

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

August 4, 2009

**CHANGE NOTICE NO. 2**  
**TO**  
**CONTRACT NO. 071B8200090**  
 (Supersedes Contract No.071B6200025 )  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR <b>CCH Incorporated</b> <b>P.O. Box 4307</b> <b>Carol Stream, IL 60048</b>  <b>Email: <a href="mailto:barbara.johnson@wolterskluwer.com">barbara.johnson@wolterskluwer.com</a></b>	TELEPHONE Barb Johnson <b>(773) 866-3152</b>
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
CONTRACT COMPLIANCE INSPECTOR: Mary Ladd <b>Audit of Software Application and Support – DIT/Treasury</b>	
CONTRACT PERIOD: From: <b>January 11, 2008</b> To: <b>September 14, 2010</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **EXTENDED** to September 14, 2010, using the last option for extension as defined in the contract. All other terms and conditions remain the same.

**AUTHORITY/REASON(S):**

Per DMB approval.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$326,841.00**

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

September 12, 2008

**CHANGE NOTICE NO. 1**  
**TO**  
**CONTRACT NO. 071B8200090**  
 (Supersedes Contract No.071B6200025 )  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR <b>CCH Incorporated</b> <b>P.O. Box 4307</b> <b>Carol Stream, IL 60048</b>  <b>Email: <a href="mailto:barbara.johnson@wolterskluwer.com">barbara.johnson@wolterskluwer.com</a></b>	TELEPHONE Barb Johnson <b>(773) 866-3152</b>
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	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
CONTRACT COMPLIANCE INSPECTOR: Mary Ladd <b>Audit of Software Application and Support – DIT/Treasury</b>	
CONTRACT PERIOD: From: <b>January 11, 2008</b> To: <b>September 14, 2009</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby corrected to show an ending date of September 14, 2009. All other terms and conditions remain the same.

**AUTHORITY/REASON(S):**

Per DMB approval.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$326,841.00**

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

January 11, 2008

NOTICE  
 OF  
 CONTRACT NO. 071B8200090  
 (Supersedes Contract No.071B6200025 )

between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF CONTRACTOR <b>CCH Incorporated</b> <b>P.O. Box 4307</b> <b>Carol Stream, IL 60048</b>  <b>Email: <a href="mailto:barbara.johnson@wolterskluwer.com">barbara.johnson@wolterskluwer.com</a></b>	TELEPHONE Barb Johnson <b>(773) 866-3152</b>
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
CONTRACT COMPLIANCE INSPECTOR: Mary Ladd <b>Audit of Software Application and Support – DIT/Treasury</b>	
CONTRACT PERIOD: From: <b>January 11, 2008</b> To: <b>September 14, 2008</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

The terms and conditions of this Contract are those of Contract 071B6200025. 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: \$326,841.00

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

**CONTRACT NO. 071B8200090**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR <b>CCH Wolters Kluwer</b> <b>P.O. Box 4307</b> <b>Carol Stream, IL 60048</b>  <b>Email: <a href="mailto:Barbara.johnson@wolterskluwer.com">Barbara.johnson@wolterskluwer.com</a></b>	TELEPHONE Brad Johnson <b>(773) 866-3152</b> CONTRACTOR NUMBER/MAIL ODE  BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mary Ladd <b>Audit of Software Application and Support – DIT/Treasury</b>	
CONTRACT PERIOD: From: <b>January 11, 2008</b> To: <b>September 14, 2008</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	
MISCELLANEOUS INFORMATION:	

**This Contract Agreement is to replace 071B6200025 due to a change in vendor.**

**TOTAL ESTIMATED CONTRACT VALUE: \$326,841.00**

**FOR THE CONTRACTOR:**

CCH Wolters Kluwer  
 \_\_\_\_\_  
 Firm Name

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

\_\_\_\_\_  
 Authorized Agent (Print or Type)

\_\_\_\_\_  
 Date

**FOR THE STATE:**

\_\_\_\_\_  
 Signature

Greg Faremough, Acting Director  
 \_\_\_\_\_  
 Name/Title

*IT Division*  
 \_\_\_\_\_  
 Division

\_\_\_\_\_  
 Date

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

January 11, 2008

**CHANGE NOTICE NO. 3**  
**TO**  
**CONTRACT NO. 071B6200025**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>PwC Product Sales LLC</b> <b>401 Broad Hollow Rd.</b> <b>Melville, NY 11747</b>	TELEPHONE: Randy Cowell <b>(407) 977-8761</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mary Ladd (517) 335-4082 <b>Audit of Software Application and Support – DIT/Treasury</b>	
CONTRACT PERIOD: From: <b>September 15, 2005</b> To: <b>January 11, 2008</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	

**NATURE OF CHANGES (S):**

**Effective immediately, this contract is hereby CANCELLED and replaced by 071B8200090, due to a merger in vendors with CCH Wolters Kluwer.**

**AUTHORITY/REASON:**

**Per vendor request and DMB approval.**

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$326,841.00**

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

May 15, 2007

**CHANGE NOTICE NO. 2**  
**TO**  
**CONTRACT NO. 071B6200025**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>PwC Product Sales LLC</b> <b>401 Broad Hollow Rd.</b> <b>Melville, NY 11747</b>	TELEPHONE: Randy Cowell <b>(407) 977-8761</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mary Ladd (517) 335-4082 <b>Audit of Software Application and Support – DIT/Treasury</b>	
CONTRACT PERIOD: From: <b>September 15, 2005</b> To: <b>September 14, 2008</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	

**NATURE OF CHANGES (S):**

Add commodity code 924-36 In-Service Training – Computer related.

All other terms, conditions and pricing remain unchanged.

**AUTHORITY/REASON:**

Per DMB request.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$611,400.00**

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

June 21, 2006

CHANGE NOTICE NO. 1  
TO  
CONTRACT NO. 071B6200025  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR  <b>PwC Product Sales LLC</b> <b>401 Broad Hollow Rd.</b> <b>Melville, NY 11747</b>	TELEPHONE: Randy Cowell <b>(407) 977-8761</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mary Ladd (517) 335-4082 <b>Audit of Software Application and Support – DIT/Treasury</b>	
CONTRACT PERIOD: From: <b>September 15, 2005</b> To: <b>September 14, 2008</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGES (S):**

Effective June 20, 2006 this Contract is **INCREASED** by \$116,400.00.

All other terms, conditions and pricing remain unchanged.

**AUTHORITY/REASON:**

Per State Administrative Board approval on June 20, 2006

**INCREASE: \$116,400.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$611,400.00**

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

September 28, 2005

NOTICE  
TO  
CONTRACT NO. 071B6200025  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR  <b>PwC Product Sales LLC</b> <b>401 Broad Hollow Rd.</b> <b>Melville, NY 11747</b>	TELEPHONE: Randy Cowell <b>(407) 977-8761</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Reid Sisson (517) 241-1638 <b>Audit of Software Application and Support – DIT/Treasury</b>	
CONTRACT PERIOD: From: <b>September 15, 2005</b> To: <b>September 14, 2008</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

The terms and conditions of this Contract are those of **ITB #07115200183** this Contract Agreement and the vendor's quote dated **May 19, 2005**. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: **\$495,000.00**

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

**CONTRACT NO. 071B6200025**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

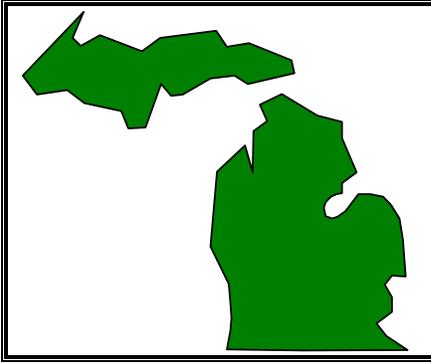
NAME & ADDRESS OF VENDOR  <p style="text-align: center;"><b>PwC Product Sales LLC</b>  <b>401 Broad Hollow Rd.</b>  <b>Melville, NY 11747</b></p>	TELEPHONE: Randy Cowell <b>(407) 977-8761</b> VENDOR NUMBER/MAIL CODE  BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Reid Sisson (517) 241-1638 <p style="text-align: center;"><b>Audit of Software Application and Support – DIT/Treasury</b></p>	
CONTRACT PERIOD: From: <b>September 15, 2005</b> To: <b>September 14, 2008</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	
MISCELLANEOUS INFORMATION: <p><b>The terms and conditions of this Contract are those of <a href="#">ITB #07115200183</a> this Contract Agreement and the vendor's quote dated <a href="#">May 19, 2005</a>. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</b></p> <p><b>Estimated Contract Value: \$495,000.00</b></p>	

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No.07115200183](#). Orders for delivery of equipment will be issued directly by the [Department of Information Technology](#) through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

<p><b>FOR THE VENDOR:</b></p> <p style="text-align: center;"><b>PwC Product Sales LLC</b>          _____          Firm Name</p> <p style="text-align: center;">_____          Authorized Agent Signature</p> <p style="text-align: center;">_____          Authorized Agent (Print or Type)</p> <p style="text-align: center;">_____          Date</p>	<p><b>FOR THE STATE:</b></p> <p style="text-align: center;">_____          Signature  <b><a href="#">Elise Lancaster, Deputy Director</a></b>          _____          Name/Title</p> <p style="text-align: center;"><b><i>Acquisition Services</i></b>          _____          Title</p> <p style="text-align: center;">_____          Date</p>
--	---





**STATE OF MICHIGAN  
Department of Management and Budget  
Acquisition Services**

**Contract No.071B6200025  
Audit Software Application and Support  
PriceWaterhouseCoopers**



*Audit Software Application and Support*

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**Article 1 – Statement of Work (SOW)**

**1.0 Project Identification**

**1.001 PROJECT REQUEST**

This Contract is to procure Audit Management software for the State of Michigan via the Michigan Department of Information Technology (“MDIT”) and the Department of Treasury.

Upon execution of this contract, all state agencies that currently have licenses will be allowed the option of reassigning their licenses to the State of Michigan. Upon doing so, MDIT will manage and provide payment for all new licenses and ongoing maintenance. Those agencies that are current users are listed as follows:

Department of Consumer Industry	10 licenses
Department of Transportation	30 licenses
Michigan Gaming Control Board	20 licenses
Office of the Auditor General	150 licenses

PwC agrees to allow twenty (20) TeamMate Champions for all licensed users. Of those twenty (20), ten (10) will be allowed to attend the periodic TeamMate User Forum that is offered.. All twenty (20) Champions will have access to the PriceWaterhouseCoopers TeamMate website for technical support and will also receive any software updates.

**1.002 BACKGROUND**

The objectives of this Contract are to dedicate the Michigan Department of Information Technology (MDIT), using PricewaterhouseCoopers (PwC) TeamMate, to design and implement Standardized Audit Schedules (SAS). SAS provides tools for the auditors to support calculations for audit adjustments in case files. According to a recent finding by the Office of the Auditor General (OAG), work papers for 42% of Single Business Tax (SBT) audits tested and 30% of Sales, Use and withholding (SUW) audits tested did not contain supporting detail for calculating the audit adjustments. Based on these findings, the OAG concluded that the Audit Division did not ensure that its audit work papers contained complete documentation of audit procedures and findings. PwC will provide a working tool to standardize audit schedules and a management tool to ensure compliance with the completion of such schedules.

**1.1 Scope of Work and Deliverables**

**1.101 IN SCOPE**

PwC will provide software for 501 users for the State of Michigan. An unlimited long-term license agreement for the life of this Contract with extension option periods available to the State in accordance with the provisions, terms and conditions specified herein.

The State of Michigan, through the Michigan Department of Information Technology, will have control over, statutory oversight control, or manage the other State Agencies to be included in this license. Current TeamMate licenses with certain Michigan state agencies will be transferred to the State of Michigan once the aforementioned control has been established and all associated paperwork has been executed. All licensing information, modifications and support will be controlled by the designated TeamMate Champions for the State of Michigan, who will be responsible for accounting for and controlling the number of licenses and enforcing the terms of this agreement. Additional licenses will be based upon defined user bands in the standard price list.



To identify the appropriate affiliates, a listing of State of Michigan agencies, who will be using any of the licenses purchased herein should be provided. Subsequent requests to license additional users will be submitted using the PwC Amendment Form (Attachment B).

## Operational Efficiencies

In addition to the compliance issues raised by the OAG, Standardized Audit Schedules (SAS) and appropriate cross-referencing of work papers will improve the efficiency of audit processing and review by generating the following operational improvements.

- 1) Less auditor time dedicated to the preparation and cross-referencing of audit schedules. SAS will allow more time for auditors to test and validate taxpayer data, rather than expending unnecessary time preparing schedules from scratch, cutting and pasting data into schedules, etc.

TeamMate Electronic Work Papers (EWP) allows for auditors to easily and quickly test and validate audit data through an easy to use software interface. Additionally, all information is automatically cross-referenced eliminating the need to manually cross reference. TeamMate has extensive cross-referencing / hypertext capabilities, which enables you to click a reference link indicator and automatically navigate from one file location to another. The cross-referencing features include:

- Point-to-schedule or point-to-point referencing
  - One-way (point-to-schedule)
  - Two-way (point-to-point)
  - Point-to-bookmark (one-way)
- Automatic TeamMate info referencing
  - Procedure step to workpaper or exception
  - Project workpaper to exception
  - Coaching note to workpaper or procedure

- 2) Less auditor time dedicated to explaining audit findings to taxpayers. SAS will display the audit findings in a uniform format with standard cross-referencing, capable of comprehension by taxpayers and their representatives.

TeamMate software is a flexible software tool that allows for uniform formatting of audit work documentation, standard cross-referencing, exception reporting, tick mark utilization, and report issuance. Information can easily be displayed via uniformed formatted audit reports. In addition, all audit work is automatically cross-referenced ensuring uniformity for viewing and reporting. This functionality allows for easy understanding of the audit file information by the audit staff or non-audit staff individuals.

- 3) Fewer supervisor and manager hours dedicated to audit review. Supervisors and managers will be enabled to quickly and directly reference the schedules and supporting calculations necessary to review the overall integrity of the audit. This will allow supervisors and managers more time to devote to administrative responsibilities, e.g. developing and coaching auditors, intervening with taxpayers on difficult audit issues and researching tax issues to support the auditor's position.

TeamMate software provides any user a quick and easy format to review all audit work, thereby reducing the time required to complete a review compared to the traditional paper-base audit work format. TeamMate allows review and sign-off functionality for audit procedures, workpapers, and exceptions. The software provides simple approaches that can be used to review any TeamMate project file. To assist users with finding items that are "ready for review", TeamMate includes a state column and color indication codes for quick visual reference. In addition, the Snap Shot viewer provides a quick and easy way for users to navigate to any audit step, work paper, exception, or



note. The various “viewer screens” allows users to view audit procedure steps, exceptions, notes, schedule status, or procedure status in one screen view

- 4) Taxpayer communication will be improved. Taxpayers and their representatives will appreciate the SAS because the schedules are more customer- friendly. SAS will save them time reviewing the determination because the audit findings will be clearly identified and easy-to-follow. The Michigan Department of Treasury will gain the added benefit of a more knowledgeable and satisfied taxpayer at the conclusion of the audit and the portrayal of a very efficient and effective audit process.

TeamMate software can easily be configured, so that the client can structure and format the audit file to ensure how information is to be viewed, work recorded, and issues reported by users. This provides a user-friendly format to complete, view, and report all audit work. In addition, the client can add taxpayers to any file as “read only users” to assist them in better understanding any audit conclusions.

- 5) SAS provide a mechanism for the study and evaluation of relevant internal controls for the accrual and reporting of tax liability. The OAG determined that 97% of audits in the Division did not contain documentation of the auditor’s evaluation of the taxpayers’ internal controls. The Yellow Book goes on to prescribe that auditors should obtain a sufficient understanding of internal control to plan the audit and determine the nature, timing and extent of tests to be performed.

TeamMate software allows for the set-up of a specific area within the audit procedure step for auditors to document their evaluation of taxpayer internal controls. This can be accomplished via the set-up of standard library templates that an auditor would use to complete their work. A library can be established to include any mandatory Yellow Book step that the client wants to ensure is performed for all assigned projects.

- 6) Other employees within the Department, such as tax processors, hearing referees, executive management, and attorneys, will be able to review the audit findings in a more efficient manner. The root cause of audit deficiencies will be clearly articulated and supported in SAS. Currently, a detailed review of the audit case file is required to gain an understanding of the auditor’s significant conclusions and judgments.

When an auditor documents a significant conclusion or judgment, TeamMate software will provide specific functionality to record the root cause of an audit deficiency. As a result, all auditors will utilize TeamMate’s advance exception reporting feature to articulate their noted deficiency. Once deficiencies are recorded in a TeamMate project file, additional department employees will have a simple and standard way to review such issues. In addition, any user can click on the “exception viewer/finder” feature and see a listing of all the findings and then can further click to determine the root cause of the finding.

According to the standards prescribed by the Yellow Book, working papers should contain sufficient information to enable an experienced auditor having no previous connection with the audit to ascertain from them the evidence that supports the auditors’ significant conclusions and judgments. This is the highest standard for working papers in the profession due to the potentially wider audience for governmental audits.

PwC will provide licensure, training, maintenance and user support, and product upgrade/enhancements for 250 users. Enhancements are to be offered to the State at point of availability, with the option, at the State’s discretion, of moving forward with upgrade installation, or declining the upgrade. PwC will provide a data dictionary to allow the user community to effectively utilize utilities. A current website user’s guide must exist with sufficient detail available to allow for effective utilization and/or problem solving. PwC will provide super



user/champion training for thirty representatives, and each representative shall receive an invitation to attend any and all User Forums hosted by PwC. PwC will provide ongoing support as required to the super user/champions designated by the Administrator of the Audit Division. Each of the 250 product licenses will include unlimited contractor support for product upgrades and new installs only.

The purchase of licenses will include perpetual use licenses, upgrades, reasonable telephone and electronic support, access to the TeamMate user community website, classroom user training, and ability to send up to ten delegates (Champions) to the TeamMate User Forum. The TeamMate Support Desk will provide centralized support to the designated six or seven TeamMate Champions. All users will have access to the TeamMate User Community web site, which contains user information and resources. In addition, electronic copies of the TeamMate User Manuals will be provided to users as well as the ability to utilize the "Help Menu" in the software itself.

## **TASKS: Roles and Responsibilities**

- PwC will provide Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below within 90 days of contract approval:
- PwC will structure and or adapt the service to assist Department of Information Technology with the integration and implementation of all Department of Treasury audit programs, procedures and automated work papers into the software. PwC will ensure that this software and all workable user requirements function properly and meet the Departments required standards. The Department of Treasury will be entitled to test the application during the Acceptance Period, to ensure that the application performs substantially in accordance with the requirements set forth in this Contract
- PwC will provide necessary pre-implementation meeting(s) with client to assist in the guidance, integration, and implementation of your audit programs, procedures, and work papers into the TeamMate software. The client will be able to perform any form of testing during the process to ensure audit data is properly structured.
- TeamMate will provide real-time audit status reporting and case file visibility at the work paper level when requested by manager- users.
- TeamMate will appropriately cross-reference cells within a work paper to cells from another work paper. TeamMate will appropriately cross-reference standardized work papers to audit procedures.
- TeamMate will provide review protocols at the Senior Auditor, Supervisor, Manager and Administrator levels, with mechanisms for review notes to be created in the case file and mechanisms for answering review notes in the case file.
- TeamMate will provide for a consolidation of all Determination Notes to a centralized Audit Findings report.

TeamMate meets the noted requirements, as follows:

- TeamMate will provide various formats to obtain the many aspects of real-time audit status reporting. Overall project status can be obtained via software queries and/or reports. Utilization of the Snap Shot Viewer can provide quick and easy status details for audit procedures, exceptions, work papers, and review notes for any given audit project file.
- Full cross-reference functionality can be used at anytime in an audit project file. Refer to section 1.101, 1) above for a summary of the various methods for cross-referencing.
- TeamMate allows project roles to be established which determines what the team member can and cannot do within the project file. Each team member can be assigned one of five different roles: Read Only, Preparer, Reviewer only, Preparer/Reviewer, and Administrator.
- During the course of an audit, users are able to document review questions (i.e. review notes) or general comments utilizing the "Coaching Note" functionality within the software. Notes are easily created using a "coaching note" icon and can be directed from one user to another or to oneself. Any notes will remain in an open status until they are cleared by the appreciate user.



- TeamMate will provide a simple way to generate any reports required. At any time a report can be created in MS Word of selected TeamMate information. Such reports include:
  - Coaching Note Report (Standard or Table) – all or
  - Selected Coaching Notes
  - Exception Report (Standard or Table) – all or selected
  - Exception Write-ups
  - Procedure Report (Standard or Table) – all or selected Procedures
  - Procedure Summary Report – if utilized, the contents of the Summary and Overview icebergs at the bottom left of each Procedure Summary
  - Profile Report – information contained in the project profile.

TeamMate also allows you to customize the reports – refer to the TeamMate Report Customization Guide.

- TeamMate will provide for procedure sign-offs to prevent the submission of case files to a supervisor, manager or administrator if auditors do not complete standardized procedures, including answering review notes.
- TeamMate will be designed to provide for the documentation of auditor completed tests and auditor-documented determinations for all audit procedures. In additions, each audit procedure must provide references to standard testing requirements and tax technical references for the auditor's use in documenting the testing and documenting his or her conclusions. Completeness will also include populating standardized work papers with refresh function capabilities to support auditor conclusions. Required work papers will be cross-referenced to audit procedures for the auditor's use in completing standardized work papers.

TeamMate meets the noted requirements, as follows:

- TeamMate employs the use of both a “preparer” and “reviewer” sign-off for standardized audit procedures and coaching notes (or review notes). Audit work cannot be finalized unless such sign-offs are completed. This will ensure completeness of all audit procedures steps and standardized work papers.
- Configuring of the Procedure Step screen will allow for each audit procedure to be referenced to specific standard testing requirements and/or tax technical references.
- Required work papers will automatically be cross-referenced to the audit procedure thereby ensuring completed work papers are properly referenced.
- Audit assignment steps can automatically be populated with standard workpapers to ensure the format of audit work is uniform and is easily referenced.

All assignments can utilize the “project stages” to ensure all project work has been completed and reviewed. TeamMate provides five various stages that a project can be set at. The final stage known as “Complete/Finalize” is the phase that allows for the project file information to be scanned for completeness

PwC will provide classroom training courses for a minimum of nineteen (19) one and one-half (1 ½ ) – day introductory training courses with a proper teaching ratio of instructors to attendee's. A maximum number of seventeen (17) participants may attend each training course. All Training courses will be held at our facilities in New York, Dallas, Chicago, Cleveland and Los Angeles. In addition, PwC will provide in-state training as follows; 2 Grand Rapids, 4 Metro Detroit Area and 2 in Lansing with 4 additional session for overflow and makeup courses.

### **1.102 OUT OF SCOPE**

Any products or services not identified within this solicitation and/or the resulting Contract, shall be considered, “out of scope.”



**1.103 TECHNICAL ENVIRONMENT**

TeamMate will be compatible and operate at a minimum with Microsoft Office 97 components and higher, and the PC component must be capable of processing at a minimum on Windows NT, 98, 2000, XP, and higher. Must support Microsoft Excel 2000 or above, to complete the integration step for all required work papers.

The use of the TeamMate Suite software does meet the noted Windows and Microsoft software requirements stated above. Please refer to the enclosed TeamMate Suite IT Overview document (Exhibit B) for a complete explanation of system requirements. A summary of requirements is as follows:

Client Hardware Requirements

Applications installed on the client include: TeamMate, TeamRisk, TeamSchedule and TeamStore. Each application can be installed and used independently of one another.

Standard business class notebook or desktop computers are sufficient to run all the applications within the suite. For those requiring specifics the following is provided.

Processor Speed:	800 hz Pentium or higher
Memory:	256 Mb Ram (applications require 64 Mb ram)
Hard drive:	20 Gb or greater (applications installed required 200 Mb)
Software	<ul style="list-style-type: none"> <li>• Windows 98 (highly recommend Windows 2000 or higher)</li> <li>• MS Office 97 or higher (required for TeamMate integration with MS Office)</li> <li>• IE 6 and higher (to access TeamCentral)</li> <li>• MDAC 2.6 or higher (will be installed by suite installation if it has not already been installed)</li> <li>• .NET Framework version 1.1 (required only for TeamRisk, will not be installed by application)</li> </ul>
Other Considerations	An application server (Citrix or MS Terminal Server) is recommend if auditors will be accessing audits over slow WAN or dial-up environments

File Server Requirements

A file server will be required if TeamMate users will need to share TeamMate project files. TeamMate project files are BDE (Paradox) tables.

Use of a file server will also be required if TeamStore, TeamRisk or TeamSchedule users plan to share their files (MS Access) with other users instead of using a central database server as described below.

This does not need to be a dedicated server.

Processor Speed:	2.0 GHz or greater
Number of processors:	1 or greater
Memory:	256 Mb Ram (applications require 64 Mb ram)



Hard drive:	<p>20 Gb or greater</p> <ul style="list-style-type: none"> <li>• TeamMate projects are typically 5-10 Mb per project. You must multiply that by the number of projects the audit department intends on performing throughout the year for an estimate of the size requirements.</li> <li>• The MS Access files created by TeamStore, TeamRisk and TeamSchedule will typically be less than 5 Mb in size. It is not anticipated that many of these files would be created.</li> <li>• We find that 20 Gb of disk space is more than sufficient.</li> </ul>
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All server software involved will operate on Microsoft Windows operating system 2000 or higher. Also must accept .tif, .pdf and other image files as support documents.

#### **1.104 WORK AND DELIVERABLE**

PwC will provide Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

### **1.2 Roles and Responsibilities**

#### **1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

PwC will be responsible for product delivery, including upgrades and maintenance. Vendor testing of contractor code and code changes will be provided and approved by the Department of Information Technology prior to user acceptance testing by State personnel.

PwC will deliver the most current version of product via CD media. Future upgrades will also be delivered via CD media once they are available. In addition, client is notified in advance when a new upgrade release will be available. Upgrade releases are made available only after extensive internal PwC testing of program coding.

#### **1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**

The PwC will work with the six (6) or seven (7) "official" designated TeamMate Champions that the State Audit Administrators designates to be champions for the product, which can be designated by geographic location at your discretion. PwC will work with the champion team to ensure an understanding of end-user support. Licensee's expanded internal champion team could work closely with the "official" TeamMate Champions to serve as the expanded internal knowledge base.

#### **1.203 OTHER ROLES AND RESPONSIBILITIES**

State personnel will be responsible for defining standardized audit procedures, developing standardized work papers in Microsoft products and mapping the work papers to the audit procedures. State personnel will be responsible for defining scope of work required for all audit procedures. State personnel will also be responsible for defining tax technical resources for all audit procedures. These responsibilities will be assigned to audit personnel by the Audit Administrator.

### **1.3 Project Plan**

#### **1.301 PROJECT PLAN MANAGEMENT**



Within five business days of Contract award, PwC shall submit a project work plan to the designated Contract Compliance Inspector for acceptance by the State.

PwC will work with the State Audit Administrator to establish a project work plan within five (5) business days of a contract award and submit to the designated Contract Compliance Inspector.

### **1.302 REPORTS**

Progress reports of all work will be provided to the Department of Information Technology and the Audit Administrator at thirty-day (30) intervals until the project is closed

PwC will submit progress status reports to the State Audit Administrator and Department of Information Technology. In addition, PwC will take steps to provide regular status updates as needed.

## **1.4 Project Management**

### **1.401 ISSUE MANAGEMENT**

See Risk Management as listed below, and provide an appropriate escalation process, including contact information.

### **1.402 RISK MANAGEMENT**

PwC shall provide implementation assistance at no additional charge to the State. This implementation assistance includes conversion of old files and resolving any matching issues. Failure to deliver work and deliverables within 90 days will result in liquidated damages and/or credit on SOM invoices.

PwC will provide meetings for pre-implementation assistance included with the purchase of the software. While PwC can provide specific guidance for conversion of old files, it will be the client's responsibility to perform the actual conversions.

Beyond implementation Issues will be addressed as follows:

All trouble calls will receive an initial contact response within 24 hours or less, according to the problem severity (see below).

Critical system failures are defined as: failures, or program bugs, which affect multiple users, shut down even a single user, and/or corrupt an entire audit file without regaining lost data. Critical system failures will be escalated as follows: PwC will make initial contact with reporting user within 1 hour. Critical system failures are to be resolved within 24 hours of initial trouble report or supply Department Information Technology (DIT) with a work around in that period of time. Failure to resolve a critical system failure within required time frames, will result in liquidated damages and/or credit on SOM invoices.

Moderate system failures are defined as those issues or program bugs, which interfere with the processing and completion of system designed functions, such as web interface issues. Inability to move an audit to the web will be considered a moderate system failure. Moderate system failures will be escalated as follows: PwC will make initial contact with reporting user within 24 hours. Moderate system failures are to be resolved within 48 hours of initial trouble report. Failure to resolve moderate system failures within 48 hours will result in the failure being moved to the critical list, and the associated escalation process shall apply. Failure to resolve a critical system failure within required time frames, will result in liquidated damages and/or credit on SOM invoices.

Low Priority system failures are defined as those issues or program bugs, which cause unexpected processing delays, but do not actually prevent completion of necessary functions, such as individual audit corruption, with the ability to regain lost data expeditiously. Low priority system failures will be escalated as follows: PwC will make initial contact with reporting user within 48 hours. Low Priority system failures



are to be resolved within 5 business days of initial trouble report. Failure to resolve within 5 business days, will cause escalation to the Moderate system failure process, and then finally the Critical if still unresolved. Failure to resolve a critical system failure within required time frames, will result in liquidated damages and/or credit on SOM invoices.

The PwC will provide the client with technical support assistance for noted issues via a toll-free telephone number and/or email. PwC does not provide service level agreements or related target time service guarantees. However, our large user base remains very satisfied with our response time. TeamMate's #1 satisfaction rating in Internal Auditor magazine independently supports this.

Phone: 1-800-223-0535

Email: [teammate.support@us.pwc.com](mailto:teammate.support@us.pwc.com)

### 1.403 CHANGE MANAGEMENT

If a proposed contract change is approved by the Contract Compliance Inspector, the Contract Compliance Inspector will submit a request for change to the Department of Management and Budget, Acquisition Services Buyer, who will make recommendations to the Director of Acquisition Services regarding ultimate approval/disapproval of change request. If the DMB Acquisition Services Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Acquisition Services Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Vendors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Acquisition Services, risk non-payment for the out-of-scope/pricing products and/or services.**

Global Policy requires that subsequent requests to license additional users, reduce users or have additional training classes will be submitted using the PwC Amendment Form .

## 1.5 Acceptance

### 1.501 CRITERIA

RESERVED

### 1.502 FINAL ACCEPTANCE

Final acceptance is achieved when the supplied product functions according to the requirements, and the agency approves the initial invoice.

**PwC response:** The TeamMate license agreement is effective upon the execution of the PricewaterhouseCoopers TeamMate Amendment. (Attachment B). Payment and terms are specified therein.



**1.6 Compensation and Payment**

Pricing is based on all prior Michigan licenses being transferred to the one State of Michigan license. Should that not occur, this section must be amended.

Service Category	Qty.	Unit Cost	Annual Cost
Software licenses	291	\$409 <sup>*1</sup>	\$ 122,660 <sup>*1</sup>
Onsite Training (license fee includes one (1) training class)	18 add'l classes	N/A	\$ 72,000 <sup>*2</sup>
Software Maintenance & Support years 1- 4 for 501 users, commencing September 2006	N/A	N/A	\$ 292,300 <sup>*3</sup>

- \*1 The price quoted above was calculated using the standard published price list. Our pricing model allows for licensing based upon the prescribed user bands.
- \*2 One - One and one-half day training class is included with the additional 291 users, pursuant to our standard price list. Additional training classes can be provided at \$4,000 per class. The annual cost column includes the training fee for the 19 training courses, with credit given for the one included class. Please note: if some of the classes are provided consecutively in the same location, we can provide those classes at a discounted rate of \$3,500 per class (to compensate for the reduced travel expenses).
- \*3 The Initial License Fee includes 24 months of Maintenance and Support. At the beginning of year 3 and onward, unless notice of cancellation is received, annual maintenance charges are invoiced at the rate of 20% of the then-current initial license fee for the applicable user band. The pricing quoted above was calculated using the standard price list which is applicable for licenses executed after June 1, 2005. These calculations assume a 5% annual increase in license fees.

**1.7 Additional Terms and Conditions Specific to this SOW**

RESERVED

**Article 2 – General Terms and Conditions**

**2.0 Introduction**

**2.001 GENERAL PURPOSE**

This Contract is for the State of Michigan. Orders will be issued directly to the PwC Product Sales LLC (“PwC”) by the Department of Information Technology on the Purchase Order Contract Release Form.

The Global License Agreement, Terms and Conditions and the PricewaterhouseCoopers TeamMate TeamMate Rider to the Global License Agreement are incorporated by reference into this contract. The PricewaterhouseCoopers TeamMate Global License Agreement sets forth the terms of ownership and title related to the contract. As such PwC Product Sales LLC shall retain sole ownership and title to the software.

**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 [State of Michigan via the Michigan Department of Information Technology](#), hereafter known as MDIT. Where actions are a combination of those of Acquisition Services and the State agencies, the authority will be known as the State.

Acquisition Services and the Department of Information Technology are 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  
[Jacque Kuch](#)  
2nd Floor, Mason Building  
P.O. Box 30026  
Lansing, Michigan 48909  
[\(517\) 241-0239](tel:(517)241-0239)  
[kuchj@michigan.gov](mailto:kuchj@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 initial term of this Contract will be for two (2) years and will commence with the issuance of a Contract. This will be approximately [9/15/2005](#) through [09/14/07](#).

**Option.** The State reserves the right to exercise 3, one-year options, 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.

**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, of the State's intent to extend, will be provided to the Contractor before the contract expires. Successful completion of negotiations surrounding the terms of the extension will be a pre-requisite for the exercise of any option year.

The initial license fee includes a perpetual-use license to the software as well as the first 24 months of product upgrades and toll-free telephone support (available from 8:30AM to 6:00 PM ET). Also included in the initial fee are a number of training classes, depending on the level of users (as outlined in the published price list). The term of the license begins upon product shipment.

At the beginning of year 3 and onward, unless notice of cancellation is received, annual maintenance charges are invoiced at the rate of 20% of the then-current initial license fee for the applicable tier. Maintenance entitles a user to continued access to product upgrades and support

## **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, vendor 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 (CWHSA) 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.

**PwC response:** PwC will comply with all applicable Federal, State or local law applicable to the provision of software to the State of Michigan. We take exception to the list provided in the ITB, as some of the statutes and regulations do not apply to software licenses.

## **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.

**PwC response:** Subsequent requests to license additional users will be submitted using the PwC Amendment form (Attachment B) and executed by the State of Michigan on behalf of its affiliates. PwC will be able to include the State's specific Purchase Order Numbers on its invoices.

## 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.

### 2.102 NOTIFICATION OF OWNERSHIP RESERVED

### 2.103 SOFTWARE COMPLIANCE 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>.

**PwC response:** PwC will work with the client to ensure the TeamMate software and its technology architecture works within the State of Michigan's technological environment. The TeamMate software is delivered to the client on a CD, which is used to install all modules of the software in the licensee's technology environment. TeamMate is self-installing software utilizing an install wizard. Should the licensee experience any difficulties the vendor will work with the client to resolve any issue.



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.

**PwC response:** This is not applicable. However, PwC will comply with this section as it relates to our pre-implementation and training. Installation of TeamMate will not disrupt the client’s Project Management Methodology. PwC will work with client to ensure a successful project implementation is obtained. Michigan designated TeamMate Champions would directly manage this IT project with PwC providing the software, pre-implementation, training class and support.

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.

**PwC response:** Installing the TeamCentral web-based module is done via the installation CD. PwC will work with the Department of Information Technology to ensure web-based software module is properly installed utilizing the TeamCentral Installation Guide.

## 2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE) RESERVED

## 2.106 PREVAILING WAGE RESERVED

**2.107 PAYROLL AND BASIC RECORDS**  
RESERVED**2.108 COMPETITION IN SUB-CONTRACTING**  
RESERVED**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. Failure to disclose this information shall be a material breach of this agreement.

The TeamMate Support Desk in North America is currently located at our offices in Tampa, Florida. 1-800-223-0535 [teammate.support@us.pwc.com](mailto:teammate.support@us.pwc.com). Additional Support Desks in the U.K., South Africa and Australia.

**2.2 Contract Performance****2.201 TIME IS OF THE ESSENCE**  
RESERVED**2.202 CONTRACT PAYMENT SCHEDULE**

License Fees and Maintenance Fees are based upon the number of authorized users. Such fees are payable within 30 days of date of invoice receipt

**2.203 POSSIBLE PROGRESS PAYMENTS**  
RESERVED**2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS**  
RESERVED**2.205 ELECTRONIC PAYMENT AVAILABILITY**

Electronic transfer of funds is available to State contractors. PwC 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](http://www.cpexpress.state.mi.us).

**2.206 PERFORMANCE OF WORK BY CONTRACTOR**  
RESERVED**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 CONTRACTOR RESPONSIBILITIES**



The Contractor will be required to assume responsibility for all contractual activities, 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.

**2.303 ASSIGNMENT AND DELEGATION  
RESERVED**

**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.

**2.304 INDEMNIFICATION  
RESERVED**

**2.305 LIMITATION OF LIABILITY  
RESERVED**

**2.307 CONTRACT DISTRIBUTION**

The State of Michigan, as the licensee, enters into this contract on behalf of all state agencies over which the State has actual or statutory oversight control. The Michigan Department of Information Technology will administer the license for all the agencies on behalf of the State by managing the request for additional users and issuing interagency billings for license fees.

All licensing information, modifications and support will be controlled by the designated TeamMate Champions for the State of Michigan, who will be responsible for accounting for and controlling the number of licenses and enforcing the terms of this agreement.

Subsequent requests to license additional users will be submitted using the PwC Amendment form (Attachment B). Additional licenses will be based upon prescribed user band in the standard price list.

**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 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 RESERVED****2.312 RESERVED****2.313 SOFTWARE LICENSE  
RESERVED****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:

Reid Sisson  
Department of Information Technology  
Contract and Procurement Services  
Grand Tower 3<sup>rd</sup> floor  
Lansing, MI 48913  
(517) 241-1638

**2.402 RESERVED**

**2.403 RESERVED****2.5 Quality and Warranties****2.501 RESERVED****2.502 RESERVED****2.503 RESERVED****2.504 GENERAL WARRANTIES (goods)**  
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 high professional standards 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 its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best 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 does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.
9. The contract appendices, attachments, and exhibits identify all software services necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.
10. 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.
11. If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name),



then in addition to Contractor's other responsibilities with respect to such items 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.

12. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.
13. The Contractor is qualified and registered to transact business in all locations where required.
14. Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.
15. All financial statements, reports, and other 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 statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

## 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

### PwC response:

The following staff may be involved in the State of Michigan Implementation:  
Implementation and Training:

- Randy Cowell, Sales and Project Implementation Manager , 407-977-8761  
[randy.s.cowell@us.pwc.com](mailto:randy.s.cowell@us.pwc.com)
- Mike Gowell, Managing Director, TeamMate, 415-409-5445,  
[mike.gowell@us.pwc.com](mailto:mike.gowell@us.pwc.com)



- Holly Hargarten, Senior Training Specialist, 512-708-5486, [holly.a.hargarten@us.pwc.com](mailto:holly.a.hargarten@us.pwc.com)
- Jen Schattauer, Implementation Manager, 412-392-4934, [jen.schattauer@us.pwc.com](mailto:jen.schattauer@us.pwc.com)

Technical Support Desk:

- North America 1-800-223-0535 [teammate.support@us.pwc.com](mailto:teammate.support@us.pwc.com)

Licensing Contacts:

- Eileen Connolly, Manager, 631-753-2876 [eileen.p.connolly@us.pwc.com](mailto:eileen.p.connolly@us.pwc.com)
- Maria D'Alessandro, Senior Manager, 631-753 -2310 [maria.dalessandro@us.pwc.com](mailto:maria.dalessandro@us.pwc.com)
- Jaci Miller Osdoby, Director, 631-753-2338, [jaci.osdoby@us.pwc.com](mailto:jaci.osdoby@us.pwc.com)

**2.507 SOFTWARE WARRANTIES  
RESERVED**

**2.508 RESERVED**

**2.509 PHYSICAL MEDIA WARRANTY  
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 will be considered a material breach of this agreement giving the state authority to invoke any and all remedies available to it under this agreement.

**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 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 nature 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); 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.

2. If any of the above enumerated circumstances 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 within a reasonable period of time, 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.
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.

**2.702 RIGHTS UPON CANCELLATION  
RESERVED**

**2.703 RESERVED**

**2.704 INSURANCE**

**A. 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 coverage provided relative to this Contract/Purchase Order is PRIMARY 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. Companies that have been approved to do business in the State shall issue all policies of insurance required in this Contract.

See [www.michigan.gov/cis](http://www.michigan.gov/cis)

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 both parties sign the Contract 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. All Certificate(s) shall contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED 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**:

- 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 INSURED(S) on the Commercial General Liability certificate. The Contractor also agrees to provide evidence on the certificate that insurance policies contain a waiver of subrogation by the insurance company.

- 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 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 on the certificate 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 a self-insurer provides the applicable coverage, 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.
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, 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).
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, but only to the extent of liabilities assumed by Contractor as set forth in Indemnification Section of this Contract, 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.

**2.705 SUSPENSION OF WORK**  
RESERVED

**2.8 Changes, Modifications, and Amendments: No modifications of any type will be considered accepted, until a Contract Change Notice is issued by DMB Acquisition Services.**

**2.801 APPROVALS**  
RESERVED

**2.802 TIME EXTENTIONS**  
RESERVED

**2.803 MODIFICATION**  
RESERVED

**2.804 AUDIT AND RECORDS UPON MODIFICATION**  
RESERVED

**2.805 CHANGES**  
RESERVED

Attachment Listing:

- Attachment A – Global License Agreement, Terms and Conditions
- Attachment B – PwC Product Sales LLC Amendment
- Attachment C – Transfer Agreements



## ATTACHMENT A – GLOBAL LICENSE AGREEMENT

### Attachment A

### Global License Agreement Terms & Conditions

#### 1. License

*a) Subject to the terms and conditions contained herein, Licensor hereby grants to Licensee a perpetual nontransferable, nonexclusive, royalty-free license, without rights of sublicense (the "License"), to use the Software described in the rider (the "Rider") in object code only in accordance with these terms and conditions and the Rider (collectively, this "Agreement"). The term Software includes, but is not limited to, the programs comprising the software, the media on which the software is stored, the computer code related thereto, the designs, materials, documentation and information embodied therein, together with all updates, upgrades, modifications, additions and enhancements thereto that may be provided to Licensee by Licensor. b) Licensee acknowledges and understands that, as between the parties, Licensor is the sole owner of all rights, title and interest (including all intellectual property and proprietary rights) in and to the Software, including, without limitation, all copyright, patent, trade secret and trademark rights related thereto and Licensee shall have no rights, title or interest therein or thereto other than the limited license expressly set forth herein. Licensee understands that Licensor considers the Software to be a trade secret. Licensee may use the Software only for Licensee's own internal business purposes and for the processing of Licensee's own data only and not for any other purpose, including but not limited to any service bureau mode or for the benefit of third parties, except Licensee may use the Software to perform services on behalf of its affiliates. For the purposes of this Agreement affiliates are entities controlled or managed by Licensee. c) Undefined terms shall have the meaning set forth in the Rider. The Rider shall include the formal names of the Licensor and Licensee, a description of the Software, the governing law, the Effective Date, the License Fees, the number of Software users and other provisions the parties deem appropriate.*

#### 2. Ownership of Developed Materials

All materials developed by Licensor and/or Licensee that are related to or comprise the Software, including but not limited to, all software modifications, customizations, developments, specifications, updates and upgrades, derivative works, or other materials based on the Software (whether or not developed by or for the Licensee) (collectively "Materials"), shall be and remain the property of Licensor, and Licensee shall not obtain any rights or interests therein. Licensee hereby grants, assigns and conveys to Licensor all rights, title and interest in and to the Materials, including all copyrights, trademarks, service marks, patents and trade secrets therein or thereto.

#### 3. Delivery, Installation, Copies

**a)** On or about the effective date (the "Effective Date") set forth in the Rider, Licensor will deliver the Software to Licensee in the manner and in the quantity denoted in the Rider. Responsibility for the installation of the Software at such location and verification that the Software is operating in accordance with its specifications shall be the Licensee's responsibility. Licensor shall bear all risk of loss until delivery, and thereafter Licensee shall bear all risk of loss. **b)** Licensee may make a reasonable number of copies of the Software for internal backup and for installation purposes, provided that Licensee affixes to such copy the Licensor copyright notice(s) provided on the Software. Licensee shall not (and shall not allow any third party to) otherwise copy, or modify, decompile, disassemble or otherwise reverse-engineer the Software.

#### 4. Maintenance and Support

**a)** If Licensee purchases maintenance and support ("Maintenance"), Licensor agrees to provide updates, upgrades, corrections and enhancements covering common functional and performance issues, as Licensor deems appropriate and any additional support services, if any, as denoted in the Rider. **b)** Any other services by Licensor shall be provided only under a separate written agreement executed by Licensee and Licensor. **c)** Licensee agrees to install all corrections, enhancements, updates and upgrades within a reasonable time after receipt thereof.

Licensee acknowledges and agrees that only the current version of the Software and the immediately prior release will be supported by Licensor. **d)** Upon one year's written notice to Licensee, Licensor reserves the right to discontinue providing Maintenance. Licensor will refund to Licensee a prorated portion of the current period's pre-paid Maintenance Fee.

#### 5. Number of Software Users

Licensee affirms that the number of users set forth on the Rider is Licensee's good faith estimate of the number of Software users as of the Effective Date of this Agreement. Licensee agrees that it will internally verify the number of users quarterly and annually report the number of users in writing, at Licensor's request. If the number of users exceeds the number set forth in the Rider, Licensee shall promptly so advise Licensor, the parties will be deemed to have amended the Rider to reflect the additional users, and Licensee shall promptly remit to Licensor any increased License Fees and Maintenance Fees due to Licensor by virtue of such additional users. Such fees shall be payable as of the date such additional users began using the Software. Licensee shall maintain complete and accurate records supporting the basis of its reported user counts. If requested by Licensor, Licensee shall provide Licensor with such records for independent verification.

#### 6. License Fee; Maintenance Fee and Taxes

**a)** After the initial license period, Licensee agrees to pay to Licensor the Maintenance fee (the "Maintenance Fee"). Fees for Maintenance renewal will be invoiced at the beginning of the calendar quarter during which the Effective Date occurs. All Maintenance Fees are due within 30 days of receipt of invoice. The Maintenance Fee is subject to change by Licensor without notice to Licensee. **b)** There shall be added to the charges under this Agreement, and Licensee agrees to pay to Licensor, any taxes, levies and duties, however designated or levied, domestic or foreign, based upon such charges, this Agreement, the Software (or media on which the Software is embodied), or its use, including without limitation local sales, privilege or excise taxes.

#### 7. Limited Warranty and Exclusive Remedy

**a)** Licensor warrants that it has the right to grant the license to use the Software as set forth in this Agreement; and, that the Software will perform substantially as described in the user documentation, as modified from time to time, for 90 days from the delivery date. As the sole remedy for breach of this warranty, Licensor shall correct or otherwise provide a work around or remedy, at no charge to Licensee, for breaches of this warranty which are reported to Licensor within the 90 day warranty period; or, at Licensor's option, Licensor may terminate this Agreement and refund the fees paid by Licensee. This warranty does not apply to and Licensor shall have no responsibility for Licensee operator errors, Licensee hardware or operating system failures, problems due to changes in the Software made by any party other than Licensor; failure to use the Software in accordance with this Agreement and the documentation, use of the Software on equipment/operating system software environment other than as set forth in the technical documentation. **b) EXCEPT FOR THE EXPRESS WARRANTIES STATED IN SUBSECTION (a) OF THIS SECTION, LICENSOR AND ITS SUPPLIERS MAKE NO WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, OR ARISING OR IMPLIED BY CUSTOM, USAGE, OR COURSE OF PERFORMANCE, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** The provisions of this Section 7 shall survive termination of this Agreement for any reason.

#### 8. Limitation of Liability

Licensor, its suppliers' and its affiliates' entire and collective liability arising out of or related to this Agreement, including without limitation on account of performance or nonperformance of obligations under this Agreement, regardless of the form of the cause of action, whether in contract, tort (including without limitation negligence), statute or otherwise, shall in no event exceed the amounts paid to Licensor under this Agreement in the 12-month period preceding the

**Contract No. 071B6200025**



accrual of the cause of action. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, IN NO EVENT SHALL LICENSOR, ITS SUPPLIERS OR ITS AFFILIATES BE LIABLE FOR ANY AMOUNTS FOR (i) INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OF ANY NATURE WHATSOEVER, OR FOR ANY



DAMAGES ARISING OUT OF OR IN CONNECTION WITH ANY ERRORS, DEFICIENCIES, MALFUNCTIONS, DELAYS, LOSS OF DATA, LOSS OF PROFIT, INTERRUPTION OF SERVICE OR LOSS OF BUSINESS OR ANTICIPATORY PROFITS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OCCURRING, OR (ii) ANY CLAIM BY ANY THIRD PARTY OTHER THAN A CLAIM SUBJECT TO SECTION 9 OF THIS AGREEMENT. The limitations of liability under this Paragraph will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to make it enforceable under applicable law. The provisions of this Section 8 shall survive termination of this Agreement for any reason.

**9. Infringement Indemnity**

a) Licensor agrees to indemnify, defend and hold harmless Licensee from and against any and all amounts payable under any judgment, verdict, court order or settlement to the extent resulting from any unaffiliated third party allegation that the Software infringes such party's patent, copyright, trademark or trade secret rights in the jurisdiction in which the Software is being licensed. Should Licensee's use of the Software be determined to have infringed, or if, in Licensor's judgment, such use is likely to infringe, Licensor may, at its option: (i) procure for Licensee the right to continue using the Software; or (ii) replace or modify it to make its use non-infringing while not materially changing its functionality. If neither of the above are available on a basis that Licensor finds commercially reasonable, then, Licensor may terminate this Agreement, Licensee shall return the Software to Licensor and Licensor will refund to Licensee the unamortized portion of the License Fee paid hereunder, based on a five-year estimated life. b) This infringement indemnity does not cover claims arising from: (A) the combination of the Software with products or services not provided by Licensor; (B) the modification of the Software by any person, other than Licensor; (C) modifications to the Software complying with or based upon designs, specifications or other information provided by or at the direction of Licensee; (D) use of any portion of the Software in a manner not permitted or contemplated by this Agreement. c) The indemnity in this Section 9 is contingent upon: (1) Licensee promptly notifying Licensor in writing of any claim which may give rise to a claim for indemnification; (2) Licensor being allowed to control the defense and settlement of such claim; and (3) Licensee cooperating with all reasonable requests of Licensor (at Licensor's expense) in defending or settling a claim. Licensee shall have the right, at its option and expense, to participate in the defense of any suit or proceeding through a counsel of its own choosing. The indemnification provisions of this Section 9 shall survive the termination of this Agreement for any reason.

**10. Term and Termination**

a) This Agreement shall commence on the Effective Date and shall remain in force until terminated as set forth in this Section. b) The provision of Maintenance under this Agreement as described in section 4.a) will begin as set forth on the Rider, and will continue thereafter for at least the initial period as set forth in the Rider. Licensee may terminate Maintenance at the end of such initial period by providing Licensor with written notice at least 90 days prior to the anniversary of the Effective Date. Either party may terminate Maintenance at any time upon 30 days prior written notice if the other party materially fails to comply with any of the terms and conditions of this Agreement and such failure is not cured by the end of such 30-day period. c) Upon termination of this Agreement for cause, Licensee shall immediately cease using the Software, return all Software and all copies thereof, in whatever form, to Licensor, return to Licensor all Confidential Information in tangible

form, destroy or erase any computer entries, database entries and any other recordation of Licensor Confidential Information. Each party, upon termination of this Agreement or otherwise upon demand, at the other party's option, shall either return to the other party or destroy and certify in writing to the other party the destruction of any and all documents, papers and materials and notes thereon in each party's possession, including copies or reproductions thereof, to the extent they contain Confidential Information.

**11. Confidential Information**

a) Licensor agrees that all data and other information identified as confidential by Licensee, are confidential information of Licensee. Licensee agrees that the Software and Materials are confidential information of Licensor. Licensee and Licensor confidential information are hereafter collectively referred to as "Confidential Information." The parties agree to use the same care and discretion to protect the Confidential Information of the other as it employs with similar information of its own (but in no event less than reasonable care). b) Each party may only disclose Confidential Information of the other to its employees who have a need to know it, provided that, prior to such disclosure, the disclosing party requires that each such employee understands and agrees to the restrictions on use and disclosure of Confidential Information set forth in this Agreement. Neither party may disclose, copy, sell, assign, lease, rent or otherwise transfer Confidential Information to others without the prior written consent of the owner. c) Each party agrees that any actual or threatened use or disclosure of Confidential Information by the other in a manner inconsistent with this Agreement may cause the owner irreparable damage for which remedies other than injunctive relief might be inadequate, and the disclosing party agrees that the owner may seek injunctive or other equitable relief restraining such prohibited use or disclosure. d) This Section 11 shall survive any termination of this Agreement.

**12. Miscellaneous Provisions**

a) Licensee agrees not to transfer the Software to any country to which such transfer would be prohibited by any applicable export control law. b) Neither party may, nor shall have the power to, assign or transfer this Agreement or any rights or obligations hereunder, without the prior written consent of the other party, except that each party may, without consent, assign or transfer this Agreement or its rights or obligations hereunder to a successor to its business to which this Agreement relates, provided: a reasonable person in the business of Licensee would not deem such successor to be a competitor of Licensor; and, that notice is given to Licensor of any such assignment. c) This Agreement will be governed by and construed in accordance with the laws of the legal jurisdiction denoted in the Rider, without giving effect to the conflicts of law provisions thereof. d) Any action for breach of this Agreement or any other action otherwise arising out of this Agreement must be commenced within one year from the date the right, claim, demand or cause of action first arose. e) No third party is intended to be, and no third party shall be, a third party beneficiary of this Agreement or any provision hereof. f) These terms and conditions and the Rider constitute the entire agreement between the parties. In the event of a conflict between these terms and conditions and the Rider, the Rider shall govern and control. All prior agreements, understandings and proposals, oral or written, between the parties relating to this subject are superseded by this Agreement. Notwithstanding any acknowledgment of a purchase order by Licensor, any provision or condition in any purchase order or other document which is in any way inconsistent with, or adds to, the provisions of this Agreement is null and void. This Agreement may only be modified or amended by a writing signed by both parties.





*Attachment B*

**PwC Product Sales LLC  
AMENDMENT**

This is an Amendment (the "Amendment") to the license effective September 23, 1997 (the "1997 Agreement"). TeamMate is licensed under the Global License Agreement, Terms and Conditions (the "GLA"), which are incorporated herein by reference, located at [www.pwc.com/tmgla](http://www.pwc.com/tmgla), and attached herein. In the event of a conflict or inconsistency between any terms or conditions of the GLA or this Amendment and those of the 1997 Agreement, the terms and conditions of the GLA and this Amendment shall control and govern.

Licensee: State of Michigan

Date of this Amendment: September 15, 2005

Schedule of TeamMate Users and/or Additional Training Classes

Description (select New Tier; Reduction; or Additional Training Classes)	Tier No. (use for additional user tiers only)	Effective Date	Initial Renewal Date	Number of Users	License Fee	Additional Training Classes / Date of Class DD/MM/YY	Additional Training Fees
Transfer	1	9/15/05	9/15/07	210	N/A	N/A	N/A
New Tier	2	9/15/05	9/15/07	291	\$122,660	1-TBD	N/A
Additional Training Clas	N/A	N/A	N/A	N/A	N/A	18-TBD	\$72,000
N/A	N/A						
<b>Total Users – All Tiers:</b>				501			

The following sections of the Global License Agreement, Terms and Conditions are hereby amended: (1) to add to the end of Section 12.g): "Licensor shall not advertise or otherwise publicize the existence of the terms of this agreement or use the name or any trade name or trade mark belonging to Licensee in a press release or in any form of advertising without Licensee's prior written consent." (2) to add section 12.h): "If Licensor generally ceases to provide maintenance and support services to its Licensees, Licensee and Licensor will negotiate mutually agreeable terms under which Licensor will provide to Licensee the PricewaterhouseCoopers TeamMate software source code." (3) Licensee agrees to provide each Affiliate with a copy of the Global License Agreement, Terms and Conditions and ensure their compliance therewith. All such licenses shall be coordinated by the TeamMate licensing Champion at the State of Michigan. (4) Add to add the following to the beginning of Section 8: "Except as provided in Section 9. " (5) Renewal of this license is subject to appropriation or availability of state funds. (6) Part B - License Terms, Maintenance Renewal, paragraph 2, sentence one and Global License Agreement, section 10b), sentence two are amended as follows: the written termination notice period is hereby changed from 90 to 30 days"

In the United States TeamMate is licensed by PwC Product Sales LLC ("LLC"). We agree that henceforth the LLC will replace PricewaterhouseCoopers LLP as Licensor for all purposes under the agreement.

Tax status: Licensee is exempt from state and local taxes. An exemption certificate will be provided.



Licensee State of Michigan  
Please insert Company name above

Licensor: PwC Product Sales LLC

By: \_\_\_\_\_  
Please sign your name

By: \_\_\_\_\_  
Please sign your name

Name: \_\_\_\_\_  
Please print your name

Name: \_\_\_\_\_  
Please print your name

Title: \_\_\_\_\_  
Please print your title

Title: \_\_\_\_\_  
Please print your title

-----  
Instructions: To increase or reduce the number of TeamMate users and/or add training classes complete this Amendment and mail two signed originals to: PwC Product Sales LLC; c/o PricewaterhouseCoopers LLP; 401 Broad Hollow Road; Melville, NY 11747; Att: Global A&A Technology Licensing Group. Fax: 1.631.420.0827. A countersigned original will be returned to you. An invoice for the additional fees, including any applicable taxes will be sent upon receipt of this Amendment.

CONFIDENTIAL INFORMATION



*PwC Product Sales LLC*  
AMENDMENT

**List of Licensee's Affiliates:**

Department of Consumer Industry  
Department of Transportation  
Michigan Gaming Control Board  
Office of the Auditor General  
Department of the Treasury



09/16/2005 10:20 PM

No. 2695 P. 003/003

September 15, 2005

PwC Product Sales LLC  
c/o PricewaterhouseCoopers LLP  
401 Broad Hollow Road  
Melville, New York 11747  
Attn: Jaci Miller Osdoby,  
Global A&A IT Licensing Group

Re: Michigan, Department of Transportation  
TeamMate License Agreement Transfer

Dear Ms. Osdoby:

Effective September 15, 2005, the Michigan Department of Transportation, Office of the Commission Audits, delegates, and assigns its TeamMate licenses and all of its rights and obligations related thereto pursuant to the Global License Agreement and TeamMate Rider to the Global License Agreement dated ~~September 15, 2005~~ **June 2, 2005** (collectively referred to herein as the "GLA") to the State of Michigan, to be administered by the Department of Information Technology

Our revised contact information is as follows:

Primary Contact name: Diana Quintero  
Address: 525 W Allegan St., Lansing, MI 48913  
Email: quintero@michigan.gov  
Telephone: 517-335-7328  
Fax: 517-241-8852  
Secondary Contact: Reid Sisson  
Telephone/Email: 517-241-1638, sissonr@michigan.gov

Sincerely,

Jeanne Kramer  
Auditing Specialist  
Michigan Department of Transportation

In addition, the State of Michigan accepts all of the terms and conditions of the GLA and assumes all of the rights and obligations of the Licensee under the GLA located at [www.pwc.com/mingla](http://www.pwc.com/mingla). Please acknowledge PwC's acceptance of this assignment by countersigning below and returning a copy of this letter to: PwC Product Sales LLC c/o PricewaterhouseCoopers LLP, 401 Broad Hollow Road Melville, New York 11747 Attn: Jaci Miller Osdoby, Global A&A Technology Licensing Group

Sincerely,

Diana Quintero  
Department of Information Technology, Manager  
State of Michigan

Agreed and Accepted by:

Jaci Miller Osdoby  
Officer  
PwC Product Sales LLC



SEP 16 '05 13:09 FR PRICEWATERHOUSECOOPERS  
Sep 15, 2005 1:00PM

TO 818133292919 P.02  
No. 2689

September 14, 2005

PwC Product Sales LLC  
c/o PricewaterhouseCoopers LLP  
401 Broad Hollow Road  
Melville, New York 11747  
Attn: Jaci Miller Osdoby,  
Global A&A IT Licensing Group

Re: Michigan, Gaming Control Board  
TeamMate License Agreement Transfer

Dear Ms. Osdoby:

Effective September 30, 2005, The Michigan Gaming Control Board transfers, delegates, and assigns its TeamMate licenses and all of its rights and obligations related thereto pursuant to the Global License Agreement and TeamMate Rider to the Global License Agreement dated March 29, 2001, collectively referred to herein as the "GLA") to the State of Michigan, to be administered by the Department of Information Technology.

Our revised contact information is as follows:

Primary Contact name: Diana Quintero  
Address: 525 W Allegan St, Lansing, MI 48913  
Email: quinterod@michigan.gov  
Telephone: 517-335-7328  
Fax: 517-241-8852  
Secondary Contact: Reid Sisson  
Telephone/Email: 517-241-1638, sissonr@michigan.gov

In addition, the State of Michigan accepts all of the terms and conditions of the GLA and assumes all of the rights and obligations of the Licensee under the GLA located at [www.pwc.com/mngla](http://www.pwc.com/mngla). Please acknowledge PwC's acceptance of this assignment by countersigning below and returning a copy of this letter to: PwC Product Sales LLC c/o PricewaterhouseCoopers LLP, 401 Broad Hollow Road Melville, New York 11747 Attn: Jaci Miller Osdoby, Global A&A Technology Licensing Group

Sincerely, Thomas Barker  
SIGNATURE

Thomas Barker  
Michigan Gaming Control Board  
Deputy Director, Administration  
State of Michigan

Diana Quintero  
SIGNATURE

Diana Quintero  
Department of Information Technology,  
Manager  
State of Michigan

Agreed and Accepted by:

Jaci Miller Osdoby  
Officer  
PwC Product Sales LLC

\* As amended on March 7, 2003 and March 28, 2005, respectively. *ok*



SEP 16 '05 13:09 FR PRICEWATERHOUSECOOPERS  
Sep 15, 2005 14:00PM

TO 818133292919 P.03  
No. 2695 P. 6

September 13, 2005

PwC Product Sales LLC  
c/o PricewaterhouseCoopers LLP  
401 Broad Hollow Road  
Melville, New York 11747  
Attn: Jaci Miller Osdoby,  
Global A&A IT Licensing Group

Re: Michigan, Department of Consumer and Industry Services  
TeamMate License Agreement Transfer

Dear Ms. Osdoby:

Effective September 30, 2005 Michigan, Consumer and Industry Services transfers, delegates, and assigns its TeamMate licenses and all of its rights and obligations related thereto pursuant to the Global License Agreement and TeamMate Rider to the Global License Agreement dated September 23, 1998 (collectively referred to herein as the "GLA") to the State of Michigan, to be administered by the Department of Information Technology.

Our revised contact information is as follows:

Primary Contact name: Diana Quintero  
Address: 325 W Allegan St., Lansing, MI 48913  
Email: quintero@ichigan.gov  
Telephone: 517-335-7328  
Fax: 517-241-8852  
Secondary Contact: Reid Sisson  
Telephone/Email: 517-241-1638, sissonr@michigan.gov

In addition, the State of Michigan accepts all of the terms and conditions of the GLA and assumes all of the rights and obligations of the Licensee under the GLA located at [www.pwc.com/migla](http://www.pwc.com/migla). Please acknowledge PwC's acceptance of this assignment by countersigning below and returning a copy of this letter to: PwC Product Sales LLC c/o PricewaterhouseCoopers LLP, 401 Broad Hollow Road Melville, New York 11747 Attn: Jaci Miller Osdoby, Global A&A Technology Licensing Group

Sincerely,

SIGNATURE

Allen Williams  
(Insert Title)  
Michigan, Department of Consumer  
and Industry Services

SIGNATURE

Diana Quintero  
Department of Information Technology,  
Manager  
State of Michigan

Agreed and Accepted by:

Jaci Miller Osdoby  
Officer  
PwC Product Sales LLC

① April 17, 2000, as amended on October 7, 2002.

Contract No. 071B6200025



SEP 16 '05 13:09 FR PRICEWATERHOUSECOOPERS  
SEP 15 2005 14:21:30

TO 818133292919 P.04  
No. 2695

September 13, 2005

PwC Product Sales LLC  
c/o PricewaterhouseCoopers LLP  
401 Broad Hollow Road  
Melville, New York 11747  
Attn: Jaci Miller Osdoby,  
Global A&A IT Licensing Group

Re: Michigan, Office of the Auditor General  
TeamMate License Agreement Transfer

Dear Ms. Osdoby:

Effective September 15, 2005 Michigan, Office of the Auditor General transfers, delegates, and assigns its TeamMate licenses and all of its rights and obligations related thereto pursuant to the Global License Agreement and TeamMate Rider to the Global License Agreement dated September 23, 1997 (collectively referred to herein as the "GLA") to the State of Michigan, to be administered by the Department of Information Technology

Our revised contact information is as follows:

Primary Contact name: Diana Quintero  
Address: 525 W Allegan St., Lansing, MI 48913  
Email: quinterod@michigan.gov  
Telephone: 517-335-7326  
Fax: 517-241-8852  
Secondary Contact: Reid Sisson  
Telephone/Email: 517-241-1638, sissonr@michigan.gov

In addition, the State of Michigan accepts all of the terms and conditions of the GLA and assumes all of the rights and obligations of the Licensee under the GLA located at [www.pwc.com/tmgla](http://www.pwc.com/tmgla). Please acknowledge PwC's acceptance of this assignment by countersigning below and returning a copy of this letter to: PwC Product Sales LLC c/o PricewaterhouseCoopers LLP, 401 Broad Hollow Road Melville, New York 11747 Attn: Jaci Miller Osdoby, Global A&A Technology Licensing Group.

Sincerely,

SIGNATURE

Kimberly Jacobs  
Chief Information Officer  
  
Michigan, Office of the Auditor  
General

SIGNATURE

Diana Quintero  
Department of Information Technology,  
Manager  
State of Michigan

Agreed and Accepted by:

\_\_\_\_\_  
Jaci Miller Osdoby  
Officer  
PwC Product Sales LLC

SEP 15 2005 15:07

PAGE 06

\*\* TOTAL PAGE 04 \*\*



# CCH<sup>®</sup> TeamMate

CCH TeamMate Audit Management System  
 TeamCentral - TeamMate - TeamRisk - TeamSchedule - TeamMate TEC

<i>Number of Users</i>	<i>Initial License (includes perpetual use license and one year of support and upgrades)</i>  Pricing in US Dollars	<i>Required Training Courses</i>
1 to 5	\$13,500	1
6 to 10	\$27,000	1
11 to 15	\$38,500	1
16 to 20	\$48,500	1
21 to 30	\$62,500	2
31 to 50	\$86,500	3
51 to 75	\$104,000	4
76 to 100	\$131,000	4
101 to 150	\$186,000	5
151 to 200	\$233,000	5
201 to 300	\$310,000	5
301 to 400	\$360,000	5
401 to 500	\$400,000	5
501 +	\$400,000 plus \$750 per user over 500	6
Telephone Support and Product Upgrades	Support and product upgrades are included for the initial 12 months; 20% of then current Initial Fee per annum thereafter.	
Training	This amount represents the minimum number of hands-on TeamMate EWP courses that must be purchased with a new license. The cost of the training course is \$3,000 plus out-of-pocket expenses. Training qualifies for CPE credit.	

Effective January 1, 2008. Prices subject to change without notice.

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