y - FC
124	Revenue Accounting	"Provide the capability to systematically translate financial transactions that were posted to a taxpayers account into Revenue Accounting journal items and initiate the posting transactions for input into the related Revenue Accounts in the State's financial accounting system (MAIN)."	Y - FC - FI and Fund Accounting Y - DA - Interface TC88/MAIN
125	Revenue Accounting	Provide the capability to track money received that cannot immediately be associated to a particular taxpayer until it is properly associated with a taxpayer and credited to that taxpayer's account, and generates the proper accounting transactions.	Y - Standard - Clarification Accounts Support
126	Revenue Accounting	Provide the capability to quickly identify and reissue refund checks that have been returned.	Y - Standard
127	Revenue Accounting	Provide the capability to produce a list with a summary of payment by tax type that is still pending which has not yet interfaced with MAIN.	Y - Standard Y - DA - Custom Report
128	Revenue Accounting	The delivered system conforms with Generally Accepted Accounting Principles (GAAP)	Y - Standard
129	Revenue Accounting	Provide the capability to tie deposits to accounting periods and fiscal years.	Y - Standard
130	Revenue Accounting	Provide the capability to reconcile cash activity, revenue activity, and changes in bank balance.	Y - FC - FI

Business Requirements – Revenue Accounting			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
131	Revenue Accounting	Provide the capability to electronically transmit refund (EFT or paper) and accounting entries to the State's financial accounting system.	Y - DA - Interface TC88/MAIN
132	Revenue Accounting	Recognizes the State's accounting system (MAIN) as the official book of record and SAP must reconcile with MAIN.	Y - Standard FI Reports and Queries provide the appropriate information for reconciliation. (Assuming some manual component required related to data in MAIN)
133	Revenue Accounting	SAP's general ledger must equate to MAINS general ledger structure.	Y - FC - FI and Fund Accounting
134	Revenue Accounting	Provide the capability to reconcile to the State's financial accounting system.	Y - Standard FI Reports and Queries provide the appropriate information for reconciliation. (Assuming some manual component required related to data in MAIN)

SAP's strong accounting backbone provides as much depth for revenue accounting as it does for taxpayer accounting. The TRM solution is built on the most capable accounting system in the market; not a tax system with a General Ledger bolt on. Business rules can be modified and configured to meet specific requirements and drive the specific transactions that are then stored logically to facilitate easy and thorough reporting and drilldown capabilities. In addition to its internal capacity, SAP TRM provides the ability to integrate smoothly with the State General Ledger system, validating that the SAP TRM solution extends beyond just Tax and Revenue Management, and provides a structured and reliable financial infrastructure that can be leveraged to support other requirements outside of the agency.

The SAP FI module leverages best practices across all industries. It supports organizations in both public and private sector across the world. The solution provides functionality to support revenue accounting requirements and Deloitte Consulting anticipates the inclusion of several key components within Financials to support the specific requirements in this area.

The SAP general ledger functionality – The core general ledger functionality provides many options to facilitate the requirements in this area. It is anticipated that the functionality available through configuration of this component of SAP will address a majority, if not all the requirements within Revenue Accounting.

Fund Accounting – Features and functionality in fund accounting can be leveraged to provide for the requirements in this area. Depending on the complexity of the hierarchical structures in the MAIN system it may be deemed necessary to explore some elements of the functionality to support specific requirements.

Deloitte Consulting understands the needs and requirements of tax agencies and can provide the experience necessary to configure and enhance the system to provide the required functionality for the MITAP implementation. The underlying functionality in this area has been consistently strong for many years. The functionality associated with the integration between taxpayer accounting and revenue accounting is where and enhancements continue to evolve. Deloitte Consulting has provided insight specific to tax agencies that has been incorporated into the most recent releases of the functionality and continues to work closely with SAP to continue to evolve the solution.

Security

Business Requirements – Security			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
135	Security	Provide the capability for defined administrative levels to approve transactions based on roles.	Y - FC - Workflow
136	Security	Provide the capability to define and manage roles for security profile purposes.	Y - Standard
137	Security	Provide centralized security access so that adds, changes, and terminations in a user or a user's access capabilities are processed universally across all SAP systems (internal and external to core processing), and are only entered once.	Y - FC - Single Sign On Functionality will Support
138	Security	Be able to access security rights by transaction, dollar amount and user.	Y - FC - Security and Workflow
139	Security	Allow security access to returns and images to employees on a need to know basis.	Y - FC - Security (Specific to Revenue Type)
140	Security	Restrict the ability of users to change or delete previous comments without security rights.	Y - Standard

The SAP authorization concept protects transactions, programs, and services in SAP systems from unauthorized access. On the basis of the authorization concept, the administrator assigns authorizations to the users that determine which actions a user can execute and view in the SAP System. This is triggered at the point in time the user has logged on to the system and has been authenticated. The system contains robust security functionality that can be extended where needed to comply with Michigan requirements.
User security will be managed using role-based identity management. This means that the administrator assigns authorizations to users based on the job they perform while using the particular system. No user group will ever have direct access to the SAP database.

Security encompasses all components of the solution including R/3, CRM, Business Intelligence, and Portals. Single sign on functionality is available and will be leveraged to facilitate a one time login of users where required.
Security is a fundamental and strong component of the overall SAP solution and is continually enhanced to support the needs of all industries and solutions.

System

Business Requirements – System			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
141	System	Provide the capability for the system to pass and receive refund information with the State's MAIN Processing System based on predefined business rules.	Y - DA - Interface TC88/MAIN
142	System	Provide the capability for the system to pass and receive corrected assessment information with the State's Collection System based on predefined business rules.	Y - DA - Interface STAR
143	System	Provide the capability to search for payments by date range and/or dollar amount and/or document batch locator information.	Y - Standard
144	System	Provide the capability to assign a unique Document Number to every document received into the system or generated by the system.	Y - Standard
145	System	Provide the capability to automatically enter a word or phrase whenever a predefined abbreviation is entered.	Y – Contractor will use Microsoft Word to meet this requirement. In addition, functionality is available within the SAP system to set parameters that will allow for data to populate automatically on screens. Also, once entries are made on one screen of a transaction they carry forward into the following screens.
146	System	Consistent profile information and location is reflected on each screen. Where relevant, each screen includes the taxpayer's id number and name.	Y- Identifiers including the taxpayer number and the taxpayers name are present on a majority of the screens throughout the steps within each business process. Profile information relevant to the context of the screen is reflected on most screens. There are many screens for mass processes where the individual tax payer may not be relevant in the context of the screen and is not reflected on the screen. Additionally in the interest of screen ergonomics, , the information on the screen is tailored for process efficiency .
147	System	Dates must be stored in a consistent format.	Y - Standard
148	System	Consistent date format must be display and printed (MM/DD/YYYY).	Y - Standard
149	System	Provides the capability to insert last day of the month when day is missing.	Y - FC - BRF (Per clarification in Addendum #9)
150	System	All printed material will carry print date and page number.	Y - FC – Adobe

Business Requirements – System			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
151	System	SAP is the primary interface to MAIN for MBT.	Y - DA – Interface TC88/MAIN
152	System	MBT occasionally receives unusual revenues or makes unusual expenditures related to other state agencies outside the normal revenue streams and needs to have the capacity to make these transactions with appropriate safeguards (e.g. DLEG receives an MBT payment and needs to JV payment to Treasury).	Y – Standard
153	System	Provides the capability to capture phone numbers by tax type.	Y – Standard
154	System	Allow system to schedule the releasing of correspondence.	Y – Standard
155	System	Provide an audit trail for every user transaction entered that includes the user performing the transaction and the date and time the transaction was performed. Selected screens and data elements should also be logged in an audit trail when inquiry is performed	Y– An audit trail is available, when a user performs any transaction that changes or creates any data. For transactions where a user only displays a screen, and does not perform any action, SAP trace can log action. This does require extensive log storage needs and may effect system performance if required in a ubiquitous manner.
156	System	Provide the capability to track administrative hearings and decisions and flag accounts and returns and transactions.	Y - FC - BDT Master Data Y - FC - BRF to notify within returns processing. Y - DA - User exit to notify within other processes.
157	System	Provide for real time processing of transactions.	Y - Standard
158	System	Provide the capability to manually input estimate transactions. (e.g. returns, correcting errors, posting returns etc)	Y - Standard
159	System	Provide the capability to view returns, schedules and checks in the same manner regardless of filing medium (paper/electronic).	Y - FC and DA **Returns and Schedules** are viewable through Adobe forms and images available for those received via paper. **Payments** are viewable through accounting documents in the SAP system and images available for those received via paper check.
160	System	Provide the capability for users to view only specific transactions for a given taxpayer, tax type and reporting period.	Y - FC - Security (Available standard through security related to revenue type and taxpayer BP but reporting period would require user exit to support)

Business Requirements – System			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
161	System	System must provide the capability to process batches without interrupting or hindering daily processing or performance.	Y - Standard
162	System	Provide the capability to accept and process electronically filed tax returns.	Y - DA - Interface e-file
163	System	Provide the capability to accept electronic payments for tax liabilities through the State's CEPAS system with appropriate safeguards.	Y - DA - CEPAS File Note: As documented in Addendum # 10, an interface to CEPAS has not been identified as a mandatory interface for phase 1. Additional analysis is required to determine appropriate integration time frame for inclusion.
164	System	Provide the capability to use configurable parameter driven tables that are maintained by business users.	Y - Standard
165	System	The system must maintain relationships between business partners including individuals and business entities.	Y - Standard
166	System	The delivered system must be able to handle large currency and numeric values without truncation both on printed reports and screen displays.	Y - Standard (System supports 14 characters left of decimal.)
167	System	Provide the capability for taxpayers to file a return/forms by paper and capture data.	Y - Standard
168	System	Provide the capability to *accept* taxpayers filed estimated payments through the web.	Y - DA - File Received (Assumption - using their current web functionality) Note: As documented in Addendum # 10, interfaces to the some legacy systems have not been identified as a mandatory interface for phase 1. Additional analysis is required to determine appropriate integration time frame for inclusion.
169	System	Provide the capability for taxpayers to file an estimate from an electronic filing.	Y - FC and DA - Adobe and Interface e-file
170	System	Provide the capability for taxpayers to file an estimated payment from the paper request and the capture data.	Y - FC and DA - Adobe and BRF
171	System	Provide the capability for taxpayers to file for an extension from the web.	Y - DA - Interface e-file (Assumption - using their current web functionality)
172	System	Provide the capability for taxpayers to file for an extension from an electronic filing.	Y - FC and DA - Adobe and Interface e-file

Business Requirements – System			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
173	System	Provide the capability for taxpayers to file for an extension from a paper request *and the capture data*.	Y - FC and DA - Adobe and BRF
174	System	Provide the capability for taxpayers to print a pre identified estimate form from the web. Vendor to provide recommendation and development. Pre-identified includes account id, name, payment amount, tax period and scan line.	Y - FC and DA - Adobe and Data Feed (Phase 1 SAP provides data to current solution. Future phases evaluate full replacement by SAP functionality)
175	System	Capability to capture individual user time spent reviewing and adjusting errors on each return or payment.	Y- Functionality exists to support this requirement but there are limitations related to the detail that is captured. Options can be evaluated or explored further.
176	System	Provide the capability for taxpayers to file an annual payment voucher over the web, paper or electronically.	Y - FC and DA - Adobe and BRF and Interface Bank (Assumption - using their current web functionality)
177	System	Reserved	N/A
178	System	Provide the capability to deliver data to the State's data warehouse.	Y - DA - Interface State's DW
179	System	Provide the capability to download account data as needed.	Y - Standard
180	System	Display word literals rather than codes where configurable.	Y - Standard
181	System	Provide the capability to notify users of any changes in law, policy or procedures (Bulletin Board)	Y - Standard via Express Messaging
182	System	Provide the capability to show garnishments and vendor offsets from a MBT refund and any residual refund amounts.	Y - FC - FI
183	System	Provide the capability to allow for multiple rates per tax period.	Y - FC - BRF
184	System	Provide the capability to allow all information on a payment to move when a payment is transferred.	Y - Standard
185	System	Provide the capability to accept carry forward credits for taxpayer(s) from SBT.	Y - DA - Conversion from SBT at go-live of MBT
186	System	Provide the capability to accept carry forward business loss for taxpayer(s) from SBT.	Y - DA - Conversion from SBT at go-live of MBT
187	System	Provide the capability to accept carry forward over payments for taxpayer(s) from SBT.	Y - DA - Conversion from SBT at go-live of MBT
188	System	Provide the capability to carry forward credits for taxpayer(s) within MBT.	Y - FC - BRF
189	System	Provide the capability to carry forward business loss for taxpayer(s) within MBT.	Y - FC - BRF
190	System	Provide the capability to carry forward over payments for taxpayer(s) within MBT.	Y - Standard
191	System	Provide the capability to transfer monies on line between taxes, to collections, to audit etc.	Y - FC and DA - Interface with STAR, ESKORT, and Other Tax Systems

Business Requirements – System			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
192	System	Provide the capability to search by various defined data items.	Y - Standard
193	System	Provide the capability to suspend any automated function with appropriate approvals.	Y - Standard (As clarified in Addendum #9)
194	System	Provide the capability to stop a refund transaction until it is transferred to the State's accounting system.	Y - Standard
195	System	System must support the ability to pass and receive a file to the State's Financial accounting system.	Y - DA - Interface TC88/MAIN
196	System	Provide the capability to create and identify cross referenced accounts.	Y - Standard
197	System	Provide the capability to identify payment channel	Y - FC - DA BRF
198	System	Provide the capability to capture and store taxpayer email address(s)	Y - Standard
199	System	Provide the capability allow for an automatic paper response if electronic correspondence fails.	Y - DA - User Exit
200	System	Any form entry must accept 100% data capture	Y - FC - Adobe
201	System	Provide the capability to capture developer identification off software generated forms.	Y - FC - Adobe
202	System	Provide the capability to require and capture taxpayer information to populate forms they print from online.	Y - FC - Adobe
203	System	Provide the capability to store PDF attachments from e-file returns	Y - DA - User Exit

Taxpayer Account

Business Requirements – Taxpayer Account			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
204	Taxpayer Account	Provide the capability for users to make adjustments in order to correct out-of-balance conditions.	Y - Standard
205	Taxpayer Account	Provide the capability to track money received that can be associated to a particular taxpayer but not to a specific tax type and/or reporting period until it is properly associated with a specific tax type and/or reporting period and credited to that taxpayer's account, and generates the proper accounting transactions.	Y - Standard - Clarification
206	Taxpayer Account	Provide the capability to easily correct improperly posted transactions regardless of the type of transaction.	Y - Standard
207	Taxpayer Account	Provide the capability to automatically reverse transactions for dishonored checks and electronic payments.	Y - FC - Transaction Events for reversal
208	Taxpayer Account	When a taxpayer's profile indicates the taxpayer is in bankruptcy, the system automatically routes any refunds due to the taxpayer to the bankruptcy trustee.	Y - FC - Transaction Events for refund
209	Taxpayer Account	Provide users the capability to issue refunds to an alternate address with appropriate supervisory approval.	Y - FC and DA - Workflow and Transaction Events for Refund
210	Taxpayer Account	Provide the capability to capture an address off the return, update taxpayer account and store prior addresses according to business rules.	Y - FC - BRF and Transaction Events for Master Data update
211	Taxpayer Account	Provide the capability to accept external sources of data to update taxpayer files.	Y - DA - Interface Web and Data Entry Business Registration
212	Taxpayer Account	Provide the capability to enter new profile information and other data about taxpayers, in a batch mode, using data the system receives from external sources.	Y - DA - Interface Web and Data Entry Business Registration
213	Taxpayer Account	Detect and prevent duplicate taxpayer accounts before creating new taxpayer profiles.	Y - Standard - (SSN and FEIN)
214	Taxpayer Account	Provide the capability to search for existing taxpayers by displaying all taxpayers in the database by name or portion of the name supplied by user input.	Y - Standard
215	Taxpayer Account	Provide the capability to search for existing taxpayers by input of an address and displaying all taxpayers in the database having that same address.	Y - Standard
216	Taxpayer Account	Provide the capability to search for existing taxpayers by input of an FEIN and displaying all taxpayers in the database having that same FEIN.	Y - Standard

Business Requirements – Taxpayer Account			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
217	Taxpayer Account	Provide the capability to search for existing taxpayers by input of one or more Treasury assigned account number(s), at least 14 alpha/numeric characters, and displaying all taxpayers in the database having that same assigned account number.	Y - Standard
218	Taxpayer Account	Provide the capability to search for existing taxpayers by input of an SSN and displaying all taxpayers in the database having an association with that same SSN.	Y - Standard
219	Taxpayer Account	A unique ID number must be assigned to a taxpayer when a new profile is created, becoming the primary identifier in the system.	Y - Standard - Business Partner
220	Taxpayer Account	Provide the capability to record each location for one or more tax types for taxpayers with multiple locations,.	Y - Standard
221	Taxpayer Account	Maintain multiple versions of taxpayer profile information by always adding new information, never updating existing information.	Y - Bank info and address allow for this - All others are tracked in change history.
222	Taxpayer Account	Delivered system supports both calendar year and fiscal year annual reporting periods.	Y - Standard
223	Taxpayer Account	Delivered system allows for changes to taxpayer reporting from one fiscal tax year to another.	Y - Standard
224	Taxpayer Account	System maintains a history of the reporting frequencies, by tax, for each taxpayer. This history is to include the applicable dates for which the reporting frequency was in effect.	Y - Standard
225	Taxpayer Account	Provide the capability to link to and from businesses that have merged to form a new entity.	Y - Standard
226	Taxpayer Account	Provide the capability to link to and from businesses that have divested to form new entities	Y - Standard
227	Taxpayer Account	Provide the capability to link to and from partners, sole proprietors, corporate officers and shareholders by tax identification numbers, to any related account.	Y - Standard
228	Taxpayer Account	Provide the ability to indicate a business change of ownership on the taxpayer profile including new owner's name and tax identification number. Capture and index both predecessor and successor business accounts.	Y - Standard
229	Taxpayer Account	Provide for the entry of multiple address types for a taxpayer account.	Y - Standard
230	Taxpayer Account	Provide for the entry of multiple addresses for each tax that a taxpayer is responsible for.	Y - Standard
231	Taxpayer Account	Provide for the entry of multiple addresses for each of the taxpayer's reporting locations.	Y - Standard
232	Taxpayer Account	The system automatically identifies and assigns the correct city and state based on entry of a zip code.	Y - DA - Interface with Trillium

Business Requirements – Taxpayer Account			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
233	Taxpayer Account	The system automatically identifies and assigns the correct 9 digit zip code based on entry of a street, city, and state address.	Y - DA - Interface with Trillium
234	Taxpayer Account	The system supports foreign addresses including country codes and foreign postal codes.	Y - Standard
235	Taxpayer Account	The system automatically assigns county codes based on zip code.	Y - DA - Interface with Trillium
236	Taxpayer Account	The system automatically identifies and assigns the proper regional office to each taxpayer based on county code and/or zip code.	Y - DA - User Exit to determine region
237	Taxpayer Account	Provide for local printing of documents at Treasury offices and remote locations based on access rights.	Y - Standard
238	Taxpayer Account	Provide the capability for recording notes and/or narratives about actions taken for each taxpayer and the user who did it and the date it was done. The system must auto stamp user name and date.	Y - Standard with some areas Y - DA - User Exit for remaining required.
239	Taxpayer Account	Provide the capability to indicate to users that a taxpayer has been consistently filing late returns.	Y - FC and BDT within BP to identify
240	Taxpayer Account	Provide *authorized end users with* the *ability* to indicate that a taxpayer has been identified as a PDT (potentially dangerous taxpayer)	Y - FC and BDT within BP to identify
241	Taxpayer Account	Provide *authorized end users with* the *ability* to indicate that a taxpayer has been identified as a Constitutionally Challenged Taxpayer (tax protestor).	Y - FC and BDT within BP to identify
242	Taxpayer Account	Provide the capability to indicate to users that a taxpayer has filed for bankruptcy.	Y - FC and BDT within BP to identify
243	Taxpayer Account	Provide a means to denote that the taxpayer is out of business, the source of the information and the effective date by tax.	Y - FC and BDT within BP to identify
244	Taxpayer Account	Provide *end users with* a means to denote that the taxpayer has a history of filing fraudulent returns.	Y - FC and BDT within BP to identify
245	Taxpayer Account	Provide *end users with* a means to denote that the taxpayer is undergoing criminal proceedings.	Y - FC and BDT within BP to identify
246	Taxpayer Account	Provide *authorized end users with* a means to configure new indicators when needed.	Y - FC and BDT within BP to identify
247	Taxpayer Account	Provide *authorized end users with* the capability to add additional tax types to taxpayer account.	Y - Standard
248	Taxpayer Account	Provide the capability to ensure address standardization and verification for validation and matching purposes.	Y - FC and DA - Interface with Trillium
249	Taxpayer Account	Provide the capability by tax type to address and send forms and other types of information and identify when, what, and where they were sent.	Y - Standard
250	Taxpayer Account	Provide the capability to indicate on the account that all correspondence will have the option to have paperless interaction	Y - Standard

The SAP TRM solution supports holistic and efficient tax and revenue administration. When fully implemented in Michigan, SAP TRM will provide an integrated solution that delivers a single view of the taxpayer across all their obligations. At the heart of this is the quartet of master data objects (business partner, contract account, contract object and obligation) that integrate together to fulfill the requirement of having a single unique account by taxpayer with the capability to support multiple locations for each taxpayer and multiple tax types for each location. The ability for a taxpayer to have multiple locations and a location to be subject to multiple tax types and tax obligations is fully supported. Robust search capabilities provide the functionality to support searches for existing taxpayers by name or portion thereof, address, FEIN, SSN or other Department assigned identifier plus many more. The system provides the capability to update taxpayer information from external and internal sources and maintains logs to track the history of the changes made. For certain data elements, such as addresses, new information is added to the record vs. changing or overwriting existing information. The SAP TRM solution provides the ability to support multiple addresses per taxpayer along with the ability to designate the purpose or type of each address and establish an associated validity period.
Via an interface with Trillium, SAP will be able to normalize addresses and assign the correct state based on zip code as well as the correct zip code based on street, city, and state. Foreign addresses are also supported. The ability to store communication data at both the taxpayer and location level provides the means to store phone numbers and
e-mail addresses to facilitate paperless communications

Through robust relationship functionality it is possible to create and track multiple and complex relationships, such as mergers and divestitures, between taxpayers. Additionally it is possible to relate sole proprietors, corporate offices and shareholders to a taxpayer account. Relationships are bi-directional and include validity periods.

SAP TRM provides pre-delivered filing periods as well as the ability to configure flexible periods as needed. The ability to allow changes to tax year end for a given taxpayer is part of SAP’s standard registration data management functionality.

Additional fields may be added to the taxpayer record via the Business Data Toolkit or to the location record via "facts" functionality. This will allow the Department to track and record taxpayer and location attributes that are of special interest such as potentially dangerous, constitutionally challenged, consistent late filer or bankrupt.

Full integration between master data, payment processing and taxpayer accounting provides functionality to correct improperly posted transactions and/or automatically reverse transactions for dishonored checks or electronic payment with a complete audit trail.
Deloitte Consulting's collaboration with SAP since the inception of the TRM product has helped produce a software solution to meet Michigan's needs, overcome fragmented, siloed processes and produce a unified view of a taxpayer's obligations, payments and liabilities.

Workflow

Business Requirements – Workflow			
Item Number	**Functionality Group**	**Contractor Requirements**	**Requirements Clarification**
251	Workflow	Use workflow technology to sort, prioritize and route work to the appropriate user.	Y - FC - Workflow Inbox Y - DA - Workflow
252	Workflow	Provide the capability for a user to “pull” a work item that is unassigned in a workflow queue.	Y - FC - Workflow Inbox
253	Workflow	Provide the capability to allow a supervisor to “push” work items to employees using workflow.	Y - FC - Workflow Inbox
254	Workflow	Provide the capability to assign priorities to work items.	Y - FC - Workflow Inbox
255	Workflow	Provide the capability to automatically increment priorities of open work items over time as the work item goes unattended.	Y - FC - Workflow Inbox
256	Workflow	Provide the capability to manually increment priorities of work items on an as needed basis.	Y - FC - Workflow Inbox
257	Workflow	Provide the capability to allow a user to place a completion date on a workflow item(s), giving the workflow item(s) a deadline.	Y - FC - Workflow Inbox
258	Workflow	Provide the capability to allow a user to transfer a work item assigned to one user to a different user.	Y - FC - Workflow Inbox
259	Workflow	Provide the capability for a user to directly assign a work item to a specific user.	Y - FC - Workflow Inbox
260	Workflow	Provide the capability to generate automatic deadlines.	Y - FC - Workflow Inbox Y - DA - User Exit or Function Module
261	Workflow	Provide the capability to track automatic deadlines.	Y - FC - Workflow Inbox Y - DA - User Exit or Function Module
262	Workflow	Provide the capability to generate automatic notices to users of work beyond deadlines or as defined by business rules.	Y - FC - Workflow Inbox Y - DA - User Exit or Function Module
263	Workflow	Provide automated job scheduling and balancing capabilities.	Y - Standard

SAP Workflow Functionality

SAP Workflow provides the infrastructure and tools that enable your agency to complete business processes efficiently. It routes the data quickly to the right person - even if that person is in a different location, and facilitates the automation of the approval steps required for the most efficient business process flow.

Workflow enables you to define business processes according to your agency-specific rules, models, or standards. You can monitor the Workflow and view information on the current status of a task or work item throughout the process. You have the capability to monitor activities and workload distribution, identifying capacity problems or work overload before a problem arises. With SAP Workflow, approvers can indicate total or partial approval of transactions in the same approval process.

Employees are integrated in the automated processes, eliminating the need to perform redundant, manual functions. Up-to-date information and access to required documents at any time increases employee productivity. SAP Workflow capitalizes on the investment made in the SAP System and exploits the capabilities and benefits of the architecture, services, and integrated applications to facilitate the automation of business processes.

Whenever you make a change to your organization structure, the changes are automatically reflected in Workflow. And since SAP Workflow is position-based, instead of person-based, you do not have to update your Workflow routes every time an employee changes positions.

SAP Workflow Objectives

- Accelerates the Workflow across applications, functional areas, organizational units, and time periods.
- Supplements the integrated management of processes in the SAP System with individually tailored options for automating and actively controlling business and communication processes.
- Combines integrated organizational management with flexible assignment of tasks and responsibilities to locations, positions, jobs, groups, or individuals,
- Actively supports a quick implementation of Workflow technologies through predefined Workflow templates, Workflow Wizards and flexible adjustment options,
- Integrates every employee in the value chain by providing a versatile integrated inbox ("universal inbox") at their work centers that can be configured individually,
- Provides a Workflow Information System that is the foundation for process change management and continuous business engineering,
- Simplifies continuous business engineering and process change management with user-friendly tools for defining and dynamically changing Workflow tasks,
- Conforms to the Workflow standards of the Workflow Management Coalition (WfMC)

SAP has continued to enhance the features and functionality available through workflow. Deloitte Consulting has worked closely with SAP to provide the business knowledge required to understand the needs specific to agencies that will use the Tax and Revenue Management (TRM) solution. Specifically, throughout the processing activities involved with tax return processing, functionality is required to facilitate a smooth review and approval process to provide the most efficient and effective processes are designed. Deloitte Consulting understands the need to have flexibility in the design of workflow to facilitate different processes for different tax types as well as unique scenarios within a specific tax type. (i.e., refund processing, registration approvals, follow on activities, and multi step validations).