

**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 15, 2009

**CHANGE NOTICE NO. 3
 TO
 CONTRACT NO. 071B8200046
 between
 THE STATE OF MICHIGAN
 and**

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| NAME & ADDRESS OF VENDOR Konzman Consulting, LLC 2279 Rolling Ridge Lane Holt, MI 48842 Email: mkonzman@sbcglobal.net | TELEPHONE Michael Konzman (517) 331-2074 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 241-0239 Jacque Kuch |
| CONTRACT COMPLIANCE INSPECTOR: Ann Lindberg RESTART MDE/OEAA | |
| CONTRACT PERIOD: From: November 26, 2007 To: November 25, 2010 | |
| TERMS <p style="text-align: center;">N/A</p> | SHIPMENT <p style="text-align: center;">N/A</p> |
| F.O.B. <p style="text-align: center;">N/A</p> | SHIPPED FROM <p style="text-align: center;">N/A</p> |
| MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p> | |

NATURE OF CHANGE(S):

Per Executive Directive 2009-3, the vendor was unable to offer any price concessions to the State of Michigan, there for effective 12/15/2009 thru 11/25/2010, the hour rate remains at \$100.00. No additional savings were obtained for this option year.

Effective immediately, this contract is hereby EXTENDED to November 25, 2010 and INCREASED by \$198,400.00

AUTHORITY/REASON(S):

Per vendor and agency agreement and per approval of the State Adboard on 12/15/09.

INCREASE: \$198,400.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$635,200.00

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

December 3, 2008

CHANGE NOTICE NO. 2
 TO
 CONTRACT NO. 071B8200046
 between
 THE STATE OF MICHIGAN
 and

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| NAME & ADDRESS OF VENDOR Konzman Consulting, LLC 2279 Rolling Ridge Lane Holt, MI 48842 Email: mkonzman@sbcglobal.net | TELEPHONE Michael Konzman (517) 331-2074 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 241-0239 Jacque Kuch |
| CONTRACT COMPLIANCE INSPECTOR: Ann Lindberg RESTART MDE/OEAA | |
| CONTRACT PERIOD: From: November 26, 2007 To: November 25, 2009 | |
| TERMS N/A | SHIPMENT N/A |
| F.O.B. N/A | SHIPPED FROM N/A |
| MINIMUM DELIVERY REQUIREMENTS N/A | |

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby **EXTENDED** to November 25, 2009 and **INCREASED** by \$208,000.00. The hourly rate is revised to \$100.00. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor and agency agreement and per approval of the State Adboard on 12/2/08.

INCREASE: \$208,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$436,800.00

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

February 4, 2008

**CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B8200046
 between
 THE STATE OF MICHIGAN
 and**

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| NAME & ADDRESS OF VENDOR Konzman Consulting, LLC 2279 Rolling Ridge Lane Holt, MI 48842 Email: mkonzman@sbcglobal.net | TELEPHONE Michael Konzman (517) 331-2074 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 241-0239 Jacque Kuch |
| CONTRACT COMPLIANCE INSPECTOR: Ann Lindberg RESTART MDE/OEAA | |
| CONTRACT PERIOD: From: November 26, 2007 To: November 25, 2008 | |
| TERMS N/A | SHIPMENT N/A |
| F.O.B. N/A | SHIPPED FROM N/A |
| MINIMUM DELIVERY REQUIREMENTS N/A | |

NATURE OF CHANGE(S):

This change is to correct the vendor ID number for this contract. It should be changed to 2-20-5539770. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor and agency agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$228,800.00

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

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

October 19, 2007

**NOTICE
 OF
 CONTRACT NO. 071B8200046
 between
 THE STATE OF MICHIGAN
 and**

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| NAME & ADDRESS OF VENDOR Konzman Consulting, LLC 2279 Rolling Ridge Lane Holt, MI 48842 Email: mkonzman@sbcglobal.net | TELEPHONE Michael Konzman (517) 331-2074 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 241-0239 Jacque Kuch |
| CONTRACT COMPLIANCE INSPECTOR: Ann Lindberg RESTART MDE/OEAA | |
| CONTRACT PERIOD: From: November 26, 2007 To: November 25, 2008 | |
| TERMS N/A | SHIPMENT N/A |
| F.O.B. N/A | SHIPPED FROM N/A |
| MINIMUM DELIVERY REQUIREMENTS N/A | |

The terms and conditions of this Contract are those of ITB #07118200017, this Contract Agreement, and the vendor's quote. In the event of any conflicts between the specifications and terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

TOTAL ESTIMATED CONTRACT VALUE: \$228,800.00



SECTION I GENERAL INFORMATION

I-A PURPOSE

This contract is for employee services to provide the Department of Information Technology (DIT) and its customer, the Office of Educational Assessment and Accountability (OEAA) in the Department of Education (MDE), with a full-time contractor to provide technical and project management expertise related to the administration of MEAP, MI-Access, ELPA and MME assessments. This individual will manage all phases of the MDE project life cycle and provide technical expertise for all assessments and related systems. Responsibilities include:

- Provide direction to MDE and DIT senior-level resources, during all phases of the project life cycle. This includes assessment cycle specific activities, from startup to closedown, with multiple vendors requiring meetings on-site in several states on a monthly basis with vendors as required by the State.
- Person must have at least 4 years of project management experience with assessment technologies such as scanning, scoring, imaging and test development.
- Person must be able to travel monthly and have 4 years of experience managing multiple assessment contracts with multiple vendors.

The services must begin on **November 26, 2007**. The contract awarded from this solicitation will be a time and materials or fixed monthly rate contract, with a not to exceed contract price.

The contract period will be from approximately **12 months, 2080 hours (approximately 40 hours per week) This is a full-time position**. There will be an option to extend the contract for up to two (2) additional years up to 2080 hours per year. The State does not commit to procuring services in the quantities estimated or in any other amounts.

I-B ISSUING OFFICE

This contract is issued by Purchasing Operations, State of Michigan, Department of Management and Budget (DMB), hereafter known as Purchasing Operations, for the Department of Information Technology (DIT) and MDE. Where actions are a combination of those of Purchasing Operations, DIT, and MDE the authority will be known as the State.

Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. Purchasing Operations is the only office authorized to change, modify, amend, alter, clarify, or otherwise alter the specifications, terms, and conditions of this contract. All communications concerning this procurement must be addressed to:

Jacque Kuch, Buyer
DMB, Purchasing Operations
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
kuchj@michigan.gov

I-C PROJECT MANAGER and CONTRACT ADMINISTRATOR

DIT and MDE have assigned a Program Managers and a Contract Administrator who have been authorized by Purchasing Operations to administer the resulting Contract(s) on a day-to-day basis during the term of the Contract. However, administration of any Contract implies no authority to change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such contract. That authority is retained by Purchasing Operations.

The MDE Program Manager for this contract is:

Edward Roeber
Director, MDE Office of Education Assessment and Accountability
Hannah Building
608 West Allegan
Lansing, Michigan
roebere@michigan.gov

The DIT Program Manager for this contract is:

Scott Thompson
Client Services Director
DIT, Agency Services
Hannah Building
608 West Allegan
Lansing, Michigan
ThompsonS3@michigan.gov

The Contract Administrator for this contract is:

Ann Lindberg, Contract Administrator
Michigan Department of Information Technology
Cadillac Place, Suite #9-350
3032 W. Grand Boulevard
Detroit, MI 48202
lindberga@michigan.gov

I-D INCURRING COSTS AND LEGISLATIVE APPROPRIATIONS

The State of Michigan is not liable for any costs incurred by any bidder prior to signing of a contract by all parties and delivery of services under the contract. Any costs to be paid by the State are limited to those authorized by the terms and conditions of any resulting Contract.

The State fiscal year is October 1st through September 30th. The prospective contractor is advised that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

**I-E PROPOSALS
RESERVED**

**I-F ACCEPTANCE OF ITB and PROPOSAL CONTENT
RESERVED**

I-G CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this contract, whether or not the 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. Contractor must make timely payment to staff performing services for the State.

Note: If any personnel contracted through this RFP are not your employees, but that of another company, you must include a list of those companies (subcontractors), including firm name and address, contact person, complete description of skill sets to be subcontracted, and descriptive information concerning subcontractor's organizational abilities in your response. The State reserves the right to approve subcontractors for this work 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. Failure to identify companies providing personnel for your use in Contracts will be cause for cancellation of your Contract and possible removal from the RE:START program.

**I-H NEWS RELEASES**

News releases pertaining to this contract or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with explicit written instructions from the State. No results of the project are to be released without prior approval of the State and then only to persons designated.

**I-I SELECTION CRITERIA
RESERVED****I-J INDEPENDENT PRICE DETERMINATION
RESERVED****I-K SEALED BID RECEIPT (SEE ALSO PARAGRAPH IV-G)
RESERVED****I-L DISCLOSURE**

All information in a contractor's proposal and any Contract resulting from this ITB is subject to disclosure under the provisions of the "Freedom of Information Act.", 1976 Public Act No. 442, as amended, MCL 15.231, et seq.

**I-M AWARD
RESERVED****I-N MODIFICATIONS, REVISIONS, CONSENTS AND APPROVALS**

This 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.

Additional services which are outside the Scope of Services of this Contract shall not be performed by the Contractor without the prior, written approval of the State. Additional services, when authorized by an executed contract, change order, or an amendment to this Contract, shall be compensated by a fee mutually agreed upon between the State and the Contractor.

I-O CONTRACT DOCUMENTS

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

1. State's ITB and any Addenda thereto;
2. Contractor's response to the State's ITB and Addenda; and
3. All amendments and change orders as written and properly approved.

And by reference:

4. State's Pre-qualification RFI and any Addenda thereto;
5. Contractor's response to the State's Pre-qualification RFI and Addenda

All responses, representations, and assurances contained in the Proposal are incorporated into and are enforceable provisions of this Contract. In the event of any conflict between the provisions of the ITB, and the Contractor's response to the ITB, the terms of the ITB and any Contract amendments shall prevail.

I-P SPECIAL TERMS AND CONDITIONS

1. Normal State work hours are 8:00 a.m. to 5:00 p.m. Monday through Friday.
2. All work will be performed at the site identified in Section III of this contract, unless otherwise agreed to by both parties.



3. The Contractor must permit representatives of the DIT, and MDE, and other authorized public agencies interested in the services requested in this contract to have full access to the services requested showing the Contractor's performance, during normal business hours.
4. The Contractor, during the performance of services detailed in this contract, will be responsible for any loss or damage to original documents, belonging to the State when they are in the Contractor's possession. Restoration of lost or damaged original documents shall be at the Contractor's expense.
5. All questions, which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, the interpretation of designs and specifications, and as to the satisfactory and acceptable fulfillment of the terms of this agreement shall be decided by DIT and MDE.
6. The Contractor shall agree that it will not volunteer, offer, or sell its services to any litigant against the State its agencies, employees and officials, with respect to any services that it has agreed to perform for the State, provided that this provision shall not apply either when the Contractor is issued a valid subpoena to testify in a judicial or administrative proceeding or when the enforcement of this provision would cause the Contractor to be in violation of any Michigan or Federal law.
7. All work prepared by the Contractor during the execution of this contract shall be considered works made by hire and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the authorized representatives of the Contractor and the State. This includes, but is not limited to, all new business processes created, all planning and design work performed, all technology developed, the source and object code of all software programs and systems, any business objects or databases created, all related documentation (written or automated), and all documents and reports. If by operation of law any of the work, including all related intellectual property rights is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such work, 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. If the Contractor uses any subcontractors to perform and prepare any of the work, the Contractor shall insure through agreement with the subcontractors that all intellectual property rights in any of the work shall belong exclusively to the State. Failure of the Contractor to insure such rights may be considered by the State to be a material breach of this contract.
8. The Contractor shall agree that they will not furnish or disclose any items owned by the State to a third party without the written permission of the State. This includes both items created as part of this contract and items owned by the State that are incidental to the contract. The Contractor shall also agree not to use items owned by the State for other purposes without the prior written permission of the State.
9. Individuals assigned by the Contractor are employees of the Contractor, and are not, under any circumstances or conditions, employees of the State.
10. The State will retain the right to release outright or request the replacement of any person who is working at an inferior level of performance. The Contractor will be given 24 hours advance notice of this action.
11. The Contractor's name, logo, or other company identifier may not appear on documentation delivered to the State without written authorization from the Contract Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents.



12. The Contractor will certify in writing that it is in conformance with all applicable federal and state civil rights and practices equal employment opportunity for all persons regardless of race, creed, color, religion, national origin, gender or handicap; it is also in conformance with the requirements of the Americans with Disabilities Act. Failure to comply with the aforementioned laws may result in termination of the contract.
13. The Contractor shall use all software in accordance with the State's license agreements and any further restrictions imposed by the State. The Contractor shall not make any unauthorized copies of any software under any circumstances. Contractors found copying or knowingly using copyrighted software other than for backup purposes are subject to progressive disciplinary action. Contractors shall not provide software to any outsiders including consultants, local governmental units, and others when this would be a violation of law or copyright agreements.
14. Contractors are responsible for maintaining the confidentiality of their passwords and are liable for any harm resulting from disclosing or allowing disclosure of any password. Any conduct that restricts or inhibits the legitimate business use of State systems or network is prohibited. Each person must use State systems and networks only for lawful purposes. Specifically prohibited is any use of State systems or disclosure of any data which would constitute a criminal offense, give rise to civil liability, violate any State of Michigan policy, or otherwise violate any applicable local, state, or federal law. This also applies to any computer systems or networks that are accessed from State computer systems or networks.
15. The DIT and MDE have developed, and will continue to develop during the course of this effort, a growing number of information technology standards. The selected Contractor must follow any and all standards adopted by DIT and the MDE Where standards do not exist, the final acceptance of a new technique, technology, or design will rest with the Project Manager, following consultation and review with DIT.

I-Q DEPARTMENT AND CONTRACTOR RESPONSIBILITIES

Department Responsibilities:

1. Provide office space within the Departments for temporary employees selected to work on these projects. NOTE: Access to office space during non-working hours must be approved.
2. Provide conference room space when sufficient notice is given and space is available.
3. Provide telephones for calls originating from within the Department of Information Technology, Agency Services, and **MDE's Office of Educational Assessment and Accountability** s that are project-related.
4. Provide copying services that are project-related.
5. Provide access to Facsimile equipment for items that are project-related.
6. Provide computer hardware and software, as deemed necessary, for all temporary staff/personnel working within the Department.

Contractor Responsibilities:

1. Provide temporary professional services Monday through Friday, 8am to 5pm.
2. Provide those services requested based on staff having the qualifications identified in this contract.
3. Provide services on an as needed, if needed, basis. The exact timing and scheduling of the services shall be between the State and the contractor at the time of need.
4. All personnel provided by the Contractor shall be subject to the rules, regulations, and policies of the DIT, MDE/OEAA and the State.
5. The Contractor shall replace all personnel whose work was found to be unsatisfactory within 24 hours of notification. Replacement of discontinued staff will be at the State's sole discretion; the State is not obligated to replace terminated or withdrawn individuals.

In the event an individual has been terminated or has voluntarily withdrawn from an assignment, the State will advise the Contractor which of the following three options will be employed:

- The State can request the same Contractor replace the individual with an individual of equal or greater qualifications.



- The State can choose from the other candidates submitted in response to the ITB, if they are still available and the proposed rates are still valid.
 - The State can re-issue the ITB and obtain a new list of candidates and rates from eligible Contractors.
6. Contractor shall ensure that staff proposed for assignment are fully trained and meet the skill set requirements of the job position being filled.
 7. The State and/or its agencies make changes to their technical architectures from time to time. If a contract individual is assigned to a State project or support area and the technology associated with their assignment changes, the Contractor is responsible for training in the new or changed technology (e.g., Contractor personnel needs training in a particular CASE tool in order to perform their State assignment).

The cost of the course, including any travel expenses, will be the responsibility of the Contractor and the training hours will not be billable to the State). This responsibility includes all fees associated with the actual training course, travel expenses, and also the hours the individual spends in training. The maximum liability to the Contractor firm for training hours for any individual will be two weeks per year.

8. Provide parking when working on-site.
9. Phone calls not related to the project are not to be charged to the State.
10. The Contractor recognizes its responsibility for all tasks and deliverables contained therein, warrants that it has fully informed itself of all relevant factors affecting accomplishment of the tasks and deliverables and agrees to be fully accountable for the performance thereof. In addition, the Contractor assumes full responsibility for the acts of all subcontractors. Contractor shall have sole responsibility for the supervision, daily direction and control, payment of salary (including withholding of income taxes and social security), worker’s compensation, disability benefits and the like for its personnel.

Contractor's management responsibilities include, but are not limited to, the following:

- Ensure personnel understand the work to be performed to which they are assigned.
- Ensure personnel know their management chain and adhere to Contractor policies and exhibit professional conduct to perform in the best interest of the State.
- Ensure personnel adhere to applicable laws, regulations, and Contract conditions governing Contractor performance and relationships with the State.
- Regularly assess personnel performance and provide feedback to improve overall task performance.
- Ensure high quality results are achieved through task performance.
- Provide training.

I-R USE OF AGENCY STANDARD INFORMATION TECHNOLOGY ENVIRONMENT

Unless otherwise stated in this contract, all items produced by the Contractor must run on and be compatible with the information technology environment described in Section III.B. of this contract.

It is recognized that technology changes rapidly. The staff may request a change in the standard environment using the process identified by DIT. Any changes must be approved, in writing by DIT, before work may proceed based on the changed environment.

Additionally, the State needs to be able to maintain software and other items produced as the result of the contract. Therefore, software development tools may not be used unless request is made, in writing, and approved by DIT, in writing.



SECTION II CONTRACTUAL SERVICES TERMS AND CONDITIONS

II-A CONTRACT PAYMENT

The State shall not be liable to pay the Contractor for any work performed prior to the Contractor's receipt of a fully executed Blanket Purchase Order (BPO).

The services shall be provided and invoiced on a monthly basis, as used. After the services have been rendered, the Contractor shall invoice the State in accordance with the payment provisions of the Contract. Invoices must list the project, agency, contract number and monthly rate. All invoices MUST include copies of timesheets signed by the project manager verifying hours were worked and that services were acceptably performed.

The State shall not be liable to pay the Contractor for any hours worked in excess of the rate stated in the BPO. The State will not pay the Contractor for overtime, holiday or other premium charges or other benefits.

The Contractor shall not receive payment for Services the State finds unsatisfactory or which were performed in violation of federal, state or local law, ordinance, rule or regulation.

II-B ACCOUNTING RECORDS

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at Contractor's location(s) to determine if the Contractor is complying with the requirements of the Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with the Contract requirements.

II-C INDEMNIFICATION

1. For Purposes of Indemnification as set forth in this section, State means the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents.
2. General Indemnification
The Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, penalties, fines, damages, and claims (including taxes), and all related costs, and all related costs and expenses (including reasonable attorneys; and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any claim, demand, action, citation or legal proceeding against the State arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable provided that the Contractor is notified within 30 days from the time that the State has knowledge of such claims. This indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused by the conduct of the State.
3. Patent/Copyright Infringement Indemnification
The Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright or trade secret of any person or entity, which is enforceable under the laws of the United States.



In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

4. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

II-D LIMITATION OF LIABILITY

The Contractor's liability for damages to the State for any cause whatsoever, and regardless of the form of action, whether in contract or tort, shall be limited the value of the Contract or \$200,000 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright or trade secrets; to claims for death or bodily injury or damage to any real or tangible personal property caused by the negligence or fault of the Contractor; to claims related to the Contractor's unauthorized release of confidential information; to claims covered by other specific provisions of this Contract, if any, calling for liquidated damages; to the Contractor's indemnification obligations under Section II-C; and to the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on this Contract.

Neither the Contractor nor the State shall be liable to the other for indirect or consequential damages even, if such party has been advised of the possibility of such damages. This limitation as to indirect or consequential damages does not apply to claims for infringement of United States patent, copyright or trade secrets; to claims related to the Contractor's unauthorized release of confidential information; to other specific provisions of this Contract, if any, calling for liquidated damages; or to the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on this Contract.

II-E CONTRACTOR'S LIABILITY INSURANCE

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

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

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



3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees, subject to limits of liability of not less than \$100,000 each occurrence and, when applicable \$300,000 annual aggregate, for non-automobile hazards and as required by law for automobile hazards.
4. Claims for damages because of injury to or destruction of tangible property, including loss of use resulting, subject to a limit of liability of not less than \$50,000 each occurrence for non-automobile hazards and as required by law for automobile hazards.
5. Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$100,000 each occurrence and when applicable, \$300,000 annual aggregate.

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

II-F 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 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, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and 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 be subject to the dollar limitation of liability as provided in Section II-D.

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 necessarily be limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the 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. 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. 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. 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 4-6. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

II-G ASSIGNMENT

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

II-H DELEGATION

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

II-I NON-DISCRIMINATION CLAUSE

In the performance of any Contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The bidder further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, et seq, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, et seq, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

II-J UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the



Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

II-K SURVIVOR

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 this Contract for any reason.

II-L GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

II-M NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of a Contract resulting from this ITB 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.

II-N 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.

II-O 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.

II-P 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.

II-Q MISCELLANEOUS

1. The Contractor covenants that it is not, and will not become, in arrears to the State upon any contract, debt, or any other obligation to the State, including real property and personal property taxes.
2. **DAMAGES FOR UNAUTHORIZED PERSONNEL CHANGES**
 - a. The Contractor shall not replace the personnel designated in this Contract without the prior, written approval of the State.
 - b. If the Contractor violates this requirement, it shall pay the State, as liquidated damages and not as a penalty, a sum equal to the amount payable under this Contract.
 - c. The State may recover the amount due from the Contractor under this section by setting off against any amount due under this Contract or other contracts it may have with the Contractor.
3. **AUTHORIZATION & CAPABILITY**
 - d. The Contractor warrants that it has taken all corporate actions necessary for the authorization, execution, delivery and performance of this Contract. It is ready to perform its obligations.
 - e. The Contractor further warrants that the person signing this Contract is authorized to do so on behalf of the Contractor and is empowered to bind the Contractor to this Contract.



SECTION III WORK STATEMENT

A. Brief Description of Work

Provide senior level project management and business analysis services to manage all State of Michigan information technology related projects and deliverables for the OEAA in the MDE. This includes managing integration of vendor information technology deliverables with State systems for all OEAA assessment annual cycles.

Coordinate with State staff to ensure all tasks stay on schedule, business requirements are documented and incorporated into the vendor solutions, and that the information technology quality plan is followed and approvals are authorized throughout the development and deployment process.

Provide direction to MDE and DIT senior-level resources, during all phases of the project life cycle. This includes assessment cycle specific activities such as processes to prepare for assessments, scanning, scoring and reporting from startup to closedown, with multiple vendors requiring meetings on-site in several states on a monthly basis with vendors as required by the State.

Facilitate and assist in expediting State of Michigan related issues requiring executive sponsor direction and decision.

Facilitate and assist in expediting State of Michigan related issues related to system technical and infrastructure issues, including security, network and hardware/system software issues.

Provide guidance and support to DIT, MDE, Contract Administrator, and partners in their understanding of project management best practices and discipline.

Provide project management for other Education projects as needed.

B. Background on the work requested

The OEAA in the MDE has multiple assessment contracts with multiple vendors to administer, scan, score and report the Michigan Educational Assessment Program (MEAP), Michigan Merit Examination (MME), Michigan's Alternate Assessment Program (MI-Access), and the Michigan English Language Proficiency Assessment (ELPA) (aka ELL-Access English Language Learner) assessments.

These systems are used across multiple State agencies, 550 school districts and 4500 schools to assess over 1 million students' progress. These systems are crucial to MDE meeting short and long-term goals related to the high stakes assessment programs and Federal No Child Left Behind legislation.

The visibility and high-stakes nature of the MDE assessment and reporting activities necessitate exacting timelines that allow for no deviations in procedures or delays in timelines for either the assessment development or assessment administration activities.

The senior level project manager is needed to ensure that information technology deliverables for the assessment cycles are completed on time and within budget.

C. Objectives

Coordinate with State staff and multiple vendors to ensure all tasks stay on schedule, business requirements are documented and incorporated into the vendor solutions, and that the information technology quality plan is followed and approvals are authorized throughout the development and deployment process.

System Goals

- Coordinate with State staff and vendors to ensure each assessment stays on schedule in the assessment development and assessment administration activities. This includes assessment cycle specific activities such as processes to prepare for assessments, scanning, scoring and reporting from startup to closedown with multiple vendors



- Ensure vendors for each assessment, document and understand business requirements using all phases of the project life cycle. Work with vendors to plan, schedule and implement required changes to vendor systems. Work with DIT to plan for, schedule and implement required changes for DIT systems.
- Ensure vendors follow an information technology quality plan.
- Ensure vendors receive approvals as authorization throughout the development and deployment process of each assessment.
- Meet with vendors monthly to review and plan each assessment.
- Assist the State to develop statements of work for vendor services and evaluation plans Requests for Proposals (RFP) or Invitation to Bids (ITB) for IT projects.

D. Agency technical environment for the work

All code changes undergo a three-step process to be introduced into production:

1. First, code is developed locally on the developers workstation and tested in the “development” server environment, which is composed of MS SQL (2000 or 2005) database, Microsoft SQL 2000 or 2005 Reporting Services Server, and Windows 2000/2003 server that serves as both application and Web server (IIS 5.0 or 6.0). Work will be performed utilizing tools on the local developer’s machine utilizing server based Visual Source Safe (6.0c) for source code control. Contractors will be given Read/Write on all development servers as needed.
2. Second, once development is completed and initially tested, the code is moved to the Quality Assurance (QA) environment. The QA environment mimics the production environment and consists of Load Balanced Web Servers (IIS 5.0 or 6.0), Application Server (Windows 2000/2003), Microsoft SQL 2000 or 2005 Reporting Services Server, and Active/Active Clustered SQL Servers (MS SQL 2000 or 2005). QA pushes/changes are requested through the Remedy system. The installation script(s) and code is then tested. Client(s) perform final user acceptance testing (UAT) to verify proper functionality.
3. Finally, once approval has been received, the code changes are promoted by DIT staff to the Production Environment utilizing the same installation script(s) used for the QA environment. The Production Environment is composed of Load Balanced Web Servers (IIS 5.0 or 6.0), Application Server (Windows 2000/2003), Microsoft SQL 2000 or 2005 Reporting Services Server, and Active/Active Clustered SQL Servers (MS SQL 2000 or 2005). Production pushes and changes to the production environment that could affect other sites in the environment must be requested through the Remedy system.

The current workplace technology for MDE and CEPI environment includes:

Windows 2000 Server SP4 or 2003
 Internet Information Services 5.0 or 6.0
 SQL Server 2000 Enterprise Edition SP3 or SQL Enterprise Edition 2005
 Microsoft SQL 2000 or 2005 Reporting Services
 Cisco CSS 11000 series content services switch

SAN (storage area network) technology for data storage
 NAS (network area storage) technology for file storage

The following software tools and skills are used:

- Microsoft Visual Studio 6.0 (Visual Basic, Visual FoxPro, and C++)
- Microsoft Visual Studio 2003 (1.1 and 2.0 framework, VB.Net, C#.Net, ASP.Net, and Microsoft SQL Reporting Services)
- Microsoft Visual Studio 2005 (1.1 and 2.0 framework, VB.Net, C#.Net, ASP.Net, and Microsoft SQL Reporting Services)
- Microsoft SQL (2000 & 2005)
- Microsoft Message Queue (MSMQ)
- Microsoft Visual Source Safe (6.0c)
- Microsoft Access 2000 and above
- Microsoft Project



- Microsoft Visio
- HTML
- JavaScript
- XML
- FTP
- SMTP

State Network Environment:

The State of Michigan (SOM) has a very complex network. The network has different perimeter entry points, and an internal network made up of a large WAN, a large MAN, and 3 hosting centers located in the Lansing metropolitan area.

Vendor Extranet: This zone allows vendors to connect to the SOM network via either point to point WAN circuits, or Gateway to Gateway VPN over the internet. The SOM currently allows vendors to place their network equipment on our premise, or they can terminate their connection at our dmarc at an SBC facility. This zone is separated from the SOM network with a firewall. This access is application only; remote control access is not allowed.

Local Government Extranet: This Zone allows local government entities access to applications on the SOM network. This is provided by the provisioning of separate WAN circuits on the SOM WAN cloud. This zone is separated from the SOM network with a firewall.

SOM Lansing Metropolitan Area Network (LMAN): This is the SOM's high-speed backbone network that is utilized by SOM employees to access SOM resources and internet resources. The backbone is made up of redundant fiber links capable of transporting 2GBPS of traffic. Several State buildings as well as the State's 3 hosting centers are also connected to the backbone thru a distribution layer network.

Agency Internet DMZ: This zone is for public-facing server access to the Internet. This zone is firewall protected from the Internet, as well as from the LMAN. Servers in this zone can connect with 100mb Ethernet. The state currently has Internet services provided by Merit and Sprint to provide redundancy. This zone is available at all 3 hosting centers.

E. Description of the requested work, including deliverables and knowledge transfer

Provide direction to MDE and DIT senior-level resources, during project initiation and planning. This includes recommendations on scope, resources and cost, as well as the best course of action/approach to attain the project objectives.

Provide project management for all project activities to ensure that project will be completed on time, within budget and within scope. This includes the development and execution of detailed project plans (and supporting documents) for all phases of the assessment projects including defining and analyzing client business requirements and developing statements of work for vendor services.

Develop, maintain and execute a comprehensive project plan and project artifacts for each phase of the projects following the State's project management methodology.

Manage the business and system assessment documentation process working closely with the client stakeholders and subject matter experts. Review and analyze the results, alternative strategies, and prepare recommendations to DIT/MDE.

Facilitate working sessions to gather business requirements. Develop statements of work for request for proposal document (s) detailing the business and systems needs using State of Michigan standard RFP template. Assist MDE and DIT in developing proposal evaluation plans and vendor selection.

Develop and execute a Communication Plan, detailing communications interactions with team, management, and stakeholders. Plan for and assist the Project Sponsor in sponsor-led communications and events.



Develop and implement change control system; produces change management plans related to risk, costs, scope and time as part of change control system. Practice and implement effective control processes to ensure project is delivered within scope and on time and on budget.

Provide State of Michigan resource planning, forecasting and role and skill descriptions.

Maintain records of work completed and deliverables. Insure all program and system documentation is complete before approvals and payments are made.

Transition project knowledge to State staff over the project life cycle to ensure business continuity at the end of the contract.

F. Any specific regulations, requirements or expertise applicable, including specific background/security checks required.

All prospective contractors will be required to pass background and security clearance prior to the start date of this contract at the contractors expense.

G. Reports required

A bi-weekly progress report must be submitted to the DIT Program Manager throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

- Hours: Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project
- Accomplishments: Indicate what was worked on and what was completed during the current reporting period.
- Funds: Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project

H. Location where the work is to be performed

All work will be performed at the Hannah Building, 608 West Allegan, Lansing, Michigan, unless otherwise agreed to by both parties. NOTE: Travel to and from the work site is not billable, nor is travel time to and from the work site reimbursable.

I. Hours

Normal work hours will be 8:00 a.m. to 5:00 p.m. Monday through Friday. This is a full-time position and will average approximately 40 hours per week.

J. State's contract/project manager for the work [who does the Contractor report to]

Scott Thompson
Client Services Director
DIT, Agency Services
Hannah Building
608 West Allegan
Lansing, Michigan

K. The numbers of personnel by skill set (classification),
 One Senior Project Manager

Project Manager Senior (not to exceed rate \$110.00)

Plans and coordinates work teams. Provides management and technical support to project team members. Handles complex projects. Designs and implements project plans. Generally manages a group of applications system analysts or infrastructure specialists. Relies on experience and judgment to plan and accomplish goals. Typically reports to a senior manager.

Project Manager Senior capabilities with 7 or more years of experience.

The candidate must have:

- Minimum of seven years of recent IT project management or project leadership experience and have demonstrated expert knowledge skills and abilities in project management.
- Seven years of professional experience directing information technology developers.
- Five years experience in analyzing, validating and documenting project scopes, and business requirements.
- Five years experience in facilitating meetings with clients and stakeholders for software development projects.
- This position requires possession of a bachelor's degree with 21 semester (32 term) credits hours in an information technology related major.
- The Project Manager Senior (PM) should possess a professional certification in Project Management, such as the Project Management Professional (PMP) certification from the Project Management Institute or George Washington University, or be able to show equivalent work/training experience.
- Three years experience in successfully managing projects and vendor deliverables related to Educational assessment technologies and processes including:
 - experience with identity management security solutions
 - student pre-identification and matching technologies
 - barcode development and printing
 - materials administration for inventory, shipping and receiving
 - scanning of assessment documents
 - scoring assessment results
 - image storage and resolution
 - storing and providing assessment data results
 - web based reporting solutions
- Documented experience in successfully managing Information Technology vendor contracts whose budget was greater than \$10,000,000 and whose timeline was greater than 2 years.

Required Other skills/experience:

- Documented experience in successfully managing IT projects whose scope included project management, risk analysis of the current system problems and process deficiencies, and recommendations for business process and system improvements. Prefer experience with web-based IT projects.
- Documented experience in writing and developing a Statement of Work and evaluation plan for Requests for Proposals (RFP) or Invitation to Bids (ITB) for IT projects.
- Extensive information technology knowledge, including familiarity with Physical System Architecture, Hardware, System Utilization, Data Storage, Configuration Management, Application software development methodology and tools, Networks, Security and Telecommunications.
- Ability to analyze recommended technical and business approaches and propose an integrated solution and plan that will meet the needs of the client.
- Demonstrated leadership ability in complex projects involving multiple vendors and in-house resources within all levels of an organization.
- Must have thorough experience with software system development life cycle (SDLC) including thorough experience with software development quality assurance and testing.
- Skilled in MS Project, MS Excel, MS Word, MS PowerPoint, MS Project
- Ability to work in a team environment

- Ability to work independently
- Excellent written and verbal communication skills
- Must be willing to work extra hours, as necessary
- Must be able to mentor and train

L. Start and End Dates for the work

Planned work duration is November 26, 2007 through November 25, 2008.

M. PRICE PROPOSAL

1. All rates quoted in this contract will be firm for the duration of the contract. No price changes will be permitted.
2. Pricing
Classification/skill set: Sr Project Mgr, Michael Konzman
Hourly Rate: \$110.00 x 2080 = \$228,800.00