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

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

CHANGE NOTICE NO. 23

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International Sequoia Services Group	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Lansing MI, 48910	(517) 336-1042	*****5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Turben, Cindy	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	(517) 284-7035	meadt@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Bureau Of Strategic Policy, Facilitated sessions for DNR

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 31, 2011	2 - 1 Year	December 31, 2015

PAYMENT TERMS	DELIVERY TIMEFRAME
N/A	N/A

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

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		December 31, 2015

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$8,690,616.57	$296,750.00	$8,987,366.57

DESCRIPTION: Effective December 22, 2015, this contract is amended to add $296,750.00 for the services in the attached Statement of Work for assistance with requirements in support of Release 6.0, which consists of functionality to support: Receipts, Deposits, Bills, and Invoices. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement and DTMB Procurement approval.

Approved Ad Board Contract Value: $8,998,939.27

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work

Project Title: **DNR Vegetation Management System 6.0 Requirements Specifications**	**Period of Coverage:** **12/28/2015-12/31/2016**
Requesting Department: **Michigan Department of Natural Resources (DNR)**	**Date:** **12/03/2015**
DTMB Project Manager	**Phone:**
DNR Product Owner **Doug Heym**	**Phone:** **517-284-5867**

BACKGROUND:

-
- The Michigan Department of Natural Resources (DNR) has been using a system, Timber Sales (T-Sale), to manage the sale of timber on State-owned land in Michigan. The system was designed to support functionality for estimating the value of the timber, supporting the issuance of requests for proposal (bids for purchasing the timber), tracking subsequent sales, and managing related financials (receipts, deposits, invoices, etc.). As T-Sale is an older legacy system, the DNR has identified a multi-staged approach to migrating functionality from the T-Sale system to a newer application being developed in phases, the Vegetation Management System (VMS). Planning for the migration to VMS has included the identification of more than twenty separate modules and a series of milestone groupings of modules. The State is requesting assistance with the requirements in support of Release 6.0, consisting of functionality to support:
    - Receipts
    - Deposits
    - Bills
    - Invoices

Analysts International ("AIC") worked closely with DNR on gathering the requirements and providing support for the previous release of VMS so is being engaged again due to their knowledge and experience with the business units, processes, and systems involved.

FIXED PRICE SERVICES SCOPE OF WORK:

- The State and AIC have met in a pre-sales capacity to review the needs and define the following scope of work.
-
- **PROJECT TEAM ROLES**
    - AIC Facilitator – The AIC Facilitator (AIC FAC) will participate in knowledge transfer discussions and lead requirements and organizational discussions in need of identifying strategic direction or business process steps.
    - AIC Business Analyst – The AIC Business Analyst (AIC BA) will participate in knowledge transfer discussions, participate in facilitated sessions, conduct workgroup meetings, conduct one-on-one interviews, and analyze collected information to complete related requirements documentation.
    - AIC Project Manager – The AIC Project Manager (AIC PM) will be the central point of contact for the AIC team, manage the project, and provide direction to the AIC team members to best complete the work tasks and deliverables in scope.
    - DNR Subject Matter Expert – The DNR Subject Matter Expert (SME) will participate in sessions, workgroup meetings, and interviews as appropriate to represent their area of knowledge. As needed, they will also review the resulting documentation in support of formal acceptance. Areas of knowledge expected to be represented include VMS, T-Sale, Accounting, and MAIN/SIGMA.
    - DNR Product Owner – The DNR Product Owner (DNR PO) will be the source of authority for current product functionality, as well as decisions related to the requirements and functionality for Receipts, Deposits, Invoicing and Billing.
    - DTMB Project Manager – The DNR Project Manager (DTMB PM) will be the central point of contact for the DNR and will work closely with the AIC PM to review the project progress to plan, as well as schedule needed sessions, workgroup meetings, and interviews.

- **PROJECT STATUS REPORTING**
-

• Status Item	• Format	• Reporting Period	• Schedule	• Distribution
• Formal Written Status Report (using SUITE template)	• MS Word File	• Bi-Weekly	• Available by close of business on the second business day following the previous 2-week reporting period.	• AIC Project Team Members • DTMB PM • DNR PO
• Status Meeting	• In-person or via Phone	• Bi-Weekly	• To take place during the 2nd week of the bi-weekly reporting period.	• AIC PM • DTMB PM • DNR PO
• AIC Project Activity Reporting	• Integrated into AIC Internal Controls	• Weekly	• Integrated into AIC internal time entry (time entered and approved by noon on Tuesday for prior week).	• AIC PM

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- **PROJECT CRITERIA**
- The work effort and scope represented in this document is based on the following criteria:
-
- **Desired Functionality**
- As part of the overall VMS project planning, the following groups and topics have been defined for inclusion in VMS 6.0:
-

Requirements Topic	Desired Functionality	Requirements Topic Discussion Objectives
Fuelwood	• Issue Fuelwood Permit	• Define the process to complete the Fuelwood Permits related activities o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Receipts	• Payment Handling (variance by office, variance by the 5 forms of payment) • Receipt Process (variance by the 19 payment types) • Receipt Correction Process (variance by the 19 payment types and 5 forms of payment)	• Define the process to complete the 43 activities (handling 5 forms of payment, receiving 19 payment types, correcting 19 payment types) o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Deposits	• Deposit Handling (variance by office, variance by the 5 forms of payment)	• Define the process to complete the 5 activities (deposits for 5 forms of payments) o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Insufficient Funds	• Handling of NSF (variance by the 19 payment types and 5 forms of payment)	• Define the process to complete the 24 activities (NSF for 5 forms of payment, impacting 19 payment types) o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Billing	• Billing (variance by the 6 bill types)	• Define the process to complete the 6 activities o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Invoicing	• Invoicing (variance by the 5 invoice types) • Invoice Correction Process (variance by the 5 invoice types)	• Define the process to complete the 5 activities o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)

Requirements Topic	Desired Functionality	Requirements Topic Discussion Objectives
Reconciliation	• Reconciliation (variance by office to account for different financial institutions)	• Define the process to complete the reconciliation related activities o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Reporting	• Report selection	• Define report information for up to 10 reports o Report description o Report filter criteria o Report content
Dashboard	• Use of dashboard features to include: o Task list o Notifications and messages o Workflow/Task assignment status	• Define the dashboard content and functionality related to each of the features

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Impacted VMS 5.0 Screens

The new functionality with VMS 6.0 is expected to impact the following existing VMS functionality and screens, and will require a review and revision of existing functional specification documents:

	Screen	Function
1.	Add Payment for [customer] Popup	Add Payment
2.	Status Tab	Down Payment
3.	Bonds/Customer and Contract	Bond (cash)
4.	Bond Tab/Contract Screen	Bond, Deposit Ticket
5.	Bonds/Customer and Contract	Bond # on Cash Bonds
6.	Bonds/Customer and Contract	(Bond) Issue Date
7.	Receipts Tab	Receipts
8.	Receipts Tab	Refund
9.	Enter Damage Popup/Pmt Items Tab	Damages
10.	Timber Damages Tab	Timber Damages
11.	Add Market Group Popup	Add Market Group
12	Status Tab in Amendment Module	Fees - Amendments
13.	Amendments	Extension Fees - Amendments
14.	Remove PU	Remove PU - Amendments
15.	Manage Contract Search Screen	Include Historical checkbox
16.	Active Sales Report	Reports
17.	Receipts Report	Reports
18.	Prepared Acres Report	Annual Reports
19.	Timber Production	Annual Reports
20.	Inventory Acres vs T-Sale	Annual Reports

Supported Forms of Payment

- Payment handling will include the following forms of payment:
-
    1. Cash
    2. Personal Check
    3. Cashier's Check/Money Order
    4. ACH/EFT
    5. Credit/Debit Card (via CEPAS)
-

Supported Payment (Receipt) Type

Receipt process will include the following payment types:

1. Timber Sales
2. Timber-Small
3. Non-Metallic Mineral
4. Building Removal
5. Cash Bond-Timber
6. Cash Bond-Other
7. User Fees-Ag/Graze
8. Application Review Fees
9. Trespass
10. Well Site-Timber
11. Road Access-Timber
12. Gift
13. Fire Suppression
14. Fuelwood Permit

15. Restitution-Court
16. Non-Timber Damage
17. Non-Timber Penalty
18. Lansing Receipt
19. Miscellaneous

•

Supported Bill Types

- Billing will include the following bill types:
•

1. Timber Contract - Timber Damages
2. Timber Contract - Other Damages
3. Timber Contract - Liquidated Damaged (incomplete contract)
4. Timber Contract - Scaled Timber
5. Timber Contract - Additional Timber (harvested)
6. Non-Timber Contract Bills

•

Supported Invoice Types

- Invoicing will include the following invoice types:
•

1. Timber Contract - Down Payment
2. Timber Contract - Cash Bond
3. Timber Contract - Extension Fee
4. Timber Contract - Additional Timber (to be harvested)
5. Non-Timber Contract Invoices

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Included Related Reports (formatted, printed system outputs)

- The specific reports to be included in VMS 6.0 Requirements will be identified during the process modeling discussions. For the purposes of sizing criteria, it is expected that included reports will need no more than two (2) report selection screens and a collection of no more than fifteen (15) formatted, printed output (reports, forms, letters, etc.) to document report content for.
•
- **Related Documentation**
- Related documentation includes existing reports, receipts, invoice, bills, deposit slips, procedures, previous design work, etc. related to current business operations supporting the requested functionality. As background provided during pre-sales, at a minimum, this will include the following documents:
•

Name	Date modified	Type	Size
DEPOSITS - Secretary Manual.docx	8/28/2015 11:44 AM	Microsoft Word D...	41 KB
Manage Revenue Sub - BAA.docx	8/31/2015 4:37 PM	Microsoft Word D...	20 KB
PP 261, Receipts, Remittances, and Opening Mail.pdf	8/28/2015 11:43 AM	Adobe Acrobat D...	20 KB
PR4051_TimberPermitTermsandConditions.docx	11/3/2015 11:00 AM	Microsoft Word D...	129 KB
R1565e_DNR-DEPOSIT FAX COVER SHEET.docx	11/3/2015 11:05 AM	Microsoft Word D...	111 KB
R4036-1_TimberSaleBondRefundVoucher.dot	11/3/2015 11:02 AM	Microsoft Word 9...	153 KB
R4036-2_TIMBER SALE REVENUE REFUND VOUCHER.docx	11/3/2015 11:06 AM	Microsoft Word D...	126 KB
R4036-3_LAND USE BOND REFUND VOUCHER.docx	11/3/2015 11:07 AM	Microsoft Word D...	126 KB
R4036-4_TIMBER SALE CASH BOND FORFEITURES VOUCHER.docx	11/3/2015 11:07 AM	Microsoft Word D...	130 KB
R4036-5_Land_Use_Revenue_Refund_Voucher.docx	11/3/2015 11:09 AM	Microsoft Word D...	128 KB
R4036-6_Land_Use_Cash_Bond_Forfeitures_Voucher.docx	11/3/2015 11:10 AM	Microsoft Word D...	128 KB
ReceiptInstructions.pdf	11/3/2015 11:10 AM	Adobe Acrobat D...	1,398 KB
Receipts and Deposits Design 01-13-06.doc	8/28/2015 11:40 AM	Microsoft Word 9...	1,227 KB
Revenue Management - App Specs.docx	8/31/2015 4:36 PM	Microsoft Word D...	685 KB
SmallReceiptSale.ppt	11/3/2015 11:11 AM	Microsoft PowerP...	606 KB
TSaleManual - Receipt Screen.pd.pdf	11/3/2015 11:12 AM	Adobe Acrobat D...	232 KB

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- **Related Systems**
- A related system is an existing IT solution supporting part of or all of the business processes in scope for this project. An IT solution can include custom developed software, purchased software, as well as reference tools such as spreadsheets or desktop-based databases.
-

    1. T-Sale (Contract Related Functionality)
    2. VMS (Functionality and Data Model)

Related Standards

A related standard is an existing best practice or policy in which additional system work needs to comply with. These can include published standards, global requirements, existing guidelines and templates in current practice.

1. VMS Global Requirements (security, architecture, presentation, notification and messaging, navigation, reporting, etc.)
2. DNR Standards
3. SOM Standards
4. VMS Look and Feel Standards Document
5. Accounting Structure and Standards

WORK AND DELIVERABLES

-
- **Project Initiation**
- Upon acceptance of this statement of work, the AIC PM will complete project initiation activities with the AIC members of the project team. This will include establishing the AIC project repository, confirming accurate billing and invoicing information, as well as conducting an AIC project kick-off meeting to orientate the AIC project team to the project scope. In addition, the AIC PM will update the project schedule with the project start date, and update the project communications plan to represent the assigned AIC staff. These project initiation documents will be shared with the DTMB PM.
-
- In parallel to initiating the project with the internal AIC staff assigned to the project, the AIC PM will work with the DTMB PM to schedule and plan for a project kick-off meeting. It is expected that the kick-off meeting will include the State subject matter experts representing the in-scope business areas, as well as the project sponsor(s) and project manager. The AIC PM will prepare meeting materials to include an overview of the project scope, approach, and schedule. The AIC PM will facilitate the kick-off meeting, introducing the project team members and addressing questions from attendees. Following the project kick-off meeting, the AIC PM will publish meeting notes and an updated project contact list to include the project team and stakeholders.
-
    - *Related Project Meetings:*
        - *Project Kick-Off Meeting (up to2 hour duration)*
-
    - *Related Work Products:*
        - *Updated Project Schedule*
        - *Kick-Off Meeting Notes*
        - *Project Contact List*
-
- **Discovery**
- Following the project kick-off meeting, the AIC PM will work with the DTMB PM to identify materials to aid the AIC project team in gaining institutional knowledge as it relates to the project background and scope. This will include reviewing related documentation as well as general Q&A for areas of interest to the AIC team.
-
- In addition, the AIC PM will work with the DTMB PM to schedule an overview meeting to review related solutions and standards.
    -
    - *Related Project Meetings:*
        - *T-Sale Receipt/Invoice/Billing Functionality Overview (up to 2 hour duration)*
        - *Fuelwood Permits, with field staff (up to 2 hours)*
        - *Accounting Structure Overview (up to 2 hour duration)*

- **To-Be Process Model Documentation**
- Building on the knowledge gained during the discovery activities, the AIC BA will prepare for the process model elicitation sessions, to include creating session materials and an agenda. The AIC PM will work with the DTMB PM to schedule the process model elicitation session for the list of topics and related functionality.
-
- The proposed schedule and cost represent a cadence of sessions scheduled to progress through a running list of agenda items.
    - Consecutive sessions will be scheduled five business days apart (AIC recommends that meetings fall on the same day of the week for planning purposes).
    - The draft to-be models from that session will be available two business days before the following session and the beginning of the following session will review the draft to-be process models before moving on to new topics/functionality.
-
    - *For Example,*

- *Session Held on Tuesday*
- *Draft Session Documents Available on Friday*
- *Next Session Held on Tuesday (start with review of draft to-be models, continue with new procedure/process)*

- During the process model elicitation session, the AIC FAC will use either MS Visio or MS Word as a visual tool to represent the group discussion to include activities representing the business process area topics (the facilitator will create and project real-time documentation representing the group discussion). In addition, the AIC FAC may request the SME to access the existing VMS or T-Sale systems real-time to review current functionality for clarification of process discussions. This proposal expects to complete elicitation discussion of a single process model within an hour with an additional 15 minutes to review the process model at the following session. Each scheduled process model elicitation session is expected to be 6 hours in duration.

- Following a process model elicitation session:

e any action items identified in the session
cess session discussions and develop the draft to-be process models using industry standard business process modeling tools
tation (BPMN) version 2.0). The to-be process models will undergo a peer review prior to being published to session
ving session. It is expected that attendees review the materials prior to the start of the session.
s reviewed and submit to the DNR PO as version 2.0 for confirmation of updates.

- Following the completion of review sessions for all of the process models, AIC will consolidate the collection of related version 2.0 models and publish for a final review and acceptance. If needed, AIC will attend a finalization meeting to review the complete list of changes needed for formal acceptance of the process models. Applied changes will be published as version 3.0. Changes identified after this meeting are expected to be maintained by the DTMB PM or their delegate.

Related Project Meetings; Running Agenda of Topics and Related Functionality for Process Modeling, up to 6 hour duration each:

Topic	*Functionality*	*Elicitation Week*	*Review Week*
Receipts	*Recording a payment per payment type.* *Issuing a receipt per receipt type.*	*2*	*3*
Receipts, continued		*3*	*4*
Fuelwood Permit	*Processing a Fuelwood Permit*	*1*	*2*
Deposits *NSF*	*Deposit process.* *Actions in response to NSF notification.*	*4*	*5*
Billing *Invoicing*	*Generating a bill for each bill type.* *Generating an invoice for each invoice type.*	*5*	*6*
Reconciliation *Reporting*	*Reconciliation process.* *Reporting listing and definitions.*	*6*	*7*
	•		
Wrap-Up	*Final review for all process models.*	*7*	*NA*

- *Related Work Products:*
  - *Draft Version 1.0 To-Be Process Models for Each Topic*
  - *Draft Version 2.0 To-Be Process Models for Finalization*

- *Related Deliverable*
  - *Final Version 3.0 To-Be Process Models for Each Topic*

- **Use Case Elicitation and Documentation**
- For those process steps using system functionality, the AIC BA will use the approved process models to complete analysis to develop initial use case outlines (identification of primary and alternate flows). The AIC PM will work with the DTMB PM to schedule a working meeting to finalize the list of use cases to be completed and/or updated to support the project.

- Following finalization of the list of use cases and the included primary and alternate flows, the AIC BA will develop a working draft use case content based on the completed process models and previous analysis. The resulting working draft version is expected to be used to jump start the working sessions to complete the use case documentation.
-
- The AIC PM will work with the DTMB PM to schedule elicitation sessions to collectively make needed updates and clarifications to the working draft version.
-
- The proposed schedule and cost represent a cadence of sessions scheduled for the topics using system functionality:
  - Consecutive sessions will be scheduled five business days apart (AIC suggests it fall on the same day of the week for planning purposes).
  - The completed draft use cases from the previous session will be available two business days before the following session and the beginning of the following session will review the draft use cases before moving on to new topics/functionality.
-
  - *For Example,*
    - *Session Held on Tuesday*
    - *Draft Session Documents Available on Friday*
    - *Next Session Held on Tuesday (start with review of completed draft use cases, continue with new use cases)*
-
- During the use case elicitation session, the AIC FAC will use MS Word as a visual tool to modify the initial draft use case representing the group discussion to include the primary path, alternate path, steps and expected outcomes. This proposal expects to complete elicitation discussion of a single use case within an hour and a half (with a cadence of completing two (2) use cases a week).

- Following a use case elicitation session:

e any action items identified in the session
y use case session discussions and develop the draft use cases. The use cases will undergo a peer review prior to being
r review at the following session. It is expected that attendees review the materials prior to the start of the session.
s reviewed and submit to the DNR PO as version 2.0 for confirmation of updates.

-
- Following the completion of review sessions for all of the use cases, AIC will consolidate the collection of related version 2.0 use cases and publish for a final review and acceptance. If needed, AIC will attend a finalization meeting to review the complete list of changes needed for formal acceptance of the use cases. Applied changes will be published as version 3.0. Changes identified after this meeting are expected to be maintained by the DTMB PM or their delegate.
-

Related Project Meetings; Running Agenda of Topics and Related System Functionality for Use Cases, up to 6 hour duration each:

Topic	*Functionality*	*Elicitation Week*	*Review Week*
Receipts	*Recording a payment per payment type.* *Issuing a receipt per receipt type.*	*1*	*2*
Fuelwood	*Processing a Fuelwood Permit*	*2*	*3*
Deposits *NSF*	*Deposit process.* *Actions in response to NSF notification.*	*3*	*4*
Billing *Invoicing*	*Generating a bill for each bill type.* *Generating an invoice for each invoice type.*	*4*	*5*
Reconciliation *Reporting*	*Reconciliation process.* *Reporting listing and definitions.*	*5*	*6*
Dashboard	Use of dashboard features to include: • Task list • Notifications and messages • Workflow/Task assignment status	*6*	*7*
Wrap-Up	*Final review for all use cases*	*7*	*NA*

- *Related Work Products:*
  - *Working Draft of Uses Cases for Each Topic*
  - *Draft Version 1.0 Use Cases for Each Topic*
  - *Draft Version 2.0 Use Cases for Finalization*
-
- *Related Deliverable*
  - *Final Version 3.0 Use Cases for Each Topic*
-

Functional Specification Elicitation and Documentation

- Following the acceptance of the use cases, the AIC PM will work with the DTMB PM to schedule a planning meeting for the functional specification and screen design. The purpose of the meeting is to determine the organization and high-level content of the screens needed to support VMS 6.0 functionality, to include a review of impacted VMS 5.0 screens.
-
- With the list of VMS 6.0 screens identified (new and impacted), the AIC BA will develop a working set of screens to support the elicitation sessions. The resulting working draft version is expected to be used to jump start the working sessions to complete the functional specification documentation. The post session functional specification documentation will include
  - Visual of the conceptual screen
  - Narrative description of how the screen is accessed
  - Narrative description of the screen purpose
  - Listing of each of the screen objects to include
    - Default state/Value
    - Behavior
    - Defined business rules
    - Defined calculations
  - Listing of selectable reports/formatted output to include
    - Narrative description of the report
    - Optional filter criteria
    - Included outputs (high-level data entities)
    - Group by definitions
    - Sort definitions
-
- The AIC PM will work with the DTMB PM to schedule elicitation sessions to collectively make needed updates and clarifications to the working draft version.
-
- The proposed schedule and cost represent a cadence of sessions scheduled for the screens:
  - Consecutive sessions will be scheduled five business days apart (AIC suggests it fall on the same day of the week for planning purposes).
  - The draft functional specification from the previous session will be available two business days before the following session and the beginning of the following session will review the draft functional specification before moving on to new topics/functionality.
-
  - *For Example,*
    - *Session Held on Tuesday*
    - *Draft Session Documents Available on Friday*
    - *Next Session Held on Tuesday (start with review of draft functional specifications, continue with new use cases)*
-
- During the functional specification elicitation session, the AIC FAC will use MS Word and MS Access as visual tools to develop a functional specification representing the group discussion to include a description of the purpose and use of the screen, the screen layout, screen objects, default values, and object behavior. This proposal expects to complete elicitation discussion of a single screen within an hour (with a cadence of

completing three (3) screens a week). Note that more complex screens with multiple tabs will take longer, treating each tab as a separate screen discussion (and documentation)

- Following a functional specification elicitation session:

e any action items identified in the session
ctional specification elicitation discussions and develop the draft functional specification document. The functional
r review prior to being published to session attendees as version 1.0 for review at the following session. It is expected that
t of the session.
s reviewed and submit to the DNR PO as version 2.0 for confirmation of updates.

-
- Following the completion of review sessions for all of the functional specification documents, AIC will consolidate the collection of related version 2.0 functional specification documents and publish for a final review and acceptance. If needed, AIC will attend a finalization meeting to review the complete list of changes needed for formal acceptance of the functional specification documents. Applied changes will be published as version 3.0. Changes identified after this meeting are expected to be maintained by the DTMB PM or their delegate.
-

Related Project Meetings; Running Agenda of Screens, up 6 hour duration each:

Topic	*Functionality*	*Elicitation Week*	*Review Week*
VMS 6.0 – Fuelwood	*Processing a Fuelwood Permit.*	*1*	*2*
VMS 6.0 – Reconciliation	*Financial reconciliation between VMS and MAIN/SIGMA.*	*2*	*3*
VMS 6.0 – Other Reporting	*Reporting selections not already accounted for with edits to VMS 5.0 screens and reconciliation.*	*3*	*4*
Reporting Continued		*4*	*5*
VMS 5.0 Screens 1-5	*VMS 5.0 Screens 1-5*	*5*	*6*
VMS 5.0 Screens 6-10	*VMS 5.0 Screens 6-10*	*6*	*7*
VMS 5.0 Screens 10-15	*VMS 5.0 Screens 10-15*	*7*	*8*
VMS 5.0 Screens 16-20	*VMS 5.0 Screens 16-20*	*8*	*9*
Dashboard	Use of dashboard features to include: • Task list • Notifications and messages • Workflow status	*9*	*10*
Wrap-Up	*Final review for all functional specifications.*	*10*	*NA*

- *Related Work Products:*
  - *Working Draft of Screen Designs*
  - *Draft Version 1.0 Functional Specification each Screen*
  - *Draft Version 2.0 Functional Specification for Finalization*
-
- *Related Deliverable*
  - *Final Version 3.0 Functional Specification*
-

MAIN/SIGMA Integration

With the completion of the VMS 6.0 functional needs defined and accepted in the functional specification document and related data model, the AIC PM will work with the DTMB PM to schedule a discovery meeting to elicit and document the known requirements for integration with the MAIN/SIGMA accounting system. As the SIGMA system is actively under development to replace MAIN, the specific integration requirements for the exchange of data with SIGMA is also under development. The purpose of this discovery meeting is to allow the stakeholders to review the functional needs of VMS 6.0 and identify the constraints and requirements to be noted as part of the functional specification documentation.

Following the meeting, the AIC BA will issue a supplement to the approved Functional Specification document to reflect the requirements and desired functionality of the integration with SIGMA.

- *Related Project Meetings:*

- *Integration Discovery Meeting (up to 2 hour duration)*

- *Related Work Products:*
  - *Functional Specification Supplement for SIGMA Integration*

Data Model

- Following the acceptance of the Functional Specification document, the AIC BA will complete analysis of the identified screen data elements and develop a conceptual data model and data dictionary supporting the functional specifications. The conceptual data model will identify considered tables and fields, to include reference to related existing data elements already in VMS. The data dictionary will provide a cross reference between the named entity in the conceptual data model and used aliases, as well as the data type and noted attributes.

- *Related Project Meetings:*
  - *Data Model Acceptance Review Meeting (up to 3 hour duration)*

- *Related Work Products:*
  - *Draft Version 1.0 of Conceptual Data Model*
  - *Draft Version 2.0 of Conceptual Data Model*
- *Related Deliverable*
  - *Final Version 3.0 of Conceptual Data Model*

Close Project

- Upon delivery of the final versions for acceptance, AIC will request a project close-out meeting to transition any open action items, project artifacts, and request formal project acceptance and close-out.

- *Related Project Meetings:*
  - *Project Close-Out Meeting (up to 2 hour duration)*

- *Related Deliverables:*
  - *Accepted Completed Project*

PROJECT SCHEDULE / TIMELINE:

- An example project schedule representing this scope of work is attached. Projected dates assume 100% resource availability to meet the example dates. Milestone dates represented in that schedule are as follows:
-

• Milestone/Activity	• Project Date
• Project Start	• 1/11/16
• Completion of Discovery Activities	• 1/22/16
• Acceptance of Process Models	• 3/23/16
• Acceptance of Use Cases	• 6/16/16
• Acceptance of Functional Specifications	• 10/6/16
• Acceptance of Data Model	• 11/11/16
• Project Closure	• 11/14/16

-

PROJECT CONTACTS:

- The designated DNR Product Owner is:
  - **Doug Heym**

- The designated DTMB Project Manager is:
  - **TBD**

AIC RESPONSIBILITIES/ASSUMPTIONS:

1. AIC will provide services Monday through Friday, during the same work hours as those worked by the State employees working at the identified facility.
2. Personnel provided by AIC shall be subject to the rules, regulations, and policies of the State.
3. AIC will replace personnel whose work is found to be unsatisfactory.
4. AIC staff will be fully trained and will meet the skill set requirements for the work described in this SOW.
5. AIC will provide for parking for its staff when working at the client location.
6. Time and materials services, if provided, are at the direction and management of the SOM.
7. All meetings will be held in the Lansing, Michigan area.

STATE RESPONSIBILITIES/ASSUMPTIONS:

1. The State will provide business office support for project related activities as needed, to include:
   a. Telephone access
   b. Print and copy services
2. The State will provide appropriate facilities to conduct the facilitated sessions to include:
   a. Meeting-type facility
   b. Adequate space for up to 16 attendees
   c. Adequate space for a “U” seating arrangement
   d. Ability to project vendor computer image (projector and screen or large wall-monitor)
   e. Connectivity to the Internet using vendor provided computer (to host web-conference when pre-arranged)
   f. Conference quality speaker phone (to host conference call for remote participation when pre-arranged)
3. The State will schedule sessions and meetings to best accommodate the participation of key personnel.
4. Meeting/Session follow-up efforts are expected to be related to identified action items, and not related to interviews with invited staff who did not participate in the session.
5. Session participants will not exceed twelve active participants and 4 additional observer participants (16 in total).

6. Session attendees will be available for scheduled meetings/sessions and will have completed any requested pre-session work (review of materials, etc.) prior to each meeting/session.
7. Session attendees will be available for in-person meeting/session attendance unless otherwise agreed to.
8. New scope introduced at review sessions not previously discussed in the elicitation sessions may impact project scope.
9. The State will be able to complete identified action items by the due date established at the time of assignment. Unless otherwise agreed, the due date will be two business days for the date of assignment.
10. Document template versions or content will not change during the project.
11. Review comments are expected to be represented at the cadence review sessions or document finalization sessions. If an attendee is not able to participate, his or her review comments are expected to be made available to AIC prior to the review discussion, or represented by those in attendance. Comments received after the review session may impact the scope of work to approve and ability to incorporate the revisions.
12. The VMS data model will be made available for AIC to access on a vendor installation of SQL Server 2008.
13. All inter-agency billing will follow the same billing process.
14. Data migration requirements, related data mapping and business rules are out of scope.
15. System integration is out of scope (no integration with local accounting system or SOM MAIN/SIGMA)
16. Less than a 2 week schedule between AIC work on VMS 5.0 and VMS 6.0 so as to maintain the same resources and leverage the existing business and system knowledge. Different staffing will impact scope to accommodate a more thorough knowledge transfer/discovery of VMS functionality, T-Sale functionality and related data models.
17. Updates to previous and/or existing use case documentation is out of scope.
18. Update to previous and/or existing process models is out of scope.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

- Work hours are not to exceed eight hours per day, forty hours per week for State employee project support. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime rates will be permitted without prior written approval of the DTMB PM.

PRICING:

For fixed price deliverable related services, payment will be made on a deliverables-based fixed-price basis.

The State will pay AIC upon receipt of properly completed invoices which will be submitted to the SOM Accounts Receivable upon designated deliverable acceptance. All invoices will reflect work completed and approved by the DTMB PM. The invoices will document the PO number, work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by the State within forty-five days after receipt of properly completed invoices.

- **Fixed Price Project Billing Points**

Billing Point Descriptions	Cost
Completion of Discovery Activities	$9,500.00
Acceptance of Process Models	$48,000.00
Acceptance of Use Cases	$67,250.00
Acceptance of Functional Specification	$91,750.00
Acceptance of Data Model and Project Closure	$30,250.00
Sub Total	$246,750.00

- **Contingency Budget**

AIC is proposing a contingency budget in the project pricing. Use of this budget towards project efforts or deliverables will be managed via project change control with prior approval by the DTMB PM and AIC PM prior to use.

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Contingency Budget	Cost
Only to be used with prior approval via change control	$50,000.00
TOTAL	$50,000.00

Summary

Service	Cost
Fixed Price Services	$246,750.00
Optional Contingency	$50,000.00
TOTAL	$296,750.00

APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

DNR	Date
DTMB	Date
Analysts International – Darrell Swartz	Date

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work
Supplement Content

Project Title: **DNR Vegetation Management System 6.0 Requirements Specifications**	**Period of Coverage:** **12/28/2015-12/31/2016**
Requesting Department: **Michigan Department of Natural Resources (DNR)**	**Date:** **12/03/2015**
DTMB Project Manager	**Phone:**
DNR Product Owner **Doug Heym**	**Phone:** **517-284-5867**

BACKGROUND:

At the request of DTMB Purchasing, the following supplemental content is being provided for the Statement of Work.

CONTRACT ALIGNMENT:

AIC's Contract #071B8200236 contains 3 category sizes of business requirements projects based upon the size and complexity of the project as follows:

Category Type	Participants in Session	Days of Requirements Sessions Available	Hours of Review Sessions Available
Category 1	1-10	1 day	3 hours
Category 2	1-15	2 days	5 hours
Category 3	1-20	3 days	6 hours

Based upon the discussions held between AIC and DNR, the project included within this SOW is classified as a Modified Category 3. Changes from a traditional category 3 from a sizing standpoint include the following:

Sizing Criteria	Base Category 3 Criteria	DNR Project Needs	Project Difference
Participants in Sessions	1-20	1-20	N/A
Days of Requirements Session Available	3 days (24 hours)	19 days • 104 hours for Business/Functional Requirements • 46 hours for Use Cases • 2 hours for SIGMA integration	16 days
Hours of Review Session	6 hours	35 hours • 22 hours for Business/Functional Requirements • 13 hours for Use Cases/ conceptual data	29 hours

		model	

As noted above, with the needs of DNR, it has been identified to need 19 days of facilitation between requirements and use case discussions, which is a change of 16 days over the base criteria for a Category 3 project which also drives additional documentation efforts. In addition, the review sessions entail 35 total hours for requirements, process, and use case discussions, which is 29 hours over the base criteria for a Category 3 project.

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

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

CHANGE NOTICE NO. 22

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International Sequoia Services Group	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Lansing MI, 48910	(517) 336-1042	*****5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Turben, Cindy	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	(517) 284-7035	meadt@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Bureau Of Strategic Policy, Facilitated sessions for MSP

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 31, 2011	2 - 1 Year	December 31, 2015

PAYMENT TERMS	DELIVERY TIMEFRAME
N/A	N/A

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

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		December 31, 2015

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$8,672,116.57	$ 18,500.00	$8,690,616.57

DESCRIPTION: Effective December 21, 2015, Due to increased participant interest and availability this contract is amended to add $18,500.00 for the services in the attached Statement of Work to add an additional elicitation and requirement gathering session for MSP's CAD2CAD interface. Analysts International is facilitating meetings between MSP, DTMB, and local agencies. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement and DTMB Procurement approval.

Approved Ad Board Contract Value: $8,998,939.27

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236; PO # 084N5506000
Change Request #1

Project Title: **Michigan State Police (MSP) Computer Assisted Dispatch (CAD) Exchange Project Requirements**	**Period of Coverage:** **7/13/2015-6/30/2016**
Requesting Department: **Michigan State Police (MSP)**	**Date:** **12/14/2015**
DTMB Business Relationship Manager: **David Roach**	**Phone:** **517-241-2220**
MSP Project Manager: **Cynthia Homant**	**Phone:** **517-643-4268**

CHANGE DESCRIPTION:

The original statement of work (SOW) included elicitation sessions for the four topics with two separate groups of session participants with separate sessions for each topic held in the Lansing, MI area.

Topics:

- Data Considerations
- Transport Considerations
- Security Considerations
- Use Considerations

Following the project roll-out meeting, session participant interest and availability increased the scope of sessions to accommodate a third groups of participants, consolidate the 4 separate topic sessions into a consecutive 2-day session per group, and offer two of the three 2-days sessions in locations outside of Lansing, Mi (planned for Gaylord, MI and Kalamazoo, MI).

CHANGE IMPACT

IMPACT TO SCOPE

The increase in scope to accommodate an additional group, additional session, and project schedule to plan for one 2-day session per month for three consecutive months will increase the project schedule and project cost:

- Additional session preparation
  - Adding session agenda work product
- Additional session
  - Adding up to 16-hour duration of sessions
  - Adding projected session materials work product
- Additional material for analysis
- Additional documentation
- Additional document review iterations
  - Adding a third group of session participants
- Additional project oversight for the extended duration of the project

IMPACT TO SCHEDULE

Extend project end date to July 31, 2016.

IMPACT TO COST
Increase project cost by $18,500.00.

Fixed Price Project Billing Points

Billing Point Descriptions	Original SOW Cost	Change	Updated Cost
Completion of Discovery Sessions	$16,286.25	$0.00	$16,286.25
Completion of Elicitation Sessions and Delivery of Session Working Materials	$28,782.50	+$11,225.00	$40,007.50
Acceptance of Business Requirements Document	$27,080.00	+$7,275.00	$34,355.00
Delivery of Conceptual Packages	$13,612.50	$0.00	$13,612.50
Total	$85,761.25	$18,500.00	$104,261.25

APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

MSP – Cynthia Homant Date

DTMB – David Roach Date

AIC – Darrell Swartz Date

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

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

CHANGE NOTICE NO. 21
to
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International Sequoia Services Group	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Lansing MI, 48910	(517) 336-1042	*****5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Turben, Cindy	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	(517) 284-7035	meadt@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Bureau Of Strategic Policy, Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 31, 2011	2 - 1 Year	December 31, 2015

PAYMENT TERMS	DELIVERY TIMEFRAME
N/A	N/A

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

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		December 31, 2015

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$8,260,816.57	$ 411,300.00	$8,672,116.57

DESCRIPTION: Effective December 18, 2015, This contract is amended to add $411,300.00 for the services in the attached Statement of Work to support a number of high priority initiatives in need of requirements to meet the planned timelines and mitigate risks associated with dependencies between projects. Activities will be directed by DTMB staff while a consistent team of AIC resources will be available for part-time, as-needed support to leverage continuing business and project experience to complete analysis and documentation related tasks and support requirements and procurement needs. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement and DTMB approval.

Approved Ad Board Contract Value: $8,998,939.27

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work

Project Title: **FY 2016 Approved Call for Projects Requirements and RFP Support**	**Period of Coverage:** **12/23/15-12/31/16**
Requesting Department: **Department of Management and Budget**	**Date:** **12/09/2015**
DTMB Project Manager: **Ashley Adrian**	**Phone:** • **(517) 636-4068**
SOM Project Owner: **David Bates**	**Phone:** **(517) 636-6504**

BACKGROUND:

•

• The DTMB FY 2016 approved call for projects includes a number of high priority initiatives in need of requirements and procurement support to meet the planned timelines and mitigate risks associated with dependencies between projects. DTMB is requesting the assistance from Analysts International to support analysis and documentation tasks supporting the following priority projects throughout the 2016 calendar year including Cloud Automation (will include up to 5 project needs), Physical to Virtual (P2V), Virtual to Virtual Migration (V2V), and Software Asset Management. Activities will be directed by DTMB staff while a consistent team of AIC resources will be available for part-time, as-needed support to leverage continuing business and project experience to complete analysis and documentation related tasks and support requirements and procurement needs.

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TIME AND MATERIALS SERVICES

• The State and AIC have met in a pre-sales capacity to review the needs and define the following scope of work.

•

• **CRITERIA**

• The approach, activities and estimates presented in this proposal for time and material services is based on the following project criteria:

•

• Supported DTMB FY 2016 Projects	• Anticipated Services
Cloud Automation Initiative (5 related projects): 1. Atrium Orchestrator 2. Bladelogic Atrium Discovery and Dependency Mapping 3. Bladelogic Network Automation 4. Bladelogic Server Automation 5. Enterprise Log Management	• Needs Analysis • Requirements Elicitation • Requirements Documentation • Impact Analysis (across the overall initiative) • Change Management Support (analysis) • Requirements Maintenance (across the overall initiative)
P2V (Physical to Virtual) migration	• Needs Analysis • Requirements Elicitation • Requirements Documentation • Change Management Support (analysis) • Requirements Maintenance (throughout the migration)
V2V (Virtual to Virtual) migration from Legacy to NGDI	• Needs Analysis • Requirements Elicitation

	• Requirements Documentation • Change Management Support (analysis) • Requirements Maintenance (throughout the migration)
Software Asset Management RFP/RFI (AIC supported the analysis and requirements in an earlier project)	• RFI Development • RFI Response Analysis • RFP Development Support

•

- **TEAM ROLES**
  - AIC Project Manager – The AIC Project Manager (PM) will work with the State to manage the AIC resources, provide status updates, and be a central point of communication for the AIC services.
  - AIC Facilitator – As needed, the AIC Facilitator (AIC FAC) will lead requirements and organizational discussions in need of identifying strategic direction or business process steps.
  - AIC Business Analyst – The AIC Business Analyst (AIC BA) will participate in facilitated sessions, conduct workgroup meetings, conduct one-on-one interviews, and analyze collected information to complete related documentation and content updates.
  - AIC Senior Consultant – The AIC Senior Consultant will be an active participant is facilitates sessions and working meetings, providing content and SME direction related to overall strategic project direction and/or RFI/RFP content.
  - SOM Subject Matter Expert – The SOM Subject Matter Expert (SME) will participate in sessions, workgroup meetings, and interviews as appropriate to represent their area of knowledge. As needed, they will also review the resulting documentation in support of formal acceptance.
  - SOM Project Manager – The SOM Project Manager (SOM PM) will be the central point of contact for the SOM and will be responsible for the direction of AIC provided resources.
  - SOM Procurement Representative – The SOM Procurement Representative (SOM PUR) will be the liaison between the purchasing department and the project team and will work closely with the SOM PM to provide guidance, support, and appropriate templates representing the RFI/RFP process. As needed, he/she is expected to participate in key discussions to develop purchasing strategies, as well as to finalize RFI/RFP documents.

•

PROVIDED SERVICES

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• At the direction of the State, the AIC resources are available to support the following activities in support of the requirements and RFP development:

•

- **Needs Analysis**
- Working with the SOM PM, the AIC team will conduct information gathering (interviews, meetings, research, etc.) to analyze and document the needs related to the specific project or initiative. Activities may include reviewing best practices and/or solutions in use by other States or similar areas of business, as well as participating in discovery and knowledge transfer activities to gain an understanding of related constraints and standards.

•

- **Requirements Elicitation**
- Working with the SOM PM, the AIC team will tailor the requirements elicitation approach to be meet the needs of the specific project or initiative. This is expected to include consideration for participation in discovery and knowledge transfer activities to gain an understanding of current business and technical operations, interviews, job-shadowing, process modeling, and/or requirements elicitation sessions. The tailoring will also consider the number and availability of stakeholders, project timeline, and needed documentation for the specific project or initiative.

•

- **Requirements Documentation**
- The AIC team will work with the SOM PM to tailor the requirements related documentation to the needs of the specific project or initiative. Related documentation is expected to consider process models, business requirements, use cases, functional specifications, and relationship models. Based on the determined documentation, in coordination with the requirements elicitation activities, the AIC

team will develop and/or modify the identified requirements documentation. The resulting documentation is expected to undergo a peer review by the AIC team prior to review with the customer for feedback and/or finalization. As determined by the needs of the project or initiative, the AIC team will maintain the related documentation to reflect changes through the lifecycle of the project or initiative.

- **Impact Analysis (across the overall initiative)**
- Working with the SOM PM, the AIC team will leverage the knowledge gained during previous activities to conduct analysis to determine the impact of dependencies between the separate projects. Activities may include interviews, leading group discussions, researching similar initiatives and working with the SOM SME to further analyze the impact. Coordination with the SOM PM will be critical to maintaining an overall understanding of the touch points and status of the related projects.
- **Change Management Support (analysis)**
- As needed, the AIC team will support the SOM PM to complete impact analysis activities related to considered and proposed changes to a project or initiative.
- **Requirements Maintenance (across the overall initiative)**
- Leveraging the knowledge gained during previous activities, the AIC team will maintain the requirements across the overall initiative, to include a proactive focus on identifying potential conflicts between projects or the need to review requirements for consistency.
- **RFI Development**
- Working with the SOM PM, the AIC team will participate in strategy discussions to develop the RFI content and related documentation. It is expected that the SOM PUR participate in related discussions to offer guidance and advise on related standards and policies.
- **RFI Response Analysis**
- As appropriate, the AIC team can support efforts to review the RFI responses and provide analysis regarding alternate procurement strategies and/or project scope for consideration. It is not the role of the AIC team to determine procurement strategy.
- **RFP Development Support**
- The AIC team will work with the SOM PM to tailor the RFP development support to the needs of the project. Activities are expected to support development of the following RFP content:
    - Instructions to Bidders (evaluation criteria)
    - Schedule A (Statement of Work)
    - Schedule B (resume templates, experience)
    - Schedule C (pricing)
    - Attachment - Requirements Worksheet
- The AIC team will work with the AIC PM to support appropriate stakeholders and the SOM PUR in determining the overall procurement strategy and outline for each of the included RFP content. Building on the group determined outline, the AIC team will continue to develop content for ongoing review and feedback, maintaining the various RFP content sections for continuity and consistency.

SCHEDULE / TIMELINE:

Proposed Project Start Date:	12/23/15
Projected Project End Date:	12/31/16

CONTACTS:

- The designated SOM Project Owner is:
-
    - David Bates
    - Lewis Cass Building
    - 1st Floor, 320 South Walnut St.
    - Lansing, MI 48913
    - (517) 636-6504
    - BatesD3@michigan.gov
-
- The designated DTMB Project Manager is:
-
    - Ashley Adrian
    - 7285 Parsons Drive
    - Dimondale, MI 48821
    - (517) 636-4068
    - AdrianA1@michigan.gov

AIC RESPONSIBILITIES/ASSUMPTIONS:

8. AIC will provide services Monday through Friday, during the same work hours as those worked by the State employees working at the identified facility.
9. Personnel provided by AIC shall be subject to the rules, regulations, and policies of the State.
10. AIC will replace personnel whose work is found to be unsatisfactory.
11. AIC staff will be fully trained and will meet the skill set requirements for the work described in this SOW.
12. AIC will provide for parking for its staff when working at the client location.
13. Time and materials services are at the direction and management of the SOM PM.
14. All meetings will be held in the Lansing, Michigan area, unless otherwise noted.

STATE RESPONSIBILITIES/ASSUMPTIONS:

19. The State will provide business office support for project related activities *as needed*, to include:
    a. Telephone access
    b. Print and copy services
    c. Facsimile services
20. The State will provide appropriate facilities to conduct the facilitated sessions to include:
    a. Meeting-type facility
    b. Adequate space for up to 15 attendees
    c. Adequate space for a “U” seating arrangement
    d. Ability to project vendor computer image (projector and screen or large wall-monitor)
    e. Connectivity to the Internet using vendor provided computer (to host web-conference when pre-arranged)
    f. Conference quality speaker phone (to host conference call for remote participation when pre-arranged)
21. The State will schedule sessions and meetings to best accommodate the participation of key personnel.
22. Meeting/Session follow-up efforts are expected to be related to identified action items, and not related to interviews with invited staff who did not participate in the session.
23. Active session participants will not exceed twelve (12).
24. Session attendees will be available for scheduled meetings/sessions and will have completed any requested pre-session work (review of materials, etc.) prior to each meeting/session.
25. Session attendees will be available for in-person meeting/session attendance unless otherwise agreed to.
26. New scope introduced at review sessions not previously discussed in the business process sessions may impact project scope.

27. The State will be able to complete identified action items by the due date established at the time of assignment. Unless otherwise agreed, the due date will be three business days from the date of assignment.
28. Document template versions or content will not change during the project.
29. Review comments are expected to be represented at the document finalization sessions. If an attendee is not able to participate, his or her review comments are expected to be made available to AIC prior to the finalization session, or represented by those in attendance. Comments received after the finalization session may impact the scope of work to approve and ability to incorporate the revisions.
30. Subject matter expertise, both business and technical as needed, will be available to support the project activities.
31. All meetings will be held in the Lansing, Michigan area, unless otherwise noted.
32. The State of Michigan will provide timely feedback and direction on all document review

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

- Work hours are not to exceed eight hours per day, forty hours per week for State employee project support. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime rates will be permitted without prior written approval of the SOM PM.
-
- Working meetings are expected to be scheduled at a standing day/time for resource planning.
-

PRICING:

For time and materials related services, payment will be made on actual hours worked on a monthly basis.

The State will pay AIC upon receipt of properly completed invoices which will be submitted to the SOM PM upon designated deliverable acceptance. All invoices will reflect work completed by payment date, and will be approved by the SOM PM prior to payment. The invoices will document the work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by the State within forty-five days after receipt of properly completed invoices.

- **Time and Materials Services Hours Estimate**
-
  - **Cloud Automation Initiative Requirements Estimate:**

Role	Estimated Hours	Hourly Rate	Estimate of Cost
Project Manager	300	$104.00	$31,200.00
Business Analyst	960	$81.00	$77,760.00
Facilitator	360	$104.00	$37,440.00
Senior Consultant	300	$125.00	$37,500.00
		TOTAL:	$183,900.00

  -
  - **Physical to Virtual (P2V) Migration Requirements Estimate:**

Role	Estimated Hours	Hourly Rate	Estimate of Cost
Project Manager	120	$104.00	$12,480.00
Business Analyst	440	$81.00	$35,640.00
Facilitator	120	$104.00	$12,480.00
Senior Consultant	140	$125.00	$17,500.00
		TOTAL:	$78,100.00

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- **Virtual to Virtual (V2V) Migration Requirements Estimate:**

Role	Estimated Hours	Hourly Rate	Estimate of Cost
Project Manager	120	$104.00	$12,480.00
Business Analyst	440	$81.00	$35,640.00
Facilitator	120	$104.00	$12,480.00
Senior Consultant	140	$125.00	$17,500.00
		TOTAL:	$78,100.00

-
- **Software Asset Management Requirements/RFP Estimate:**

Role	Estimated Hours	Hourly Rate	Estimate of Cost
Project Manager	120	$104.00	$12,480.00
Business Analyst	360	$81.00	$29,160.00
Facilitator	140	$104.00	$14,560.00
Senior Consultant	120	$125.00	$15,000.00
		TOTAL:	$71,200.00

-
-
- **Overall FY2016 Call for Projects Summary Estimate (includes all 4 projects above):**

Role	Estimate of Hours	Hourly Rate	Estimate of Cost
Project Manager	660	$104.00	$68,640.00
Business Analyst	2200	$81.00	$178,200.00
Facilitator	740	$104.00	$76,960.00
Senior Consultant	700	$125.00	$87,500.00
		TOTAL:	$411,300.00

-

APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

Michigan Dept. of Technology, Management and Budget — Date

Analysts International – Darrell Swartz — Date

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

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

CHANGE NOTICE NO. 20

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Lansing, MI 48910	(517) 336-1042	5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	517-284-7035	meadt@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	2, one year	December 31, 2015

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

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

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		December 31, 2015

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$8,225,376.57	$35,440.00	$8,260,816.57

DESCRIPTION:
Effective October 5, 2015, this contract is amended to add $35,440.00 for the services in the attached Statement of Work to support the validation of requirements, analysis of gathered content and development of an RFP to secure co-location hosting services. All other terms, conditions, pricing and specifications remain the same.
Remaining Contract Balance: $0.00
Approved Ad Board Contract Value: $8,998,939.27

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work

Project Title: **Co-Location RFP Support**	**Period of Coverage:** **10/5/15 – 11/30/15**
Requesting Department: **Department of Management and Budget**	**Date:** **09/15/15**
Agency Project Manager: **Ashley Adrian**	**Phone:** **517-636-4068**
DTMB Project Manager: **Stacey Nieto**	**Phone:** **517-241-6625**

This Statement of Work is a release from Contract Number 071B8200236 with Analyst International. This purchase order, statement of work, and the terms and conditions of Contract Number 071B8200236 constitute the entire agreement between the State and the Contractor.

BACKGROUND:

DTMB has initiated efforts to develop requirements and RFP content related to a co-location hosting solution. To support an accelerated timeline, DTMB is requesting the services of AIC to support the validation of requirements, analysis of gathered content and development of an RFP to secure co-location hosting services.

TIME AND MATERIALS SERVICES

The State and AIC have met in a pre-sales capacity to review the needs and define the following scope of work.

PROJECT CRITERIA
The approach, activities and estimates presented in this proposal for time and material services is based on the following project criteria:

- RFP content review and document updates to include:
  - Article 1 (SOW)
  - Evaluation Criteria
  - Cost Sheet
  - Requirements Attachment
  - Resume Templates (if needed)
  - Incorporate the Terms and Conditions (Article 2) for the RFP as provided the State
- Working meetings are expected to be scheduled at a standing day/time for resource planning (i.e., every Tuesday and Wednesday from 10am-3pm, etc.).

PROJECT TEAM ROLES

- AIC Project Manager – The AIC Project Manager (PM) will work with the State to manage the AIC resources, provide status updates, and be a central point of communication for the AIC services.
- AIC Facilitator – As needed, the AIC Facilitator (AIC FAC) will lead requirements and organizational discussions in need of identifying strategic direction or business process steps.
- AIC Business Analyst – The AIC Business Analyst (AIC BA) will participate in facilitated sessions, conduct workgroup meetings, conduct one-on-one interviews, and analyze collected information to complete related requirements documentation and RFP content updates.

- AIC Senior Consultant – The AIC Senior Consultant will be participant that facilitates sessions and working meetings, providing content and direction related to RFP content.
- SOM Subject Matter Expert – The SOM Subject Matter Expert (SME) will participate in sessions, workgroup meetings, and interviews as appropriate to represent their area of knowledge. As needed, they will also review the resulting documentation in support of formal acceptance.
- SOM Project Manager – The SOM Project Manager (SOM PM) will be the central point of contact for the SOM and will be responsible for the direction of AIC provided resources.
- SOM Procurement Representative – The SOM Procurement Representative (SOM PUR) will be the liaison between the purchasing department and the project team and will work closely with the SOM PM to provide guidance, support, and appropriate templates representing the RFP process. As needed, he/she is expected to participate in key discussions to develop purchasing strategies, as well as to finalize RFP documents.

WORK AND DELIVERABLES

At the direction of the State, the AIC resources are available to support the following activities in support of the RFP development:

RFP Article 1 (SOW Updates)
Building on the 2013 Data Center RFP document #2013-0118, the AIC Senior Consultant and RFP BA will conduct working meetings with the SME(s) to review existing content, update sections as appropriate and create the RFP Article 1. The AIC Senior Consultant and AIC BA are expected to complete related analysis and documentation outside of the working meetings.

RFP Requirements Worksheet
Leveraging the requirements for the 2013 Data Center RFP, along with recent requirements work, the AIC BA and AIC FAC will conduct working meetings with the SME(s) to review the collection of requirements, identify those for inclusion in the RFP and complete documentation to translate the identified content into the RFP worksheet.

Evaluation Criteria
The AIC Senior Consultant will meet with the SME(s) and stakeholders to identify the evaluation criteria to be used for the RFP. The AIC Senior Consultant will document the criteria outside of the working meetings.

Cost Sheets
The AIC Senior Consultant will meet with the SME(s) and stakeholders to identify the cost sheets to be used for the RFP. The AIC Senior Consultant will document the cost sheets outside of the working meetings.

Resume Templates
If needed, the AIC Senior Consultant will meet with the SME(s) to identify the key personnel, expected roles and responsibilities, and resume templates. The AIC Senior Consultant will complete documentation of the templates outside of the working meetings.

Incorporate the Terms and Conditions
Leveraging the terms and conditions provided by the State, the AIC Senior Consultant will incorporate the updates into the terms and conditions (Article 2) for the RFP.

PROJECT SCHEDULE / TIMELINE:

Proposed Project Start Date:	10/5/15
Projected Project End Date:	11/30/15

PROJECT CONTACTS:

The designated Agency Project Manager is:

Ashley Adrian
DTMB Technical Services
Operations Center, 1SW
7285 Parsons Drive
Dimondale, MI 48821
Phone: 517-636-4068
Fax: 517-636-4462
Adriana1@michigan.gov

The designated DTMB Project Manager is:

Stacey Nieto
DTMB Data Center Operations
515 Westshire
Lansing, MI 48917
(517) 241-6625
Fax: (517) 636-4462
Nietos2@michigan.gov

AIC RESPONSIBILITIES/ASSUMPTIONS:

15. AIC will provide services Monday through Friday, during the same work hours as those worked by the State employees working at the identified facility.
16. Personnel provided by AIC shall be subject to the rules, regulations, and policies of the State.
17. AIC will replace personnel whose work is found to be unsatisfactory.
18. AIC staff will be fully trained and will meet the skill set requirements for the work described in this SOW.
19. AIC will provide for parking for its staff when working at the client location.
20. Time and materials services are at the direction and management of the SOM PM.
21. All meetings will be held in the Lansing, Michigan area, unless otherwise noted.

STATE RESPONSIBILITIES/ASSUMPTIONS:

33. The State will provide business office support for project related activities *as needed*, to include:
    a. Telephone access
    b. Print and copy services
    c. Facsimile services
34. The State will provide appropriate facilities to conduct the facilitated sessions to include:
    a. Meeting-type facility
    b. Adequate space for up to 15 attendees
    c. Adequate space for a “U” seating arrangement
    d. Ability to project vendor computer image (projector and screen or large wall-monitor)
    e. Connectivity to the Internet using vendor provided computer (to host web-conference when pre-arranged)
    f. Conference quality speaker phone (to host conference call for remote participation when pre-arranged)
35. The State will schedule sessions and meetings to best accommodate the participation of key personnel. It is expected for these time and materials services that a standing meeting day and time be scheduled for the duration of the project work.
36. Meeting/Session follow-up efforts are expected to be related to identified action items, and not related to interviews with invited staff who did not participate in the session.
37. Active session participants will not exceed twelve (12).
38. Session attendees will be available for scheduled meetings/sessions and will have completed any requested pre-session work (review of materials, etc.) prior to each meeting/session.

39. Session attendees will be available for in-person meeting/session attendance unless otherwise agreed to.
40. New scope introduced at review sessions not previously discussed in the business process sessions may impact project scope.
41. The State will be able to complete identified action items by the due date established at the time of assignment. Unless otherwise agreed, the due date will be three business days from the date of assignment.
42. Document template versions or content will not change during the project.
43. Review comments are expected to be represented at the document finalization sessions. If an attendee is not able to participate, his or her review comments are expected to be made available to AIC prior to the finalization session, or represented by those in attendance. Comments received after the finalization session may impact the scope of work to approve and ability to incorporate the revisions.
44. Subject matter expertise, both business and technical as needed, will be available to support the project activities.
45. The State will use the 2013 Data center RFP document #2013-0118 that was generated as the basis for this RFP
46. All meetings will be held in the Lansing, Michigan area, unless otherwise noted.
47. The State of Michigan will provide timely feedback and direction on all document review

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight hours per day, forty hours per week for State employee project support. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime rates will be permitted without prior written approval of the SOM PM.

Working meetings are expected to be scheduled at a standing day/time for resource planning.

PRICING:

For time and materials related services, payment will be made on actual hours worked on a monthly basis.

The State will pay AIC upon receipt of properly completed invoices which will be submitted to the SOM PM upon designated deliverable acceptance. All invoices will reflect work completed by payment date, and will be approved by the SOM PM prior to payment. The invoices will document the work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by the State within forty-five days after receipt of properly completed invoices.

Time and Materials Services Hours Estimate

Role	Hours Estimate	Hourly Rate	Total Estimate
Business Analyst	120	$81.00	$9,720.00
Facilitator	24	$104.00	$2,496.00
Sr. Consultant	160	$125.00	$20,000.00
Project Manager	31	$104.00	$3,224.00
Project Total:			$35,440.00

APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

Michigan Dept. of Technology, Management and Budget — Date

Analysts International – Darrell Swartz — Date

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

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

CHANGE NOTICE NO. 19

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Lansing, MI 48910	(517) 336-1042	5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	517-284-7035	meadt@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	2, one year	December 31, 2015

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

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

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		December 31, 2015

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$7,994,174.32	$231,202.25	$8,225,376.57

DESCRIPTION:
Effective August 26, 2015, this contract is amended to add $231,202.25 for the services in the attached Statement of Work to elicit and document requirements, facilitate sessions, and assist the Michigan Department of Treasury in procuring an alternate solution to re-platform the Loan and Bond Management System (LBMS) in use today. The request also contains RFP development support. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement and DTMB Procurement approval.

Remaining Contract Balance: $0.00

Approved Ad Board Contract Value: $8,998,939.27

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work

Project Title: **Treasury Loan and Bond Management System (LBMS)** **Requirements and RFP Support**	**Period of Coverage:** **9/29/2015-01/06/17**
Requesting Department: **Treasury – Bureau of State Authority Finance (Bureau)**	**Date: 8/25/2015**
DTMB Business Relationship Manager: **Amy Dinstbier**	**Phone:** **517-636-5046**
Bureau Project Manager: **Alistair Ritchie**	**Phone:** **517-335-3247**

BACKGROUND:

-
- The Michigan Department of Treasury – Bureau of State Authority Finance issued an RFP in 2013 to procure a solution to meet various business needs related to loan and bond programs overseen by the Michigan Department of Treasury. Although this RFP was awarded and the project initiated, the selected vendor and solution were unable to proceed to completion and the project was ended prior to the solution being available. The Michigan Department of Treasury has decided to address the needs supporting the related business areas and existing legacy systems in separate initiatives.
-
- As one of these separate initiatives, the Bureau has requested the assistance of AIC to elicit and document the requirements, as well as support the RFP development, for procuring an alternate solution to re-platform the Loan and Bond Management System (LBMS) in use today.
-

FIXED PRICE SERVICES SCOPE OF WORK:

- The State and AIC have met in a pre-sales capacity to review the needs and define the following scope of work.
-
- **PROJECT TEAM ROLES**
  - AIC Facilitator – The AIC Facilitator (AIC FAC) will participate in knowledge transfer discussions and lead requirements discussions in need of identifying strategic direction or business process steps.
  - AIC Business Analysts – The AIC Business Analysts (AIC BA) will participate in knowledge transfer discussions, participate in facilitated sessions, conduct workgroup meetings, conduct one-on-one interviews, and analyze collected information to complete related requirements documentation.
  - AIC Project Manager – The AIC Project Manager (AIC PM) will be the central point of contact for the AIC team, manage the project, and provide direction to the AIC team members to best complete the work tasks and deliverables in scope.
  - Treasury Subject Matter Expert(s) – The Treasury Subject Matter Expert(s) (SME) will participate in sessions, workgroup meetings, and interviews as appropriate to represent their area of knowledge. As needed, they will also review the resulting documentation in support of formal acceptance.
  - Bureau Project Manager – The Bureau Project Manager (BUR PM) will be the central point of contact for the Department of Treasury and will work closely with the AIC PM to review the project progress to plan, as well as schedule needed sessions, workgroup meetings, and interviews.
  - SOM Procurement Representative – The SOM Procurement Representative (SOM PUR) will be the liaison between the purchasing department and the project team and will work closely with the SOM

PM to provide guidance, support, and appropriate templates representing the RFP process. As needed, he/she is expected to participate in key discussions to develop purchasing strategies, as well as finalize RFP documents.

- **PROJECT STATUS REPORTING**

Status Item	Format	Reporting Period	Schedule	Distribution
Formal Written Status Report (using SUITE template)	MS Word File	Bi-Weekly	Available by close of business on the second business day following the previous 2-week reporting period.	AIC Project Team Members BUR PM
Status Meeting	In-person or via Phone	Bi-Weekly	To take place during the 2nd week of the bi-weekly reporting period.	AIC PM BUR PM
AIC Project Activity Reporting	Integrated into AIC Internal Controls	Weekly	Integrated into AIC internal time entry (time entered and approved by noon on Tuesday for prior week).	AIC PM

- **PROJECT CRITERIA**
- The work effort and scope represented in this document is based on the following criteria:

- **Current System Functionality**
- Leveraging the existing LBMS User Manual, the existing functionality will be included in the following requirements topics for both elicitation discussions and documentation.

Requirements Topic	LBMS Current Functionality	Requirements Topic Discussion Objectives
New Loan Process	New Loan Set-Up Assignment and Pledge Status	Define the process to complete the two (2) activities o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Loan Funding Source		Define the process to complete the activity o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Annual Loan Activity Process		Define the process to complete the activity o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)

Semi-Annual Loan Process	• Semi-Annual Loan Process - Fax Confirmation • Semi-Annual Loan Process – Wire Account Information Report • Semi-Annual Loan Process – Main Loan Entry Report • Semi-Annual Loan Process – Final Draw Confirmation • Semi-Annual Loan Process – Posting New Loans • Semi-Annual Loan Process – Detail Listing of Draws Processed Report • Semi-Annual Loan Process – Loan Account Statement	• Define the process to complete each of the seven (7) activities o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Loan Payments Process	• Loan Repayments • Final Loan Pay-off • Adjusting Entries	• Define the process to complete each of the three (3) activities to include o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Invoicing Process	Invoices	• Define the process to complete the activity to include o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Interest Rate Process	• Interest Rate Calculation • Update Interest Rate	• Define the process to complete each of the two (2) activities to include o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Taxable Value Process	• Taxable Value – Individual Taxable Value Updates • Taxable Value – Mass Taxable Value Updates	• Define the process to complete each of the two (2) activities to include o User role(s) o Needed inputs o Process steps o Quality assurance and approval activities o Generated outputs o Output recipient(s)
Reports	• Reports – Loan Estimation Report • Reports – District Summary Report • Reports – Loan Activity Summary Report • Reports – Loan Repayment Summary Report • Reports – Unassigned SBLF Loans • Reports – Outstanding Balances by District – 3 Years • Reports – Detail Listing of Repayments Received	• Define the report specific requirements for each of seven (7) reports o Exceptions to the standard requirements o Filter requirements o Sort requirements

Configuration Management	• SBL Maintenance – Borrower Statuses • SBL Maintenance – External Rates • SBL Maintenance – Loan Grouping • SBL Maintenance – Loan Statuses • SBL Maintenance – Loan Types • SBL Maintenance – Receivable Types • SBL Maintenance – Tax Levy Periods • SBL Maintenance – Transaction Types • SBL Maintenance – Wire Statuses	• Define the process to administratively maintain configurable values o Confirm known list of values ▪ Consider values not currently maintained • Default school bond term (in years) • Default loan start date • Default loan end date • Default MAIN voucher information • Default number of changes maintained for historical reference • Default loan repayment balance reduction priority • Funding Source of Loan o Define approval requirements o Define validation requirements o Define historical value requirements
Global Functionality	• Letter, Memo Templates • Attachments • Standard E-mail Messages • Contact Information on Standard Documents, Applications and Forms • Notes	• Review and define requirements for global functionality: o Reporting standards ▪ Format ▪ Branding ▪ Delivery o Auditing standards o Security standards o Help standards o Navigation standards o Data entry standards (use of spell check, HTML, etc.) o Look and feel standards o Architecture standards o Workflow standards o Task assignment and management standards o Notification standards o Archiving standards o Scanning and indexing standards o Document management/attachments standards o Note/comment standards
User Roles	User Roles and Privileges	• Define the requirements for user role definition • Define the requirements for user role management • Define the requirements for user role security • Define the requirements for user role auditing and reporting
Contact Management	• Contact – Add a New Contact • Contacts – Replace a SLRF Contact	• Define what a contact is • Define the requirements for maintaining contact attributes • Define the requirements for maintaining contact relationships • Define the requirements for maintaining contact status
Borrower (School District) Management	• Borrower Wire Transfer Information • School District Debt (Schedule) • Borrower History/Converted Records	• Define what a borrower is • Define the requirements for maintaining borrower attributes • Define the requirements for maintaining borrower relationships • Define the requirements for maintaining borrower status
Data Migration	NA	Define the business requirements for the data migration from the legacy LBMS.
Implementation	NA	Define the business requirements related to the new system implementation: • Testing requirements • Training requirements • Go-live requirements (time of year, overlap with legacy system, etc.)
Legacy Decommissioning	NA	Define the business requirements for the decommissioning of the legacy LBMS.

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- **Related Systems**
- A related system is an existing IT solution supporting part of or all of the business processes in scope for this project. An IT solution can include custom developed software, purchased software, as well as reference tools, such as spreadsheets or desktop-based databases.
-
    3. LBMS
    4. Statewide School District Taxable Value Spreadsheet
-

Data Migration Sources

- A data migration source is an existing data store whose data will be made available in the new solution. A data migration source can include an existing system, as well as other data sources, such as reference spreadsheets in use today.
-
    1. LBMS
-

WORK AND DELIVERABLES

-
- **Project Initiation**
- Upon acceptance of this statement of work, the AIC PM will complete project initiation activities with the AIC members of the project team. This will include establishing the AIC project repository, confirming accurate billing and invoicing information, as well as conducting an AIC project kick-off to orient the AIC project team to the project scope. In addition, the AIC PM will update the project schedule with the project start date, and update the project communications plan to represent the assigned AIC staff and confirmed status reporting participants. These project initiation documents will be shared with the BUR PM.
-
- In parallel to initiating the project with the internal AIC staff to the project, the AIC PM will work with the BUR PM to schedule and plan for a project kick-off meeting. It is expected that the kick-off meeting will include the State subject matter experts representing the in-scope business processes, as well as the project sponsor(s) and project manager. The AIC PM will prepare meeting materials to include an overview of the project scope, approach, and schedule. The AIC PM will facilitate the kick-off meeting, introducing the project team members and addressing questions from attendees. Following the project kick-off meeting, the AIC BA will publish meeting notes and an updated project contact list to include the project team and stakeholders.
-
    - *Related Project Meetings:*
        - *Project Kick-Off Meeting (up to 1 hour duration)*
-
    - *Related Work Products:*
        - *Updated Project Schedule*
        - *Kick-Off Meeting Notes*
        - *Project Communications Plan*
-
- **Discovery**
- Following the project kick-off meeting, the AIC PM will work with the BUR PM to identify materials that will aid the AIC project team in gaining institutional knowledge as it relates to the project background and scope. This will include reviewing related documentation, as well as general Q&A for areas of interest to the AIC team.
-
- In addition, the AIC PM will work with the BUR PM to schedule an overview meeting to review related solutions.
    -
    - *Related Project Meetings:*
        - *LBMS Overview (up to 2 hour duration)*

- **Requirements Elicitation and To-Be Process Model Documentation**

- Building on the knowledge gained during the discovery activities, the AIC BA will prepare for the requirements elicitation sessions, to include creating session materials and an agenda. The AIC PM will work with the BUR PM to schedule the requirements elicitation session for each of the topics.
-
- The proposed schedule and cost represent a cadence of sessions scheduled for the topics.
  - Consecutive sessions will be scheduled five business days apart (AIC recommends that meetings fall on the same day of the week for planning purposes).
  - If the topic of a session is process-based, the draft to-be models from that session will be available two business days before the following session and the first hour of the following session will review the draft to-be process models.
  - Not all sessions topics will be process-based (i.e., global discussions, configuration, etc.)
-
  - *For Example,*
    - *Session Held on Tuesday*
    - *Draft Session Documents Available on Friday*
    - *Next Session Held on Tuesday (start with review of draft to-be models, continue with new procedure/process)*
-
- During the requirements elicitation session, the AIC FAC will use either MS Visio for MS Word as a visual tool to represent the group discussion to include activities representing the business process area topics (the facilitator will create and project real-time documentation representing the group discussion). In addition, the AIC FAC may request the SME to access the existing LBMS real-time to review current functionality for clarification of requirements discussions.

- Following a requirements elicitation session:
  - The AIC BA will work with the BUR PM to resolve any action items identified in the session
  - The AIC BA will provide the BUR PM with the AIC FAC projected session materials (the MS Word or MS Visio files used as visual tools during the session).
  - The AIC BA will update any draft version reviewed materials (based on new discussions at the session) and submit to the BUR PM for confirmation of updates.
  - If the session topic was process-based, the AIC BA will also review and analyze the process session discussions and develop the draft to-be process models using industry standard business process modeling tools and techniques (Business Process Modeling Notation (BPMN) version 2.0). The to-be process models will undergo a peer review prior to being provided to the BUR PM to distribute to the session attendees for review at the following session. It is expected that attendees review the materials prior to the start of the session.
-
- Following the completion of review sessions for all of the process models, AIC will consolidate the collection of related models and provide to the BUR PM for distribution for a final review and acceptance. AIC will attend a finalization meeting to review the complete list of changes needed for formal acceptance of the process models. Changes identified after this meeting are expected to be maintained by the BUR PM or their delegate.
-
    - *Related Project Meetings; Cadence of Weekly Sessions:*
    -

Week	*Review Duration In Hours*	*Review Topics*	*Elicitation Duration in Hours*	*Elicitation Topics*
1	*0*	*None*	*3*	*New Loan Setup Process* *Assignment and Pledge Status Process*
2	*1*	*New Loan Setup Process Model* *Assignment and Pledge Status Process Model*	*3*	*Loan Funding Source Process* *Annual Loan Activity Process*

• *Week*	• *Review Duration In Hours*	• *Review Topics*	• *Elicitation Duration in Hours*	• *Elicitation Topics*
• *3*	• *1*	• *Loan Funding Source Process Model* • *Annual Loan Activity Process Model*	• *4*	• *Semi-Annual Fax Confirmation Process* • *Semi-Annual Wire Account Information Report Process* • *Semi-Annual MAIN Loan Entry Report Process*
• *4*	• *1.5*	• *Semi-Annual Fax Confirmation Process* • *Semi-Annual Wire Account Information Report Process* • *Semi-Annual MAIN Loan Entry Report Process*	• *5*	• *Semi-Annual Final Draw Confirmation Process* • *Semi-Annual Posting New Loans Process* • *Semi-Annual Detail Listing of Draws Report Process* • *Semi-Annual Loan Account Statement Process*
• *5*	• *3*	• *Semi-Annual Final Draw Confirmation Process Model* • *Semi-Annual Posting New Loans Process Model* • *Semi-Annual Detail Listing of Draws Report Process Model* • *Semi-Annual Loan Account Statement Process Model*	• *4*	• *Loan Repayments Process* • *Final Loan Pay-Off Process* • *Adjusting Entries Process*
• *6*	• *1.5*	• *Loan Repayments Process Model* • *Final Loan Pay-Off Process Model* • *Adjusting Entries Process Model*	• *2*	• *Invoicing Process*
• *7*	• *1*	• *Invoicing Process Model*	• *3*	• *Interest Rate Calculation Process* • *Update Interest Rate Process*
• *8*	• *1*	• *Interest Rate Calculation Process Model* • *Update Interest Rate Process Model*	• *3*	• *Individual Taxable Value Updates Process* • *Mass Taxable Value Updates Process*
• *9*	• *1*	• *Individual Taxable Value Updates Process Model* • *Mass Taxable Value Updates Process Model*	• *4*	• *Loan Estimation Report Reporting* • *District Summary Reporting* • *Loan Activity Reporting* • *Loan Repayment Summary Reporting* • *Unassigned SBLF Loans Reporting* • *Outstanding Balances by District – 3 Years Reporting* • *Detail Listing of Repayments Received Reporting*
• *10*	• *4* •	• *Loan Estimation Report Reporting* • *District Summary Reporting* • *Loan Activity Reporting* • *Loan Repayment Summary Reporting* • *Unassigned SBLF Loans Reporting* • *Outstanding Balances by District – 3 Years Reporting* • *Detail Listing of Repayments Received Reporting*	• *0*	• *None*

• Week	• Review Duration In Hours	• Review Topics	• Elicitation Duration in Hours	• Elicitation Topics
• 11	• 4	• Identify Changes for Acceptance of Process Models	• 0	• None
• 12	• 0	• None	• 4	• Configuration Management
• 13	• 0	• None	• 4	• Global Functionality o Reporting Standards o Auditing Standards o Help Standards o Navigation Standards o Data Entry Standards o Look and Feel Standards o Architecture Standards
• 14	• 0	• None	• 4	• Global Functionality o Workflow Standards o Notification Standards o Archiving Standards o Scanning and Indexing Standards o Document Management/Attachment Standards o Note/Comment Standards
• 15	• 0	• None	• 6	• User Roles • Contact Management o Add a new Contact o Replace a SLRF Contact • Borrower Management o Borrower Wire Transfer Information o School District Debt (Schedule) o Borrower History/Converted Records
• 16	• 0	• None	• 4	• Data Migration
• 17	• 0	• None	• 4	• Solution Implementation • Legacy System Decommissioning

-
  - *Related Work Products:*
    - *Draft Version 1.0 To-Be Process Models for Each Process-Based Topic*
    - *Working Session Materials for Each Session*
    - *Draft Version 2.0 To-Be Process Models for Finalization*
-
  - *Related Deliverable*
    - *Final Version 3.0 To-Be Process Models for Each Process-Based Topic:*
      - *New Loan – Loan Setup Process Model*
      - *New Loan – Assignment and Pledge Status Process Model*
      - *Loan Funding Source Process Model*
      - *Annual Loan Activity Process Model*
      - *Semi-Annual Loan - Fax Confirmation Process Model*
      - *Semi-Annual Loan - Wire Account Information Report Process Model*
      - *Semi-Annual Loan - Main Loan Entry Report Process Model*
      - *Semi-Annual Loan - Final Draw Confirmation Process Model*
      - *Semi-Annual Loan - Posting New Loans Process Model*
      - *Semi-Annual Loan - Detail Listing of Draws Processes Report Process Model*
      - *Semi-Annual Loan - Loan Account Statement Process Model*
      - *Loan Payments - Loan Repayments Process Model*
      - *Loan Payments - Final Loan Pay-off Process Model*
      - *Loan Payments - Adjusting Entries Process Model*

- *Invoicing Process Model*
- *Interest Rate – Interest Rate Calculation Process Model*
- *Interest Rate – Update Interest Rate Process Model*
- *Taxable Value – Individual Taxable Value Updates Process Model*
- *Taxable Value – Mass Taxable Value Updates Process Model*
  -

-
- **Use Case Elicitation and Documentation**
- For those topics that are process-based, the AIC BA will use the approved process model to prepare for the use case elicitation sessions, to include creating session materials and an agenda. The AIC PM will work with the BUR PM to schedule the use case elicitation session for each of the process-based topics.
-
- The proposed schedule and cost represent a cadence of sessions scheduled for the process-based topics:
  - Consecutive sessions in the same series will be scheduled five business days apart (AIC suggests it fall on the same day of the week for planning purposes).
  - The draft use cases from the previous session in a series will be available two business days before the following session in the same series.
  - Starting with the second session in a series, the first hour of the session will review the previous session draft use cases.
-
  - *For Example,*
    - *Session Held on Tuesday*
    - *Draft Session Documents Available on Thursday*
    - *Next Session Held on Tuesday (start with review of draft use cases, continue with new use cases)*
-
- During the use case elicitation session, the AIC FAC will use MS Word as a visual tool to develop a draft use case representing the group discussion to include the primary path, alternate path, steps and expected outcomes. This proposal expects to complete elicitation discussion of a single use case within an hour and a half (with a cadence of completing two (2) use cases a week).

- Following the each use case elicitation session:
  - The AIC BA will work with the BUR PM to resolve any action items identified in the session
  - The AIC BA will update the reviewed use cases (based on new discussions at the previous session in the series) and submit to the BUR PM for confirmation of updates.
  - The AIC BA will also review and analyze the new use case session discussions and develop the draft use cases. The use cases will undergo a peer review prior to being provided to the BUR PM to distribute to the session attendees for review at the following session.
-
- Following the completion of review sessions for all of the use cases, AIC will consolidate the collection of related use cases and provide to the BUR PM for distribution for a final review and acceptance. AIC will attend a finalization meeting to review the complete list of changes needed for formal acceptance of the use cases. Changes identified after this meeting are expected to be maintained by the BUR PM or their delegate.
-
  - *Related Project Meetings; Cadence of Weekly Sessions:*
  -

• *Week*	• *Review Duration in Hours*	• *Review Topics*	• *Elicitation Duration in Hours*	• *Use Case Topics*
• *1*	• *0*	• *None*	• *3*	• *New Loan – Loan Setup Use Case* • *New Loan - Assignment and Pledge Status Use Case*
• *2*	• *1*	• *New Loan Setup Use Case* • *Assignment and Pledge Status Use Case*	• *3*	• *Loan Funding Source Use Case* • *Annual Loan Activity Use Case*

• *Week*	• *Review Duration in Hours*	• *Review Topics*	• *Elicitation Duration in Hours*	• *Use Case Topics*
• *3*	• *1*	• *Loan Funding Source Use Case* • *Annual Loan Activity Use Case*	• *3*	• *Semi-Annual Loan – Fax Confirmation Use Case* • *Semi-Annual Loan – Wire Account Information Report Use Case*
• *4*	• *1*	• *Semi-Annual Loan – Fax Confirmation Use Case*	• *2* •	• *Semi-Annual Loan – MAIN Loan Entry Report Use Case*
• *5*	• *1*	• *Semi-Annual Loan – MAIN Loan Entry Report Use Case*	• *3*	• *Semi-Annual Loan - Final Draw Confirmation Use Case* • *Semi-Annual Loan - Posting New Loans Use Case*
• *6*	• *1*	• *Semi-Annual Loan - Final Draw Confirmation Use Case* • *Semi-Annual Loan - Posting New Loans Use Case*	• *3*	• *Semi-Annual Loan - Detail Listing of Draws Processes Report Use Case* • *Semi-Annual Loan - Loan Account Statement Use Case*
• *7*	• *1*	• *Semi-Annual Loan - Detail Listing of Draws Processes Report Use Case* • *Semi-Annual Loan - Loan Account Statement Use Case*	• *3*	• *Loan Payments - Loan Repayments Use Case* • *Loan Payments - Final Loan Pay-off Use Case*
• *8*	• *1*	• *Loan Payments - Loan Repayments Use Case* • *Loan Payments - Final Loan Pay-off Use Case*	• *3*	• *Loan Payments - Adjusting Entries Use Case* • *Invoicing Use Case*
• *9*	• *1*	• *Loan Payments - Adjusting Entries Use Case* • *Invoicing Use Case*	• *3*	• *Interest Rate – Interest Rate Calculation Use Case* • *Interest Rate – Update Interest Rate Use Case*
• *10*	• *1*	• *Interest Rate – Interest Rate Calculation Use Case* • *Interest Rate – Update Interest Rate Use Case*	• *3*	• *Taxable Value – Individual Taxable Value Updates Use Case* • *Taxable Value – Mass Taxable Value Updates Use Case*
• *11*	• *1*	• *Taxable Value – Individual Taxable Value Updates Use Case* • *Taxable Value – Mass Taxable Value Updates Use Case*	• *3*	• *None*
• *12*	• *4*	• *Identify Changes for Acceptance of Process Models*	•	•

- *Related Work Products:*
  - *Draft Version 1.0 Use Cases for Each Process-Based Topic:*
    - *New Loan – Loan Setup Use Case*
    - *New Loan – Assignment and Pledge Status Use Case*
    - *Loan Funding Source Use Case*
    - *Annual Loan Activity Use Case*
    - *Semi-Annual Loan - Fax Confirmation Use Case*
    - *Semi-Annual Loan - Wire Account Information Report Use Case*
    - *Semi-Annual Loan - Main Loan Entry Report Use Case*
    - *Semi-Annual Loan - Final Draw Confirmation Use Case*
    - *Semi-Annual Loan - Posting New Loans Use Case*
    - *Semi-Annual Loan - Detail Listing of Draws Processes Report Use Case*
    - *Semi-Annual Loan - Loan Account Statement Use Case*
    - *Loan Payments - Loan Repayments Use Case*
    - *Loan Payments - Final Loan Pay-off Use Case*
    - *Loan Payments - Adjusting Entries Use Case*

    - *Invoicing Use Case*
    - *Interest Rate – Interest Rate Calculation Use Case*
    - *Interest Rate – Update SBLF and SLRF Interest Rates Use Case*
    - *Taxable Value – Individual Taxable Value Updates Use Case*
    - *Taxable Value – Mass Taxable Value Updates Use Case*
  - *Draft Version 2.0 Use Cases for Finalization*
-
  - *Related Deliverables*
  - *Final Version 3.0 Use Cases for Each Process-Based Topic:*
    - *New Loan – Loan Setup Use Case*
    - *New Loan – Assignment and Pledge Status Use Case*
    - *Loan Funding Source Use Case*
    - *Annual Loan Activity Use Case*
    - *Semi-Annual Loan - Fax Confirmation Use Case*
    - *Semi-Annual Loan - Wire Account Information Report Use Case*
    - *Semi-Annual Loan - Main Loan Entry Report Use Case*
    - *Semi-Annual Loan - Final Draw Confirmation Use Case*
    - *Semi-Annual Loan - Posting New Loans Use Case*
    - *Semi-Annual Loan - Detail Listing of Draws Processes Report Use Case*
    - *Semi-Annual Loan - Loan Account Statement Use Case*
    - *Loan Payments - Loan Repayments Use Case*
    - *Loan Payments - Final Loan Pay-off Use Case*
    - *Loan Payments - Adjusting Entries Use Case*
    - *Invoicing Use Case*
    - *Interest Rate – Interest Rate Calculation Use Case*
    - *Interest Rate – Update SBLF and SLRF Interest Rates Use Case*
    - *Taxable Value – Individual Taxable Value Updates Use Case*
    - *Taxable Value – Mass Taxable Value Updates Use Case*
-
- **Business Requirements Documentation**
- Following the submission of the use cases for approval, the AIC BA will leverage the to-be process models, use cases, and information gained during earlier project activities, to conduct analysis supporting the business requirements. If needed, the AIC BA will work with the BUR PM for follow-up discussions or related information for review. The AIC BA will document the business requirements using the **State of Michigan Business Requirements RFP Attachment template** to include sections for business requirements, technical constraints and enablers, as well as implementation considerations impacting the business. The resulting business requirements document will undergo an internal peer review prior to being versioned as 1.0.
-
- Version 1.0 of the requirements document will be provided to the BUR PM for the following review:
  - The State will be provided up to ten (10) business days to complete their review of Version 1.0. On or before the 11th day, the State is expected to provide AIC a single, consolidated list of review comments (when possible, using the "track changes" and "comments" features in MS Word is preferred for this).
  - AIC will review the received comments and make appropriate updates. If needed, AIC may follow up with the BUR PM for additional clarification or direction. The updated deliverable will be considered "Version 2.0" and delivered to the State for review prior to attending a finalization meeting.
  - The State will be provided up to five (5) business days to complete their review of Version 2.0. On or after the 6th day, session participants are expected to attend an AIC facilitated finalization meeting to discuss unclear items or items in conflict with earlier session information or direction. The AIC PM will have worked with the BUR PM to schedule this finalization meeting. The objective of the finalization session is to develop a list of deliverable acceptance criteria (items in need of updating in order to accept the deliverable).
  - Following the finalization session, AIC will complete the acceptance criteria items and within five (5) business days deliver the "final version" to the State for acceptance.
  - The State is expected to accept the final version within five (5) business days of its receipt.
-

- *Related Project Meetings:*
  - *Business Requirements Finalization Session (up to 4 hour duration)*
-
- *Related Work Products:*
  - *Draft Requirements Document Version 1.0*
  - *Draft Requirements Document Version 2.0*

Related Deliverables:
  - *Final Requirements Document Version 3.0*
-
- **Request for Proposal (RFP) Development Support**
- Following the completion of the business requirements, the AIC BA will develop talking points and questions related to the strategy and approach of the RFP. The AIC PM will work with the BUR PM to schedule an RFP planning meeting. The AIC BA will leverage their talking points and questions to develop RFP planning materials, to include in an agenda. It is expected that the BUR PM will work with the SOM PUR to confirm and obtain the correct RFP templates to use for the project and that the SOM PUR will participate in the planning meeting. The confirmed templates will be included in the meeting materials.
-
- The objective of the planning meeting is to confirm the strategy and approach of the RFP. This will include considerations for the duration of the contract, number of extensions, multiple versus single award, organization of the work and deliverables being asked of the vendor, requirements of the vendor for the provision of the solution (versus the requirements for the solution itself), maintenance and service level agreement requirements, identification of related background information to include, and State assessments or templates to include/complete. The AIC BA will work with the SOM PUR to obtain templates of the documents supporting the determined strategy (i.e., assessment docs, technical questionnaires, etc.) and package them for inclusion with the planning meeting notes to be issued by the AIC BA.
-
- Following the RFP planning meeting and determination of the RFP strategy, the AIC PM will work with the BUR PM to identify attendees and schedule separate working meetings for each of the RFP contents in scope for AIC to complete:
-

• RFP Item	• RFP Document Template File	• File Version	• Date File Obtained from State Intranet Site
RFP Exhibit A - Statement of Work Contract Activities (Custom Software Development Version) •	• "Statement of Work – IT.docx",	• revision date 8/19/2014	• 5/5/2015
RFP Appendix – Requirements	• "Samplerequirementsdocument format (1).doc"	• Not Versioned	• 5/5/2015
Evaluation Criteria Section of the RFP General Information and Proposal Instructions	• Section 9 in "Request for Proposal – Instructions for Bidders (version 02-03-215) (1).doc"	• 02/03/2015	• 5/5/2015
RFP Appendix - Cost Tables	• "Cost Tables.doc"	• Not Versioned	• 5/5/2015
RFP Appendix – Key/Additional Personnel Resume Template(s)	• "Key Personnel Resume Template.doc" • "Additional Personnel Resume Template.doc"	• Not Versioned	• 5/5/2015

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- To minimize re-work, the planning meeting and content for the RFP Exhibit A should be completed prior to the planning meeting for other RFP contents. Similarly, the planning meeting for the RFP Evaluation Criteria should be held after the content for the evaluated areas are complete.

-
- The AIC BA will lead discussions in each of the working meetings to walk through the template and document content decisions, content sources, and the key points for inclusion in each of the templates. The working meeting is not intended for wordsmithing or completing the narrative content, but rather to collectively build an outline to which the AIC BA can expand on outside of the working meeting.
-
- Following the working meeting for an RFP content area, the AIC BA will work with the BUR PM to resolve any open action items and populate the RFP template based on the outline and direction determined in the working meeting. Although the AIC BA may share this interim version with the State, additional analysis will be completed by the AIC BA after the working meetings for all five RFP contents are complete to review each of the content sections for consistency.
-
- Following the consistency review, the AIC BA will package the contents into one set of files. This package will undergo a peer review prior to providing to the BUR PM for BUR team review.
-

When the AIC peer review and any revisions are completed, the draft version of the package will be presented for the first review in a three-tiered review process:

- Initial Draft Review - The initial draft review is intended to be done with the immediate project personnel working with AIC to provide RFP content and RFP direction. After a five-business day review period of the documents, AIC will attend up to a four-hour meeting to walk through the documents with the immediate project personnel and identify any needed revisions. It is recommended that the SOM PUR participate in this review cycle.
- Business Draft Review – The business draft review is intended to be done with the business stakeholders related to the services and product being procured by the RFP. After a five-business day review period of the documents, AIC will attend up to a four-hour meeting to walk through the documents with the immediate project personnel and/or business stakeholders and identify any needed revisions.
- Executive Draft Review – The executive draft review is intended to be done with the executive stakeholders related to the services and product being procured by the RFP. After a five-business day review period of the documents, AIC will attend up to a four-hour meeting to walk through the documents with the executive stakeholders and identify any needed revisions.

Following the executive draft review meeting, AIC will complete the identified revisions and deliver the RFP documents in their final format for acceptance. Additional RFP articles and the consolidation of the in-scope RFP package contents into other documents are out of scope.

-
  - *Related Project Meetings:*
    - *RFP Planning Meeting (up to 2 hour duration)*
    - *RFP Exhibit A Working Meeting (two working meetings, up to 4 hour duration each)*
    - *RFP Appendix - Requirements Working Meeting (up to 4 hour duration)*
    - *Evaluation Criteria Section of the RFP General Information and Proposal Instructions Working Meeting (up to 4 hour duration)*
    - *RFP Appendix – Cost Tables Working Meeting (up to 4 hour duration)*
    - *RFP Appendix – Key/Additional Personnel Resume Template Working Meeting (up to 4 hour duration)*
    - *RFP Package – Initial Draft Review Meeting (up to 4 hour duration)*
    - *RFP Package – Business Draft Review Meeting (up to 4 hour duration)*
    - *RFP Package – Executive Review Meeting (up to 4 hour duration)*
-
  - *Related Work Products:*
    - *RFP Planning Meeting Notes with RFP Content Templates*
    - *RFP Package – Initial Draft*
    - *RFP Package – Business Draft*
    - *RFP Package – Executive Review Draft*
-

- *Related Deliverables:*
  - *RFP Package (Exhibit A, Evaluation Criteria Section of the General Information and Proposal Instructions, Appendix – Requirements, Appendix – Cost Tables, Appendix – Additional Personnel Resume Templates)*
-

Close Project

- Upon delivery of the final versions for acceptance, AIC will request a project close-out meeting to transition any open action items, project artifacts, and request formal project acceptance and close-out.
-
  - *Related Project Meetings:*
    - *Project Close-Out Meeting (up to 2 hour duration)*
-
  - *Related Deliverables:*
    - *Accepted Completed Project*
    -

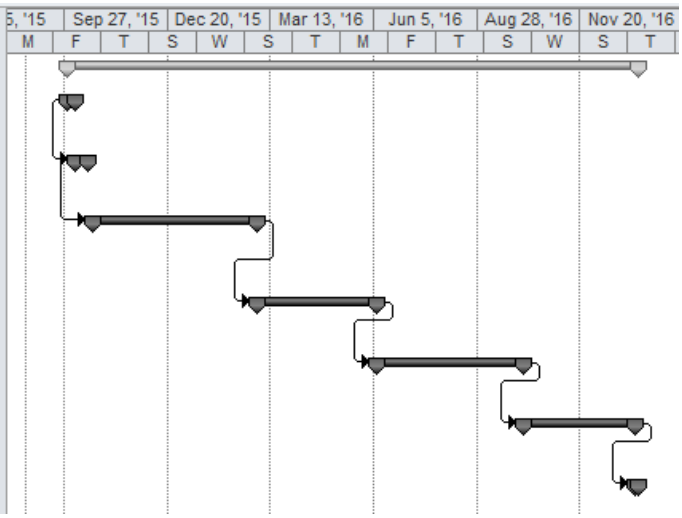
OUT OF SCOPE

- The following items were identified as being out of scope for this proposal:
  22. System integration functionality.
  23. Data import/export functionality.
  24. System generated and/or maintained loan agreements.
  25. System generated and/or maintained "Year End Interest Rate Notification" letters.
  26. Adjusting new loan entries.
  27. Semi-annual loan process related to wire transfer loan amount reporting.
  28. Check maintenance functionality.
  29. District detail ledger reports.
  30. Task entry and task management related functionality.
  31. The following RFP content/documents:
      a. RFP Exhibit B.
      b. RFP General Information and Proposal Instructions (other than the Evaluation Criteria)
      c. RFP Exhibit C.
      d. RFP Contract Terms.

PROJECT SCHEDULE / TIMELINE:

- The following is a summary of the attached example project schedule representing this scope of work:
-

Task Name	Start	Finish
Treasury LBMS Requirements Project	9/29/2015	1/6/2017
Project Initiation	9/29/2015	10/5/2015
Discovery	10/6/2015	10/15/2015
Requirements Elicitation and To-Be Process Model Documentation	10/20/2015	3/2/2016
Use Case Development and Documentation	3/2/2016	6/7/2016
Business Requirements Documentation	6/8/2016	10/5/2016
RFP Development Support	10/5/2016	1/4/2017
Close Project	1/4/2017	1/6/2017



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- **Example schedule is representative only and assumes 100% productivity and availability of needed resources to the project for the duration of the project.*

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PROJECT CONTACTS:

- The designated BUR Project Coordinator is:
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  Alistair Ritchie
  430 W. Allegan Street
  Lansing, MI 48922
  517-335-3247

- The designated DTMB Business Relationship Manager is:
-

  - Amy Dinstbier
  7285 Parsons Drive
  Dimondale, MI 48821
  - 517-636-5046
  dinstbiera@michigan.gov

AIC RESPONSIBILITIES/ASSUMPTIONS:

1. AIC will provide services Monday through Friday, during the same work hours as those worked by the State employees working at the identified facility.
2. Personnel provided by AIC shall be subject to the rules, regulations, and policies of the State.
3. AIC will replace personnel whose work is found to be unsatisfactory.
4. AIC staff will be fully trained and will meet the skill set requirements for the work described in this SOW.
5. AIC will provide for parking for its staff when working at the client location.
6. Time and materials services are at the direction and management of the BUR PM.
7. All meetings will be held in the Lansing, Michigan area.
8. New functionality or enhancements to the current use of the LBMS are out of scope.

STATE RESPONSIBILITIES/ASSUMPTIONS:

48. The State will provide business office support for project related activities as needed, to include:
    a. Telephone access
    b. Print and copy services
    c. Facsimile services
49. The State will provide appropriate facilities to conduct the facilitated sessions to include:
    a. Meeting-type facility
    b. Adequate space for up to 15 attendees
    c. Adequate space for a “U” seating arrangement
    d. Ability to project vendor computer image (projector and screen or large wall-monitor)
    e. Connectivity to the Internet using vendor provided computer (to host web-conference when pre-arranged)
    f. Conference quality speaker phone (to host conference call for remote participation when pre-arranged)
50. The State will schedule sessions and meetings to best accommodate the participation of key personnel.
51. Meeting/Session follow-up efforts are expected to be related to identified action items, and not related to interviews with invited staff who did not participate in the session.
52. Active session participants will not exceed twelve (12).
53. Session attendees will be available for scheduled meetings/sessions and will have completed any requested pre-session work (review of materials, etc.) prior to each meeting/session.
54. Session attendees will be available for in-person meeting/session attendance unless otherwise agreed to.
55. New scope introduced at review sessions not previously discussed in the business process sessions may impact project scope.

56. RFP content/documents not the responsibility of AIC will be completed by SOM staff at such a time to support the RFP submission to purchasing.
57. The State will be able to complete identified action items by the due date established at the time of assignment. Unless otherwise agreed, the due date will be three business days for the date of assignment.
58. Document template versions or content will not change during the project.
59. Review comments are expected to be represented at the document finalization sessions. If an attendee is not able to participate, his or her review comments are expected to be made available to AIC prior to the finalization session, or represented by those in attendance. Comments received after the finalization session may impact the scope of work to approve and ability to incorporate the revisions.
60. Once a deliverable is accepted, additional changes or updates requested of AIC may impact project scope.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

- Work hours are not to exceed eight hours per day, forty hours per week for State employee project support. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime rates will be permitted without prior written approval of the BUR PM.
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PRICING:

For fixed price deliverable related services, payment will be made on a deliverables-based fixed-price basis.

The State will pay AIC upon receipt of properly completed invoices which will be submitted to the BUR PM upon designated deliverable acceptance. All invoices will reflect work completed by payment date, and will be approved by the BUR PM prior to payment. The invoices will document the work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by the State within forty-five days after receipt of properly completed invoices.

- **Fixed Price Project Billing Points**

Billing Point Descriptions	Cost
Completion of Discovery Sessions • 1 Related System	$9,130.00
Completion of Process-Based Elicitation Sessions and Finalization of Related Process Models • 19 Process Models	$34,671.00
Completion of Non Process-Based Elicitation Session and Delivery of Related Session Notes	$23,416.00
Completion of Use Case Sessions and Finalization of Related Use Cases • 19 Use Cases	$44,175.00
Acceptance of Requirements Document	$51,584.00
Acceptance of RFP Package • Exhibit A • Appendix - Requirements • Appendix – Key/Additional Personnel Resume Template(s) • Appendix – Cost Table • Evaluation Criteria Section of the General Information and Proposal Instructions	$43,226.25
Sub Total	$206,202.25

- **Contingency Budget**

AIC is proposing a $25,000 contingency budget in the project pricing. Use of this budget towards project efforts or deliverables will be managed via project change control with prior approval by the BUR PM and AIC PM prior to use.

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Contingency Budget	Cost
Only to be used with prior approval via change control	$25,000.00
TOTAL	$25,000.00

Summary

Service	Cost
Fixed Price Services	$206,202.25
Optional Contingency	$25,000.00
TOTAL	$231,202.25

CONTRACT ALIGNMENT:

AIC's Contract #071B8200236 contains 3 category sizes of business requirements projects based upon the size and complexity of the project as follows:

Category Type	Participants in Session	Days of Requirements Sessions Available	Hours of Review Sessions Available
Category 1	1-10	1 day	3 hours
Category 2	1-15	2 days	5 hours
Category 3	1-20	3 days	6 hours

Based upon the discussions held between AIC and Treasury, the project included within this SOW is classified as a Modified Category 3. Changes from a traditional category 3 from a sizing standpoint include the following:

Sizing Criteria	Base Category 3 Criteria	Treasury Project Needs	Project Difference
Participants in Sessions	1-20	1-20	N/A
Days of Requirements Session Available	3 days	11 days (between Requirements and Use Case)	8 days
Hours of Review Session	6 hours	32 hours (between Requirements and Use Case)	26 hours

As noted above, with the needs of Treasury, it has been identified to need 11 days of facilitation between requirements and use case discussions, which is a change of 8 days over the base criteria for a Category 3 project which also drives additional documentation efforts. In addition, the review sessions entail 32 total hours for requirements, process, and use case discussions, which is 26 hours over the base criteria for a Category 3 project.

APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

Department of Treasury	*Date*
DTMB	*Date*
Analysts International – Darrell Swartz	*Date*

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

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

CHANGE NOTICE NO. 18

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Lansing, MI 48910	(517) 336-1042	5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	2, one year	December 31, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	

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

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		December 31, 2015

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$7,908,413.07	$85,761.25	$7,994,174.32

DESCRIPTION:
Effective August 4, 2015, this contract is amended to add $85,761.25 for the services in the attached Statement of Work to elicit and document business requirements for Michigan State Police's (MSP) CAD2CAD interface. The vendor will facilitate meetings between MSP, DTMB, and local agencies to discuss the solution and business requirements including governance and policies in order to assist MSP in writing an RFP. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement and DTMB Procurement approval.

Remaining Contract Balance: $0
Approved Ad Board Contract Value: $8,998,939.27

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work

Project Title: **Michigan State Police (MSP) Computer Assisted Dispatch (CAD) Exchange Project Requirements**	**Period of Coverage:** **7/13/2015-12/30/2015**
Requesting Department: **Michigan State Police (MSP)**	**Date:** **6/15/2015**
DTMB Business Relationship Manager: **David Roach**	**Phone:** **517-241-2220**
MSP Project Manager: **Cynthia Homant**	**Phone:** **517-643-4268**

BACKGROUND:

-
- Computer Assisted Dispatch (CAD) is leveraged by MSP, local law enforcement, and public safety organizations to more efficiently dispatch resources in response to public and personnel safety concerns. Most of these organizations use separate and different tools to support their CAD needs, with limited, if any, ability to share information. With the collaboration and overlapping boundaries between organizational jurisdictions, the ease of exchanging unit location, incident information, and the ability to dispatch closest resources can greatly improve the safety of both responding personnel and citizens.
-
- The MSP has requested the assistance of AIC to elicit and document business requirements supporting a CAD Exchange, a solution that would allow the separate organizations to share location and incident information, as well as dispatch resources across jurisdictions according to established policies. Outside the scope of work with AIC, MSP will leverage the resulting requirements to issue an RFP to secure vendor services for a CAD Exchange solution.
-

FIXED PRICE SERVICES SCOPE OF WORK:

- The State and AIC have met in a pre-sales capacity to review the needs and define the following scope of work.
-
- **PROJECT RELATED TERMS**
- The following terms are used in this SOW and will serve as the foundation glossary for related project deliverables:
-

• Term	• Meaning
• End Point	• The point of origination or final destination for a package on the exchange.
• Inter-Connectors	• Various connectivity devices supporting the hand-off of packages between exchange end-points
• Package	• A single collection of data being transferred between originating and terminating entities connected to the CAD Exchange. A package often contains transport information, package identification information, and the package type specific data (i.e., location information for a unit location package type).

- **PROJECT TEAM ROLES**
- The following roles are expected to be represented by one or more individuals during the course of the project:
-

Role	Responsibility
AIC Facilitator (AIC FAC)	The AIC Facilitator will participate in discovery discussions and facilitate organizational business process and requirements discussions to identify strategic direction or business process steps.
AIC Business Analyst (AIC BA)	The AIC Business Analyst will participate in discovery discussions, participate in facilitated sessions, conduct workgroup meetings, conduct one-on-one interviews, analyze collected information and complete related documentation.
AIC Project Manager (AIC PM)	The AIC Project Manager will be the central AIC point of contact for the project, manage the project, and provide direction to the AIC team members to best complete the work tasks and deliverables in scope.
CAD Subject Matter Experts (SME)	The CAD Subject Matter Experts will participate in sessions, workgroup meetings, and interviews as appropriate to represent their area(s) of knowledge. As needed, they will also review the resulting documentation in support of finalization and formal acceptance. Subject Matter Experts shall represent MSP and local law enforcement organizations.
MSP Project Manager (MSP PM)	The MSP Project Manager will be the central point of contact for the MSP and will work closely with the AIC PM to review the project progress to plan, as well as be responsible to schedule needed sessions, workgroup meetings, and interviews.
CAD Exchange Governance Team (GOV)	The CAD Exchange Governance Team will be represented in facilitated sessions and serve as a decision-making body for the strategic direction and policy oversight related to the CAD Exchange.
Core MSP Team	The Core MSP Team will be the immediate MSP and DTMB staff actively involved in "day-to-day" project activities. It is expected that one or more of the Core MSP Team members are also active on the CAD Exchange Governance Team.

-
- **PROJECT STATUS REPORTING**
- The following table summarizes status reporting activities for the project:
-

Status Item	Format	Reporting Period	Schedule	Distribution
Formal Written Status Report (using SUITE template)	MS Word	Bi-Weekly	Available by close of business on the second business day following the previous 2-week reporting period.	AIC Project Team Members MSP PM
Status Meeting	In-person or via Phone	Bi-Weekly	To take place during the 2nd week of the bi-weekly reporting period.	AIC PM MSP PM

-

- **PROJECT CRITERIA**
- The work effort and scope represented in this document is based on the following criteria:
-
    - **Related Discovery Materials**
    - The following is a list of related discovery materials and/or areas of observation related to the project:
    -

Material	Relevance	Discovery Method
MSP Dispatch Center	Understanding of current operations and tools.	Observation
Eaton County Dispatch Center	Understanding of current operations and tools.	Observation
CalFire CAD Implementation	Existing cross-organization implementation of a CAD Exchange.	Review of publicly published information.
National Capital Region Data Exchange Hub (NCR DEH)	Existing cross-organization implementation of a CAD Exchange. Considered a best practices example.	Review of publically published information. Potential interview/discussion for follow-up questions.
Unified CAD Functional Requirements	Emerging standards for CAD Exchange packages.	Review of publicly published information.
MSP CAD2CAD Project Information	Project background.	Review of materials. Potential interview/discussion for follow-up questions.

    -
    - **Related CAD Systems**
    - The following is a list of CAD systems currently in use by the MSP and/or local law enforcement organizations expected to use the CAD Exchange:
    -
        - OSSI
        - VisionAir
        - RIMS
        - Permier1
        - New World
        - Intergraph
        - Core Technology
        - Alert
        - CLEMIS
    -

- **CAD Exchange Discussion Topics**
- The following is a list of discussion topics and objectives to be covered in the scope of the project to elicit and document related business requirements:
-

Topic	Objective

Data Considerations	• Determine the requirements for data ownership
	• Determine the requirements for data storage
	  o If stored, determine the requirements for data archival
	  o If stored, determine the requirements for data retention
	  o If stored, determine the requirements for data encryption
	  o If stored, determine the requirements for data security
	  o If stored, determine the requirements for data access
	  o If stored, determine the requirements for support and maintenance
	• Determine the requirements for data quality (cleansing, etc.)
	• Determine the requirements for data replication
	• Determine the requirements for virus protection
	• Determine the requirements for data content format

Transport Considerations	• Determine the requirements for package acknowledgement
	• Determine the requirements for connectivity validation (i.e., what is required to monitor availability of inter-connectors and end points)
	• Determine the requirements for error-handling
	• Determine the requirements for logging
	  o Consider monitoring
	  o Consider notifications
	  o Consider retention and archival
	• Determine the requirements for support and maintenance

Security Considerations	• Determine the requirements for credentials
	  o Consider user-based credentials
	  o Consider end point credentials
	• Determine the requirements for access
	  o Consider single versus concurrent
	• Determine the requirements for security administration
	  o Consider the administration model (i.e., tiered or flat)
	  o Consider administration of credentials
	  ▪ Consider password resets, etc.
	  o Consider administration of roles
	  o Consider administration of data access
	• Determine the requirements for secure data
	• Determine the requirements for user auditing

Use Considerations	• Determine the requirements categories to be defined for every use (anticipated SLA sections applicable to every exchange)
	  o Consider what triggers the exchange
	  o Consider frequency of the exchange
	  o Consider package access of the exchange
	  o Consider data ownership of the exchange
	  o Consider data use (consumption, storage, redistribution) of package content
	  o Consider performance of the exchange

• Topic	• Objective
• Unit Location Example	• Define a conceptual "Unit Location" package. o Consider the data needed for a unit location o Consider the triggers to publish that information to the exchange o Consider the audience of that information (all, or a subset of exchange users?) o Consider if the originator needs an acknowledgement of receipt o Consider sequential packages (what does the receiving end point need to know about multiple packages about the same unit?)
• Incident Information Example	• Define a conceptual "Incident Information" package. o Consider the data needed for an incident o Consider the triggers to publish that information to the exchange o Consider the audience of that information (all, or a subset of exchange users?) o Consider if the originator needs an acknowledgement of receipt o Consider sequential packages (what does the receiving end point need to know about multiple packages about the same incident?)

•

OUT OF SCOPE

The following topics/objectives are out of scope for this project:

- o Discussions and deliverables related to costs, funding sources, or return on investment.
- o Discussions and deliverables related to the procurement for the resulting solution.
- o XML schema or definition work products and deliverables.

WORK AND DELIVERABLES

•

• **Project Initiation**

• Upon acceptance of this statement of work, the AIC PM will complete project initiation activities with the AIC members of the project team. This will include establishing the AIC project repository, confirming accurate billing and invoicing information, as well as conducting an AIC project kick-off to orient the AIC project team to the project scope. In addition, the AIC PM will update the project schedule with the project start date, and update the project communications plan to represent the assigned AIC staff. These project initiation documents will be shared with the MSP PM.

•

• In parallel to initiating the project with the internal AIC staff to the project, the AIC PM will work with the MSP PM to schedule and plan for a project kick-off meeting. It is expected that the kick-off meeting will include the core MSP project team members, as well as the project sponsor(s) and project manager. The AIC PM will prepare meeting materials to include an overview of the project scope, approach, and schedule. The AIC PM will facilitate the kick-off meeting, introducing the project team members and addressing questions from attendees. Following the project kick-off meeting, the AIC BA will publish meeting notes and an updated project contact list to include the project team and stakeholders.

•

- *Related Project Meetings:*
  - *Project Kick-Off Meeting (up to 1 hour duration)*

•

- *Related Work Products:*
  - *Updated Project Schedule*
  - *Kick-Off Meeting Notes*
  - *Project Contact List*

•

- **Project Rollout**
- Following the project kick-off, the AIC PM will work with the Core MSP Team to develop appropriate project rollout materials for use in a formal rollout to the larger project and sessions participants. It is expected that these materials are collaboratively developed to provide an overview of the project and help set expectations for the project roles and related activities.
-
- The AIC PM will work with the MSP PM to schedule up to three (3) iterations of the same rollout presentation to ensure participation opportunities for the larger number of session and project participants. It is expected that both AIC and MSP will have active roles in the presentation to cover the developed rollout materials and address participant questions.
    - *Related Project Meetings:*
        - *Project Rollout Meeting (3 iterations up to 1 hour in duration each)*
-
    - *Related Work Products:*
        - *Rollout Presentation/Materials*
-
- **Discovery**
- Following the project rollout meetings, the AIC PM will work with the MSP PM to identify materials to aid in the AIC project team gaining institutional knowledge as it relates to the project background and scope. This will include reviewing related documentation as well as general Q&A for areas of interest to the AIC team.
-
- In addition, the AIC PM will work with the MSP PM to schedule an overview meeting to observe the MSP dispatch and Eaton County dispatch.
    -
    - *Related Meetings:*
        - *MSP Dispatch Site Visit (up to 2 hour duration)*
        - *Eaton County Dispatch Site Visit (up to 2 hour duration)*
        - *General Q&A (up to 4 hour durations, possible to use with separate participants and multiple meetings)*

- **Business Requirements Elicitation**
- Building on the knowledge gained during the discovery activities, the AIC BA will prepare for the requirements elicitation sessions, to include analyzing the discovery materials and creating session materials and an agenda. The AIC PM will work with the MSP PM to schedule the requirements elicitation session for each of the topics, for each of the participant groups, and provide the session attendees with related session materials and/or preparation requests.
-
- The proposed schedule and cost represent a cadence of completing related sessions for a single topic in a single week. AIC is proposing meeting on non-consecutive days with each group for up to four (4) hours per group to complete the elicitation discussions (i.e., meetings on Monday and Wednesday, Tuesday and Thursday).
-
- During the requirements elicitation session, the AIC FAC will use either MS Visio or MS Word as a visual tool to represent the group discussion (the facilitator will create and project real-time documentation representing the group discussion). The AIC BA will actively conduct real-time analysis of the discussions and record information in support of further development of related requirements.

- Following the requirements elicitation session:
    - The AIC BA will work with the MSP PM to resolve any action items identified in the session
    - The AIC BA will provide the MSP PM with the AIC FAC working projected session materials (the MS Word or MS Visio files used as visual tools during the session).
-

- *Related Project Meetings:*
  - *Cadence of Weekly Sessions:*
    - *Week 1:*
      - *Elicitation Meeting with Group 1 for Data Considerations (up to 4 hour duration)*
      - *Elicitation Meeting with Group 2 for Data Considerations (up to 4 hour duration)*
    - *Week 2:*
      - *Elicitation Meeting with Group 1 for Transport Considerations (up to 4 hour duration)*
      - *Elicitation Meeting with Group 2 for Transport Considerations (up to 4 hour duration)*
    - *Week 3:*
      - *Elicitation Meeting with Group 1 for Security Considerations (up to 4 hour duration)*
      - *Elicitation Meeting with Group 2 for Security Considerations (up to 4 hour duration)*
    - *Week 4:*
      - *Elicitation Meeting with Group 1 for Use Considerations (up to 4 hour duration)*
      - *Elicitation Meeting with Group 2 for Use Considerations (up to 4 hour duration)*
-
- *Related Work Products:*
  - *Session Agenda for each Session*
  - *Working Projected Session Materials for Each Session*
-
- **Business Requirements Documentation**
- Following the completion of the last elicitation session, the AIC BA will leverage the information gained during earlier project activities to conduct analysis supporting the business requirements. If needed, the AIC BA will work with the MSP PM for follow-up discussions or related information for review or potential conflicts between requirements from each of the separate groups. If needed, the CAD Exchange Governance Team will review the conflict and provide a final decision. The AIC BA will document the business requirements using the State of Michigan Business Requirements RFP Attachment template to include sections for business requirements for each of the topics discussed. The resulting business requirements documents for each group will be consolidated into one document and undergo a peer review prior to being versioned as 1.0.
-
- Version 1.0 of the requirements document will be provided to the MSP PM for the following review:
  - The State will have up to ten (10) business days to complete their review of Version 1.0. On or before the 11th day, the State will provide AIC a single consolidated list of review comments (when possible, using the "track changes" feature of MS Word is preferred for this).
  - AIC will review the received comments and make appropriate updates. If needed, AIC may follow up with the MSP PM for additional clarification or direction. The updated deliverable will be considered "Version 2.0" and delivered to the State for review prior to attending a finalization meeting.
  - The State will have up to five (5) business days to complete their review of Version 2.0. On or after the 6th day, session participants will attend an AIC facilitated finalization meeting to discuss unclear items or items in conflict with earlier session information or direction. The AIC PM will have worked with the MSP PM to schedule this finalization meeting (one finalization meeting to include representation from both groups). The objective of the finalization session is to develop a list of deliverable acceptance criteria (items in need of updating in order to accept the deliverable). The purpose of the session is not to walk through the deliverable page by page to review content for the first time for participants.
  - Following the finalization session, AIC will complete the acceptance criteria items and within five (5) days deliver the "final version" to the State for acceptance.
  - The State is expected to accept the final version within five (5) days of its receipt.
-
- *Related Project Meetings:*
  - *Business Requirements Finalization Session (up to 6 hour duration)*

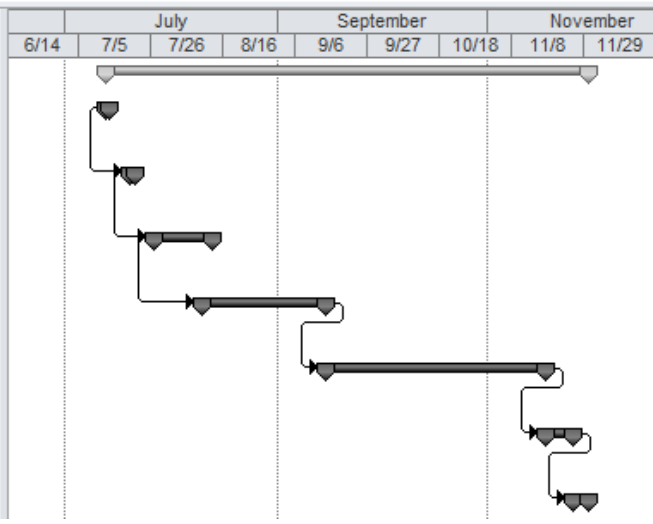
-
    - *Related Work Products:*
        - *Requirements Document Version 1.0*
        - *Requirements Document Version 2.0*

    Related Deliverables:
        - *Final Requirements Document*
-
- **Conceptual Packages**
- Using the accepted requirements as a reference, the AIC team will work with the MSP PM to develop appropriate materials and schedule working meetings with each of the groups to facilitate a discussion determining the conceptual package for each of the package types. Each group of participants will attend a meeting for one of the two conceptual package types.
-
- Following each of the meetings, the AIC BA will document the working discussions and deliver to the AIC PM.
-
    - *Related Project Meetings:*
        - *Group 1 Working Meeting for Unit Location Conceptual Package (up to 4 hour duration)*
        - *Group 2 Working Meeting for Incident Information Conceptual Package (up to 4 hour duration)*
-
    - *Related Work Products:*
        - *Conceptual Package for Unit Location*
        - *Conceptual Package for Incident Information*
-
- **Close Project**
- Upon delivery of the final versions for acceptance, AIC will request a project close-out meeting to transition any open action items, project artifacts, and request formal project acceptance and close-out.
-
    - *Related Project Meetings:*
        - *Project Close-Out Meeting (up to 2 hour duration)*
-
    - *Related Deliverables:*
        - *Accepted Completed Project*
-

PROJECT SCHEDULE / TIMELINE:

- The following is a summary of the attached example project schedule representing this scope of work.

Task Name	Start	Finish
MSP CAD Exchange Requirements Project	7/13/2015	11/30/2015
Project Initiation	7/13/2015	7/14/2015
Project Rollout	7/20/2015	7/21/2015
Discovery	7/27/2015	8/13/2015
Requirements Elicitation	8/10/2015	9/14/2015
Business Requirements Documentation	9/15/2015	11/18/2015
Conceptual Packages	11/18/2015	11/26/2015
Close Project	11/26/2015	11/30/2015



- **Proposed end date is representative only and assumes 100% productivity and availability of needed resources to the project for the duration of the project.*

PROJECT CONTACTS:

- The designated MSP Project Manager is:

  Cindy Homant
  Department Manager
  Michigan State Police-Special Operations
  333 S. Grand Ave
  Lansing, MI 48933
  517-643-4268

- The designated DTMB Business Relationship Manager is:

  David Roach
  333 S Grand Ave.
  Lansing, MI 48933
  (517) 241-2254
  RoachD2@michigan.gov

AIC RESPONSIBILITIES/ASSUMPTIONS:

32. AIC will provide services Monday through Friday, during the same work hours as those worked by the State employees working at the identified facility.
33. Personnel provided by AIC shall be subject to the rules, regulations, and policies of the State.
34. AIC will replace personnel whose work is found to be unsatisfactory.
35. AIC staff will be fully trained and will meet the skill set requirements for the work described in this SOW.
36. AIC will provide for parking for its staff when working at the client location.
37. All meetings will be held in the Lansing, Michigan area.

STATE RESPONSIBILITIES/ASSUMPTIONS:

61. The State will provide business office support for project related activities as needed, to include:
    a. Telephone access
    b. Print and copy services
    c. Facsimile services
62. The State will provide appropriate facilities to conduct the facilitated sessions to include:
    a. Meeting-type facility
    b. Adequate space for up to 17 attendees
    c. Adequate space for a "U" seating arrangement
    d. Ability to project vendor computer image (projector and screen or large wall-monitor)
    e. Connectivity to the Internet using vendor provided computer (to host web-conference **when pre-arranged**)
    f. Conference quality speaker phone (to host conference call for remote participation **when pre-arranged**)
63. The State will schedule sessions and meetings to best accommodate the participation of key personnel.
64. Meeting/Session follow-up efforts are expected to be related to identified action items, and not related to interviews with invited staff who did not participate in the session.
65. Active session participants will not exceed fifteen (15).
66. Session attendees will be available for scheduled meetings/sessions and will have completed any requested pre-session work (review of materials, etc.) prior to each meeting/session.
67. Session attendees will be available for in-person meeting/session attendance unless otherwise agreed to.
68. New scope introduced at review sessions not previously discussed in the business process sessions may impact project scope.
69. The State will be able to complete identified action items by the due date established at the time of assignment. Unless otherwise agreed, the due date will be three business days for the date of assignment.
70. Document template versions or content will not change during the project.
71. Review comments are expected to be represented at the document finalization sessions. If an attendee is not able to participate, his or her review comments are expected to be made available to AIC prior to the finalization session, or represented by those in attendance. Comments received after the finalization session may impact the scope of work to approve and ability to incorporate the revisions.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

- Work hours are not to exceed eight hours per day, forty hours per week for State employee project support. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime rates will be permitted without prior written approval of the MSP PM.
-

PRICING:

For fixed price deliverable related services, payment will be made on a deliverables-based fixed-price basis.

The State will pay AIC upon receipt of properly completed invoices which will be submitted to the MSP PM upon designated deliverable acceptance. All invoices will reflect work completed by payment date, and will be approved by the MSP PM prior to payment. The invoices will document the work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by the State within forty-five days after receipt of properly completed invoices.

- **Fixed Price Project Billing Points**

Billing Point Descriptions	Cost
Completion of Discovery Sessions	$16,286.25
Completion of Elicitation Sessions and Delivery of Session Working Materials	$28,782.50
Acceptance of Business Requirements Document	$27,080.00
Delivery of Conceptual Packages	$13,612.50
Total	$85,761.25

APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

MSP – Cynthia Homant

Date

DTMB – David Roach

Date

AIC – Darrell Swartz

Date

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

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

CHANGE NOTICE NO. 17

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Lansing, MI 48910	(517) 336-1042	5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	2, one year	December 31, 2015

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

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

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		December 31, 2015

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$7,826,000.00	$82,413.07	$7,908,413.07

DESCRIPTION:
Effective June 4, 2015, this contract is amended to use $6,891.93 existing funding and add $82,413.07 for the services in the attached Statement of Work to elicit and document business requirements for a media storage and management solution for the Michigan State Police (total SOW cost $89,305.00). The request also contains optional RFP development support. All other pricing, terms and conditions remain the same. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement and DTMB Procurement approval.

Remaining contract balance: $0
Approved Ad Board Contract Value: $8,998,939.27

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work

Project Title: **Michigan State Police (MSP) Media Storage Project Requirements and RFP Support**	**Period of Coverage:** **06/15/2015-12/31/2015** **(with optional services)**
Requesting Department: **Michigan State Police (MSP)**	**Date:** **06/09/2015**
DTMB Business Relationship Manager: **David Roach**	**Phone:** **517-241-2220**
MSP Project Manager: **Mary Wichman**	**Phone:** **517-241-0603**

BACKGROUND:

The terms and conditions of Contract 071B8200236 govern this statement of work.

The Michigan State Police (MSP) leverages various formats of media to support their law enforcement, investigation and public safety activities. As the use of media technology has increased over recent years, MSP is in need of a cost effective storage and management solution that will support current needs for secure storage, retrieval, and retention, as well as support the anticipated increase in media technology and storage needs over the upcoming years.

As the initial phase of a multi-phase approach to addressing these needs, MSP has requested the assistance of AIC to elicit and document the business requirements as well as optional support of the RFP development for procuring a media storage and management solution to meet the prioritized needs.

FIXED PRICE SERVICES SCOPE OF WORK:

The State and AIC have met in a pre-sales capacity to review the needs and define the following scope of work.

PROJECT TEAM ROLES

- AIC Facilitator – The AIC Facilitator (AIC FAC) will participate in discovery discussions and lead requirements and organizational discussions in need of identifying strategic direction or business process steps.
- AIC Business Analyst – The AIC Business Analyst (AIC BA) will participate in knowledge transfer discussions, participate in facilitated sessions, conduct workgroup meetings, conduct one-on-one interviews, and analyze collected information to complete related documentation.
- AIC Project Manager – The AIC Project Manager (AIC PM) will be the central AIC point of contact for the project, manage the project, and provide direction to the AIC team members to best complete the work tasks and deliverables in scope.
- MSP Media Subject Matter Expert – The MSP Media Subject Matter Expert (SME) will participate in sessions, workgroup meetings, and interviews as appropriate to represent their area(s) of knowledge. As needed, they will also review the resulting documentation in support of finalization and formal acceptance.
- MSP Project Manager – The MSP Project Manager (MSP PM) will be the central point of contact for the MSP and will work closely with the AIC PM to review the project progress to plan, as well as be responsible to schedule needed sessions, workgroup meetings, and interviews.

- SOM Procurement Representative – The SOM Procurement Representative (SOM PUR) will be the liaison between the purchasing department and the project team and will work closely with the MSP PM to provide guidance, support, and appropriate templates representing the RFP process. As needed, he/she is expected to participate in key discussions to develop purchasing strategies, as well as to finalize RFP documents.

PROJECT CRITERIA

The work effort and scope represented in this document is based on the following criteria:

Current Media Needs

The following groups of MSP activities represent the current media needs and will be leveraged for business requirements elicitation and documentation:

Group	Activities/Interests Represented
Field Services Bureau (FSB)	• Troopers/Detectives/Lieutenants • District Personnel • Commercial Motor Vehicle Division (CVED) • Special Investigations Division (SID) • Department of Technology, Management and Budget (DTMB) • Legal and Security
State Services Bureau (StSB)	• Labs • Forensics • Biometrics and Identification Division (BID) • Crime Scene Repository • DTMB • Legal and Security • FSB Staff
State Specialized Bureau (SSB)	• Aviation • Dogs • Michigan Intelligence Operations Center (MIOC) • Cyber • Emergency Management and Homeland Security Division (EMHSD) • DTMB • Legal and Security
Administrative Services Bureau (ASB)	• Freedom of Information Action Sections (FOIA) • Document Scans – Sex Offender Registry (SOR) • DTMB • Legal and Security
Cross Bureau Support	• Photo Lab • Media Production • Graphics • DTMB • Legal and Security
DTMB	• DTMB

WORK AND DELIVERABLES

Project Initiation
Upon acceptance of this statement of work, the AIC PM will complete project initiation activities with the AIC members of the project team. This will include establishing the AIC project repository, confirming accurate billing and invoicing information, as well as conducting an AIC project kick-off to orient the AIC project team to the project scope. In addition, the AIC PM will update the project schedule with the project start date, and update the project communications plan to represent the assigned AIC staff. These project initiation documents will be shared with the MSP PM.

In parallel to initiating the project with the internal AIC staff to the project, the AIC PM will work with the MSP PM to schedule and plan for a project kick-off meeting. It is expected that the kick-off meeting will include the State subject matter experts representing the in-scope business activities, as well as the project sponsor(s) and project manager. The AIC PM will prepare meeting materials to include an overview of the project scope, approach, and schedule. The AIC PM will facilitate the kick-off meeting, introducing the project team members and addressing questions from attendees. Following the project kick-off meeting, the AIC BA will publish meeting notes and an updated project contact list to include the project team and stakeholders.

Related Project Meetings:
- *Project Kick-Off Meeting (up to 1 hour duration)*

Related Work Products:
- *Updated Project Schedule*
- *Kick-Off Meeting Notes*
- *Project Contact List*

Discovery
Following the project kick-off meeting, the AIC PM will work with the MSP PM to identify materials to aid in the AIC project team gaining institutional knowledge as it relates to the project background and scope. This will include reviewing related documentation as well as general Q&A for areas of interest to the AIC team. It is expected that an inventory of existing media technologies and current media storage solutions will be available for review.

In addition, the AIC PM will work with the MSP PM to schedule an overview meeting to review the related media technology supporting the in-vehicle video usage.

Related Meetings:
- *In-Vehicle Video Media Usage and Current Storage Solution (up to 2 hour duration)*
- *General Q&A (up to 4 hour durations, possible to use with separate participants and multiple meetings)*

Business Requirements and Media Usage Elicitation
Building on the knowledge gained during the discovery activities, the AIC BA will prepare for the requirements elicitation sessions, to include analyzing the discovery materials and creating session materials and an agenda. The AIC PM will work with the MSP PM to schedule the requirements elicitation session for each of the groups and provide the session attendees with related session materials and/or preparation requests.

The proposed schedule and cost represent a cadence of completing related sessions for a single group in a single week. AIC is proposing meeting with each group for up to four (4) hours to complete the elicitation discussions with that group. It is preferred that if multiple meetings are needed to accommodate invitee availability, that this be done in no more than two (2) separate meetings in the same week for each of the groups.

During the requirements elicitation session, the AIC FAC will use either MS Visio or MS Word as a visual tool to represent the group discussion to include activities representing the business activities using digital media and

current media technologies (the facilitator will create and project real-time documentation representing the group discussion).

Following the requirements elicitation session:

- The AIC BA will work with the MSP PM to resolve any action items identified in the session
- The AIC BA will provide the MSP PM with the AIC FAC working projected session materials (the MS Word or MS Visio files used as visual tools during the session).

Related Project Meetings:

- *Cadence of Weekly Sessions:*
  - *Elicitation Meeting with FSB (up to 4 hour duration)*
  - *Elicitation Meeting with StSB (up to 4 hour duration)*
  - *Elicitation Meeting with SSB (up to 4 hour duration)*
  - *Elicitation Meeting with ASB (up to 4 hour duration)*
  - *Elicitation Meeting with Cross Bureau Support (up to 4 hour duration)*
  - *Elicitation Meeting with DTMB (up to 4 hour duration)*

Related Work Products:

- *Session Agenda for each Session*
- *Working Session Materials for Each Session*

Business Requirements Documentation

Following the completion of the last elicitation session, the AIC BA will leverage the information gained during earlier project activities to conduct analysis supporting the business requirements. If needed, the AIC BA will work with the MSP PM for follow up discussions or related information for review. The AIC BA will document the business requirements using the State of Michigan Business Requirements RFP Attachment template to include sections for business requirements, technical constraints and enablers, as well as implementation considerations impacting the business. The resulting business requirements documents for each group will be consolidated into one document and undergo a peer review prior to be versioned as Version 1.0.

Version 1.0 of the requirements document will be provided to the MSP PM for the following review:

- The State will be provided up to ten (10) business days to complete their review of Version 1.0. On or before the 11th day, the State is expected to provide AIC a single consolidated list of review comments (when possible, using the "track changes" feature of MS Word is preferred for this).
- AIC will review the received comments and make appropriate updates. If needed, AIC may follow up with the MSP PM for additional clarification or direction. The updated deliverable will be considered "Version 2.0" and delivered to the State for review prior to attending a finalization meeting.
- The State will be provided up to five (5) business days to complete their review of Version 2.0. On or after the 6th day, session participants are expected to attend an AIC facilitated finalization meeting to discuss unclear items or items in conflict with earlier session information or direction. The AIC PM will have worked with the MSP PM to schedule this finalization meeting. The objective of the finalization session is to develop a list of deliverable acceptance criteria (items in need of updating in order to accept the deliverable).
- Following the finalization session, AIC will complete the acceptance criteria items and within five (5) days deliver the "final version" to the State for acceptance.
- The State is expected to accept the final version within five (5) days of its receipt.

Related Project Meetings:

- *Business Requirements Finalization Session (up to 4 hour duration)*

Related Work Products:

- *Requirements Document Version 1.0*
- *Requirements Document Version 2.0*

Related Deliverables:

- *Final Requirements Document*

Request for Proposal (RFP) Development Support (OPTIONAL FIXED PRICE SERVICES)
Following the completion of the business requirements, the AIC BA will develop talking points and questions related to the strategy and approach of the RFP. The AIC PM will work with the MSP PM to schedule an RFP planning meeting. The AIC BA will leverage their talking points and questions to develop RFP planning materials, to include in an agenda. It is expected that the MSP PM will work with the SOM PUR to confirm and obtain the correct RFP templates to use for the project and that the SOM PUR will participate in the planning meeting. The confirmed templates will be included in the meeting materials.

The objective of the planning meeting is to confirm the strategy and approach of the RFP. This will include considerations for the duration of the contract, number of extensions, multiple versus single award, organization of the work and deliverables being asked of the vendor, requirements of the vendor for the provision of the solution (versus the requirements for the solution itself), maintenance and service level agreement requirements, identification of related background information to include, and State assessments or templates to include/complete. The AIC BA will work with the SOM PUR to obtain templates of the documents supporting the determined strategy (i.e., assessment docs, technical questionnaires, etc.) and package them for inclusion with the planning meeting notes to be issued by the AIC BA.

Following the RFP planning meeting and determination of the RFP strategy, the AIC PM will work with the MSP PM to identify attendees and schedule five separate working meetings for each of the RFP contents in scope for AIC to complete:

- RFP Article 1 (Statement of Work)
- RFP Requirements Attachment
- RFP Resume Templates
- RFP Cost Sheet
- RFP Review Criteria

To minimize re-work, the planning meeting and content for the RFP Article 1 should be completed prior to the planning meeting for other RFP contents. Similarly, the planning meeting for the RFP Review Criteria should be held after the content for the other content areas are complete.

The AIC BA will lead discussions in each of the working meetings to walk through the template and document content decisions, content sources, and the key points for inclusion in each of the templates. The working meeting is not an opportunity to wordsmith or complete the narrative content, but rather to collectively build an outline to which the AIC BA can expand on outside of the working meeting.

Following the working meeting for an RFP content area, the AIC BA will work with the MSP PM to resolve any open action items and populate the RFP template based on the outline and direction determined in the working meeting. Although the AIC BA may share this interim version with the State, additional analysis will be completed by the AIC BA after the working meetings for all five RFP contents are complete to review each of the content sections for consistency.

Following the consistency review, the AIC BA will package the contents into one set of files. This package will undergo a peer review prior to providing to the MSP PM for MSP team review.

When the AIC peer review and any revisions are completed, the draft version of the package will be presented for the first review in a three-tiered review process:

- Initial Draft Review - The initial draft review is intended to be done with the immediate project personnel working with AIC to provide RFP content and RFP direction. After a five-business day review period of the documents, AIC will attend up to a four-hour meeting to walk through the documents with the immediate project personnel and identify any needed revisions. It is recommended that the SOM PUR participate in this review cycle.
- Business Draft Review – The business draft review is intended to be done with the business stakeholders related to the services and product being procured by the RFP. After a five-business day review period

of the documents, AIC will attend up to a four-hour meeting to walk through the documents with the immediate project personnel and/or business stakeholders and identify any needed revisions.

- Executive Draft Review – The executive draft review is intended to be done with the executive stakeholders related to the services and product being procured by the RFP. After a five-business day review period of the documents, AIC will attend up to a four-hour meeting to walk through the documents with the executive stakeholders and identify any needed revisions.

Following the executive draft review meeting, AIC will complete the identified revisions and deliver the RFP documents in their final format for acceptance. Additional RFP articles and the consolidation of the in-scope RFP package contents into other documents are out of scope.

Related Project Meetings:

- *RFP Planning Meeting (up to 2 hour duration)*
- *RFP Article 1 Working Meeting (up to 4 hour duration*
- *RFP Requirements Listing Working Meeting (up to 4 hour duration)*
- *RFP Resume Template Working Meeting (up to 4 hour duration)*
- *RFP Cost Sheet Working Meeting (up to 4 hour duration)*
- *RFP Review Criteria Working Meeting (up to 4 hour duration)*
- *RFP Package – Initial Draft Review Meeting (up to 4 hour duration)*
- *RFP Package – Business Draft Review Meeting (up to 4 hour duration)*
- *RFP Package – Executive Review Review Meeting (up to 4 hour duration)*

Related Work Products:

- *RFP Planning Meeting Notes with RFP Content Templates*
- *RFP Package – Initial Draft*
- *RFP Package – Business Draft*
- *RFP Package – Executive Review Draft*

Related Deliverables:

- *RFP Package (Article 1, Requirements Listing, Resume Templates, Cost Sheet, Review Criteria)*

Close Project

Upon delivery of the final versions for acceptance, AIC will request a project close-out meeting to transition any open action items, project artifacts, and request formal project acceptance and close-out.

Related Project Meetings:

- *Project Close-Out Meeting (up to 2 hour duration)*

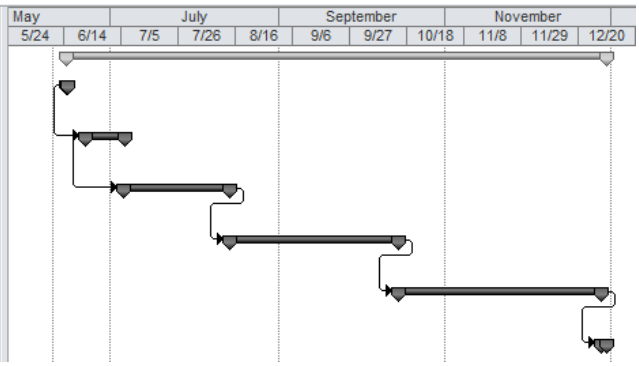
Related Deliverables:

- *Accepted Completed Project*

PROJECT SCHEDULE / TIMELINE:

The following is a summary of the attached example project schedule representing this scope of work.

Task Name	Start	Finish
MSP Media Storage Requirements Project	6/15/2015	12/30/2015
Project Initiation	6/15/2015	6/15/2015
Discovery	6/22/2015	7/6/2015
Requirements Elicitation	7/6/2015	8/14/2015
Business Requirements Documentation	8/14/2015	10/15/2015
RFP Development Support (Optional)	10/15/2015	12/28/2015
Close Project	12/28/2015	12/30/2015



**Proposed end date is representative only and assumes 100% productivity and availability of needed resources to the project for the duration of the project.*

PROJECT CONTACTS:

The designated MSP Project Sponsor is:

Mary Wichman
333 S Grand Ave.
Lansing, MI 48933
(517) 241-0603
WichmanM@michigan.gov

The designated DTMB Business Relationship Manager is:

David Roach
333 S Grand Ave.
Lansing, MI 48933
(517) 241-2254
RoachD2@michigan.gov

AIC RESPONSIBILITIES/ASSUMPTIONS:

38. AIC will provide services Monday through Friday, during the same work hours as those worked by the State employees working at the identified facility.
39. Personnel provided by AIC shall be subject to the rules, regulations, and policies of the State.
40. AIC will replace personnel whose work is found to be unsatisfactory.
41. AIC staff will be fully trained and will meet the skill set requirements for the work described in this SOW.
42. AIC will provide for parking for its staff when working at the client location.
43. Time and materials services are at the direction and management of the MSP PM.
44. All meetings will be held in the Lansing, Michigan area.

STATE RESPONSIBILITIES/ASSUMPTIONS:

72. The State will provide business office support for project related activities as needed, to include:
    a. Telephone access
    b. Print and copy services
    c. Facsimile services
73. The State will provide appropriate facilities to conduct the facilitated sessions to include:
    a. Meeting-type facility
    b. Adequate space for up to 17 attendees
    c. Adequate space for a "U" seating arrangement
    d. Ability to project vendor computer image (projector and screen or large wall-monitor)
    e. Connectivity to the Internet using vendor provided computer (to host web-conference when pre-arranged)
    f. Conference quality speaker phone (to host conference call for remote participation when pre-arranged)
74. The State will schedule sessions and meetings to best accommodate the participation of key personnel.
75. Meeting/Session follow-up efforts are expected to be related to identified action items, and not related to interviews with invited staff who did not participate in the session.
76. Active session participants will not exceed fifteen (15).
77. Session attendees will be available for scheduled meetings/sessions and will have completed any requested pre-session work (review of materials, etc.) prior to each meeting/session.
78. Session attendees will be available for in-person meeting/session attendance unless otherwise agreed to.
79. New scope introduced at review sessions not previously discussed in the business process sessions may impact project scope.
80. The State will be able to complete identified action items by the due date established at the time of assignment. Unless otherwise agreed, the due date will be three business days for the date of assignment.
81. Document template versions or content will not change during the project.
82. Review comments are expected to be represented at the document finalization sessions. If an attendee is not able to participate, his or her review comments are expected to be made available to AIC prior to the finalization session, or represented by those in attendance. Comments received after the finalization session may impact the scope of work to approve and ability to incorporate the revisions.
83. Inventory of existing media technologies and current media storage solutions is up to date, accurate and available.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight hours per day, forty hours per week for State employee project support. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime rates will be permitted without prior written approval of the MSP PM.

PRICING:

For fixed price deliverable related services, payment will be made on a deliverables-based fixed-price basis.

The State will pay AIC upon receipt of properly completed invoices which will be submitted to the MSP PM upon designated deliverable acceptance. All invoices will reflect work completed by payment date, and will be approved by the MSP PM prior to payment. The invoices will document the work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by the State within forty-five days after receipt of properly completed invoices.

Fixed Price Project Billing Points

Billing Point Descriptions	**Cost**
Completion of Discovery Sessions	$7,942.50
Completion of Elicitation Sessions and Delivery of Session Working Materials	$21,862.50
Acceptance of Business Requirements Document	$26,848.75
Sub Total	**$56,653.75**
Acceptance of RFP Package (OPTIONAL) • Article 1 • Requirements Listing • Resume Templates • Cost Sheet • Evaluation Criteria	
Optional Sub Total	**$32,651.25**

Summary

Service	**Cost**
Fixed Price Services	**$56,653.75**
Optional Fixed Price Services	**$32,651.25**
TOTAL	**$89,305.00**

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

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

CHANGE NOTICE NO. 16
to
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Lansing, MI 48910	(517) 336-1042	5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	2, one year	June 30, 2015

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

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

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
☐ No ☒ Yes	☐	☐	6 months	December 31, 2015

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$7,826,000.00	$0.00	$7,826,000.00

DESCRIPTION:
Effective May 13, 2015, this contract is amended to exercise a 6-month extension per State Administrative Board Resolution 2015-1. After extension, the new contract expiration date is December 31, 2015. All other pricing, terms and conditions remain the same. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement and DTMB Procurement approval.

Remaining contract balance: $6,891.93
Approved Ad Board Contract Value: $8,998,939.27

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

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

CHANGE NOTICE NO. 15

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Lansing, MI 48910	(517) 336-1042	5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:
Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	2, one year	June 30, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	

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

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE

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

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$7,826,000.00	$0.00	$7,826,000.00

DESCRIPTION:
Effective May 1, 2015, this contract is amended to use $32,100.00 of existing funds for the IPTel RFP updating services described in the attached statement of work. This is a zero-dollar change notice utilizing existing funds. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement and DTMB Procurement approval.

Remaining contract balance: $6,891.93
Approved Ad Board Contract Value: $8,998,939.27

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work

Project Title: **IPTel RFP Update Support**	**Period of Coverage:** **04/27/2015 – 6/19/2015**
Requesting Department: **Department of Management and Budget, Network and Telecommunications**	**Date:** **04/24/2015**
DTMB Business Relationship Manager: **David Wilson**	**Phone:** **(517) 241-0257**
SOM Project Manager: **Scott Hall**	**Phone:** **(517) 241-4255**

BACKGROUND:

In an effort to reduce costs and better align vendor provided services and commodities with changing State of Michigan needs and evolving technologies, the Department of Management and Budget has continued to review and evaluate contracts for both services and commodities supporting telecommunications for the State of Michigan. In 2013, AIC provided assistance to DTMB with the documentation of requirements and development of request for proposal (RFP) content supporting IPTel commodities and services. Until recently, because of other priority initiatives, the work completed in 2013 for these RFPs had been on hold.

DTMB is requesting the services of AIC to work with the State to analyze the work completed in 2012 and update RFP content to address identified changes in requirements, procurement strategy, evolving technology, lessons learned from similar completed RFPs, and changes in the marketplace.

DTMB wishes to complete the updates to the RFP by the end of April, 2015.

TIME AND MATERIALS SERVICES

The State and AIC have met in a pre-sales capacity to review the needs and define the following scope of work.

PROJECT CRITERIA
The approach, activities and estimates presented in this proposal for time and material services is based on the following project criteria:

- RFP content updates to include:
  - Article 1
  - Evaluation Criteria
  - Cost Sheet
  - Requirements Attachment
  - Resume Templates
- Working meetings are expected to be scheduled at a standing day/time for resource planning (i.e., every Tuesday and Wednesday from 10am-3pm, etc.).

PROJECT TEAM ROLES

- AIC Facilitator – As needed, the AIC Facilitator (AIC FAC) will lead requirements and organizational discussions in need of identifying strategic direction or business process steps.

- AIC Business Analyst – The AIC Business Analyst (AIC BA) will participate in facilitated sessions, conduct workgroup meetings, conduct one-on-one interviews, and analyze collected information to complete related requirements documentation and RFP content updates.
- SOM Subject Matter Expert – The SOM Subject Matter Expert (SME) will participate in sessions, workgroup meetings, and interviews as appropriate to represent their area of knowledge. As needed, they will also review the resulting documentation in support of formal acceptance.
- SOM Project Manager – The SOM Project Manager (SOM PM) will be the central point of contact for the SOM and will be responsible for the direction of AIC provided resources.
- SOM Procurement Representative – The SOM Procurement Representative (SOM PUR) will be the liaison between the purchasing department and the project team and will work closely with the SOM PM to provide guidance, support, and appropriate templates representing the RFP process. As needed, he/she is expected to participate in key discussions to develop purchasing strategies, as well as to finalize RFP documents.

WORK AND DELIVERABLES

Initiation
At the direction of the SOM PM, the AIC BA and AIC FAC will be available to support and complete tasks related to the initiation of activities in the statement of work. These tasks are expected to include:

- Complete project setup tasks for AIC time tracking and invoicing
- Prepare for and attend a kick-off meeting
- Issue meeting notes from kick-off meeting
- Complete and distribute a project contact list

Discovery
At the direction of the SOM PM, the AIC BA and AIC FAC will be available to support and complete tasks related to gaining an understanding of the State's current needs, State's current technology, technology trends, State's purchasing strategy, most recent RFP content versions, and lessons learned. These tasks are expected to include:

- Identifying related materials
- Receiving and reviewing related materials
- Participating in meetings and discussions to better understand the State's needs, technology, purchasing strategy and lessons learned.

Gap Analysis
At the direction of the SOM PM, the AIC BA and the AIC FAC will be available to support and complete tasks related to the review of most recent versions of the RFP content in relation to current needs and identify the needed activities and work to update the RFP contents. These tasks are expected to include:

- Identify working meeting participants
- Schedule working meetings (expect to use the first of the scheduled standing meetings for this project)
- Participate in discussions to identify gaps
- Participate in discussions to identify actions to address gaps
- Issue meeting notes summarizing the identified gaps

RFP Updates

At the direction of the SOM PM, the AIC BA and the AIC FAC will be available to support and complete tasks related to the updates of RFP content to complete identified actions to address identified gaps. These tasks are expected to include:

- Receive identified template versions or updated reference materials (i.e., updated standard RFP content/sections, attachments, etc.)
- Complete analysis to assess impact of RFP content updates (i.e., assess impact to related sections and supporting content sections)
- Attend working meetings to identify updates and review work in progress (expect to use the ongoing scheduled standing meetings for this project)
- Complete identified updates
- Attending working meeting to finalize RFP content

PROJECT SCHEDULE / TIMELINE:

Proposed Project Start Date:	04/27/2015
Projected Project End Date:	06/19/2015

PROJECT CONTACTS:

The designated SOM Project Coordinator is:

Name: Scott Hall
Address: 608 West Allegan Street Lansing, MI 48933
Phone: (517) 241-4255
halls9@michigan.gov

The designated DTMB Business Relationship Manager is:

Name: David Wilson
Address: 608 West Allegan Street Lansing, MI 48933
Phone: (517) 241-0257
Wilsond7@michigan.gov

The designated DTMB Subject Matter Expert is:

Name: Steve McMahon
Address: 608 West Allegan Street Lansing, MI 48933
Phone: (517) 373-6353
mcmahons@michigan.gov

AIC RESPONSIBILITIES/ASSUMPTIONS:

45. AIC will provide services Monday through Friday, during the same work hours as those worked by the State employees working at the identified facility.
46. Personnel provided by AIC shall be subject to the rules, regulations, and policies of the State.
47. AIC will replace personnel whose work is found to be unsatisfactory.
48. AIC staff will be fully trained and will meet the skill set requirements for the work described in this SOW.
49. AIC will provide for parking for its staff when working at the client location.
50. Time and materials services are at the direction and management of the SOM PM.
51. All meetings will be held in the Lansing, Michigan area, unless otherwise noted.

STATE RESPONSIBILITIES/ASSUMPTIONS:

84. The State will provide business office support for project related activities *as needed*, to include:
    a. Telephone access
    b. Print and copy services
    c. Facsimile services

85. The State will provide appropriate facilities to conduct the facilitated sessions to include:
    a. Meeting-type facility
    b. Adequate space for up to 15 attendees
    c. Adequate space for a "U" seating arrangement
    d. Ability to project vendor computer image (projector and screen or large wall-monitor)
    e. Connectivity to the Internet using vendor provided computer (to host web-conference when pre-arranged)
    f. Conference quality speaker phone (to host conference call for remote participation when pre-arranged)
86. The State will schedule sessions and meetings to best accommodate the participation of key personnel. It is expected for these time and materials services that a standing meeting day and time be scheduled for the duration of the project work.
87. Meeting/Session follow-up efforts are expected to be related to identified action items, and not related to interviews with invited staff who did not participate in the session.
88. Active session participants will not exceed twelve (12).
89. Session attendees will be available for scheduled meetings/sessions and will have completed any requested pre-session work (review of materials, etc.) prior to each meeting/session.
90. Session attendees will be available for in-person meeting/session attendance unless otherwise agreed to.
91. New scope introduced at review sessions not previously discussed in the business process sessions may impact project scope.
92. The State will be able to complete identified action items by the due date established at the time of assignment. Unless otherwise agreed, the due date will be three business days from the date of assignment.
93. Document template versions or content will not change during the project.
94. Review comments are expected to be represented at the document finalization sessions. If an attendee is not able to participate, his or her review comments are expected to be made available to AIC prior to the finalization session, or represented by those in attendance. Comments received after the finalization session may impact the scope of work to approve and ability to incorporate the revisions.
95. Subject matter expertise, both business and technical as needed, will be available to support the project activities.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight hours per day, forty hours per week for State employee project support. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime rates will be permitted without prior written approval of the SOM PM.

PRICING:

For time and materials related services, payment will be made on actual hours worked on a monthly basis.

The State will pay AIC upon receipt of properly completed invoices which will be submitted to the SOM PM upon designated deliverable acceptance. All invoices will reflect work completed by payment date, and will be approved by the SOM PM prior to payment. The invoices will document the work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by the State within forty-five days after receipt of properly completed invoices.

Time and Materials Services Hours

Contractor will provide the following resources at the rates and "not to exceed" hours shown below:

Resource	Rate	Hours Not to Exceed	Total
Facilitator	$104.00	75	$ 7,800.00
Sr. Business Analyst	$81.00	300	$ 24,300.00
Project Total:		375	$ 32,100.00

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

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

CHANGE NOTICE NO. 14

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Lansing, MI 48910	(517) 336-1042	5408

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:
Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	2, one year	June 30, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	

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

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE

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

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$7,826,000.00	$0.00	$7,826,000.00

DESCRIPTION:
Effective April 7, 2015, this contract is amended to add $56,364.00 to PO # 084N4300145 (PO) for resource David Bates to cover costs associated with the resource working 462 overtime hours. The overtime hours are paid at the same $122.00 per hour rate as the straight time hours. PO expiration date remains 6/30/2015. This is a zero-dollar change notice utilizing existing funds. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement and DTMB Procurement approval.

Remaining contract balance: $38,991.93
Approved Ad Board Contract Value: $8,998,939.27

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 13

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
BUYER	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	Two One-Year	December 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

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

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$7,826,000.00

Effective December 3, 2014, this contract is amended to utilize $121,500.00 of existing funding for the services in the attached Project Change Request (PCR) dated 11/25/2014. The PCR amends the attached Statement of Work (SOW) signed 12/2/2013 and the associated PO # 084N4301526 (PO) as follows:

1. AIC resource Christina Brandt is extended 1500 hours at the rate of $81.00 per hour;
2. $121,500.00 is added to the SOW and PO;
3. The 12/31/2014 SOW and PO end dates are extended to 6/30/2015.

Remaining contract balance: $359, 897.73
Approved Ad Board Contract Value: $8,998,939.27

Project Change Request

Project Information			
Client Name:	Michigan Dept. of Technology, Management, and Budget – Office of Retirement Systems		
SOW Name / Date:	DTMB-ORS Requirements - Business Analyst/Test Lead Extension	State of Michigan PO Number:	084N4301526
Account Executive:	Darrell Swartz		

This Project Change Request ("PCR") is subject to the terms and conditions contained in the DTMB ORS Requirements/Test Lead Support between the parties dated 12/02/2013 and is made a part thereof. All terms and conditions of the above noted Agreement, including (but not limited to) warranties, disclaimers of warranty and limitations of liability, are expressly incorporated herein by reference. To the extent there are any conflicts or inconsistencies between this PCR and the Agreement, the provisions of the Agreement shall govern and control. The specific terms and conditions relating to the Services include the following:

PCR Information			
PCR Number:	152150-1	PCR Request Date:	11/25/2014

Description of the Change Request

Include the reason for the requested change, and necessary adjustments to the project approach.

Brief Description of Services to be provided:

This request is for a Purchase Order extension and additional funding under Contract # 071B8200236 for One (1) Senior Business Analyst, Christina Brandt, to support and complete the tasks necessary to help ORS complete the current phase of the implementation. Numerous legislative mandates in the past three years have required extensive changes to the ORS retirement system (Clarety). These mandates also resulted in numerous manual processes being created to provide the required service to ORS customers.

The extension for this position is being requested to maintain support through the current phase of the project for the Sr. Business Analyst for User Acceptance Testing (UAT) and Regression Testing. The Sr. Business Analyst would be located at the General Office Building (GOB) in Dimondale, MI. These services were anticipated to be needed thru 12/31/2014, however, due to project changes, these services are now needed through 06/30/2015.

Project Objective:

DTMB-ORS is requesting Analysts International Corporation (AIC) under Contract # 071B8200236 to provide ongoing support from one Sr. Business Analyst, Christina Brandt, to provide business analysis and quality assurance support through the remainder of this project phase.

This request is to add an additional 1500 hours to PO #084N4301526, estimated at roughly 40 hours per week at the rate of $81 per hour, totaling $121,500.00.

This change request will increase the overall project PO amount by $121,500.00.

Impact to Purchase Order	
The total purchase order should be increased from $121,500.00 to $243,000.00 and the date should be extended through 06/30/2015.	
Additional Deliverables T&M Price	
Services Price total	$121,500.00

IN WITNESS WHEREOF, the parties hereto have caused this Project Change Request to be executed by their respective authorized representatives to be effective as of the date first above written.

Analysts International Corporation

By: Darrell

Name (printed): Darrell Swartz

Title: Sr. Account Executive

Date signed: 11/25/2014

Michigan Dept. of Technology, Management, and Budget

By:

Name (printed): Michael Bilek

Title: SAM IS Supporting OFS

Date signed: 11/26/14

Michigan Department of Technology, Management & Budget

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work
Portfolio Management Requirements

Project Title: Business Process Re-Engineering Requirements – Test Lead Support	**Period of Coverage:** 12/19/2013 – 09/30/2014
Requesting Department: DTMB - Office of Retirement Systems	**Date:** 11/20/2013
Agency Project Manager: Mike Bilek	**Phone:** 517-636-4702
DTMB Project Manager: Angela Schrauben	**Phone:** 517-322-6547

1. BACKGROUND:

Numerous legislative mandates in the past three years have required extensive changes to the ORS retirement system (Clarety). These mandates also resulted in numerous manual processes being created to provide the required service to ORS customers.

The Business Process Reengineering ("BPR") Project was initiated to automate many manual processes currently being used by Financial Services ("FS") and the Office of Retirement Services ("ORS"). The date of the annual CAFRs has been moved up three months and the need for more timely and accurate information can be achieved by the combined execution of several previously identified but inactive projects as one major project – BPR.

The position being requested is for a Sr. Business Analyst-Test Lead for User Acceptance Testing (UAT) and Regression Testing. The Sr. BA-Test Lead would be located at the General Office Building (GOB) in Dimondale, MI.

Project Objective and Goals:
The goal of this project is the creation of sound user test plans and cases based upon requirements gathered/validated along with fully executed user testing with the goal of a "zero defect" code deployment. In addition, updated user cases should be created.

2. SCOPE OF WORK:

This project includes Analysts International providing the qualified staff needed to perform the tasks identified below with the appropriate skillsets listed below:

TASKS AND DELIVERABLES for Business Analyst-User Test Team Lead:
The following table outlines tasks listed in the contract that are representative (but not inclusive) of the work to be performed by the Contractor during user project testing for each category.

Tasks	Deliverable
1. **Business Test Lead Design, Creation, Execution**	

• Use information collected during business requirements gathering sessions to design and document business test plan, test cases, update use cases, track defects.	• User Test Plan • User Test Cases • User Regression Plan and Cases • Updated User Cases
• Lead User Test Team in the execution of UAT and Regression Testing	• Creation and monitoring/reporting of defects found during testing

Additional tasks/deliverables desired would be for the Sr. BA-Test Team Leader to also function as the Training Team Leader to facilitate the creation of training plans and materials.

SKILL SETS REQUIRED:

Extensive experience in conducting and coordinating UAT and Regression testing. Additional skills desired relate to the ability to also act as the Training Team Leader.

Duties:

- Lead the test team in the performance of various iterations of User Acceptance (UAT) and Regression Testing for both BPR and other projects identified by DTMB & ORS
- Perform research and provide guidance on the establishment of best practices as it relates to UAT and Regression Testing
- Provide guidance and monitoring in the formulation of test cases and scenarios
- Conduct structured UAT and Regression test sessions
- Lead or participate in process mapping sessions
- Act as a liaison to the Project Manager for all testing issues
- Record defects found in HP Quality Center
- Lead retesting efforts
- Lead updating effort for Use Cases
- Other duties as assigned

Skills:

- Ability to understand and translate business requirements into test cases and scenarios
- Ability to perform research on best practices
- Ability to apply the Best Practices to the ORS UAT and Regression testing efforts
- Good knowledge of Process Mapping concepts and techniques
- Attention to detail
- Problem solving skills
- Excellent time management skills
- Excellent communications skills

PROJECT CONTROL AND REPORTS:

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

- Weekly Project status
- Updated project plan
- Summary of activity during the report period

- Accomplishments during the report period
- Deliverable status
- Schedule status
- Issues – Risks and Change controls
- Updated project plan to reflect progress to plan
- Review and discussion of schedule variances

3. PROJECT CONTACTS:

The designated DTMB Project Manager is:

Micahel Bilek
Michigan Department of Technology, Management and Budget
GOB 3rd Floor A wing
1740 Harris Rd.
Dimondale, MI
537-636-4680
Bilekm@michigan.gov

The designated Agency Project Manager is:

Angela Schrauben
Michigan Department of Technology, Management and Budget
GOB 3rd Floor A wing
1740 Harris Rd.
Dimondale, MI
517-322-6547
SchraubenA@michigan.gov

AGENCY RESPONSIBILITES / ASSUMPTIONS:

The State will provide the following resources for the Contractor's use on this project:

- Work space
- Access to telephone
- PC workstation
- Printer
- Access to copiers and fax machine

LOCATION WHERE THE WORK IS TO BE PERFORMED:

AIC staff will work at the State's Building located at GOB located at 7140 Harris Drive, Dimondale, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight hours per day, forty hours per week for State employee project support. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime rates will be permitted without prior written approval of the Agency and DTMB Project Manager.

4. PRICING / TIMEFRAME:

Payment will be made on a Time and Materials basis. The State will pay AIC upon receipt of properly completed invoices on the approved timesheets submitted to DTMB Accounts Payable. All invoices will reflect work completed by payment date, and will be approved by the PM prior to payment. Invoices will document the

work performed and payment amount. Payment will be considered timely if made by the State within forty-five days after receipt of properly completed invoices.

EXPENSES:
The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc.

RESOURCE/RATE TABLE:

Role	Hourly Rate	Estimated # of Billable Hours	Total
Sr. Business Analyst - Test Lead	$81.00	1500	$121,500.00
Total:		**1500**	**$121,500.00**

Project Start Date: Dec. 19, 2013

Project End Date Sept. 30, 2014

5. APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

DTMB Project Manager — Date: 11/27/13

Agency Project Manager — Date:

Analysts International – Darrell Swartz — Date: 12-2-13

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 12

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
BUYER	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	Two One-Year	December 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

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

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$7,826,000.00

Effective December 1, 2014, this contract is amended to utilize $122,000.00 of existing funding for the services in the attached Statement of Work (SOW) dated 11/25/2014 and Project Change Request (PCR) dated 11/10/2014. The SOW and PCR amend the previous project SOW's and the associated PO # 084N4300145 (PO) as follows:

1. AIC resource David Bates is extended 1000 hours at the rate of $122.00 per hour;
2. $122,000.00 is added to the SOW and PO;
3. The 12/31/2014 SOW and PO end dates are extended to 6/30/2015.

Remaining contract balance: $481,397.73
Approved Ad Board Contract Value: $8,998,939.27

Change Notice Number _____12_____

Contract Number_____ 071B8200236_____

FOR THE CONTRACTOR:	FOR THE STATE:
Analysts International Firm Name	Signature
Authorized Agent Signature	Sharon Walenga-Maynard, Sourcing Director Name/Title
Authorized Agent (Print or Type)	DTMB Procurement Enter Name of Agency
Date	Date

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
STATEMENT OF WORK
for
Business Requirements – Facilitated Sessions

Project Title: **DTMB Data Center Requirements-RFP Sr. Consultant/Project Manager - Fiscal Year 2014.2015 Extension**	**Period of Coverage:** **10/01/2013 – 6/30/2015**
Requesting Department: **Department of Technology, Management, and Budget**	**Date:** **11/25/2014**
DTMB Project Manager: **Greg Faremouth**	**Phone:** **517-241-0626**

Brief Description of Services to be provided:
Purchase Order extension and additional funding under Contract # 071B8200236 for One (1) Senior Consultant/Project Manager to support and complete the tasks necessary to plan and control the efforts of leading, performing, and overseeing strategic and operational plan management activities to meet the need of the State of Michigan's Data Center RFQ/RFP initiative. These services were previously anticipated to be needed thru 12/31/2014, but additional dollars and time are now requested.

This Statement of Work modifies PO # 084N430014 (PO), which was issued on 9/11/2013 in the amount of $161,223.00 with a 9/30/2014 end date. On of 6/17/2014, an Advice of Change to the PO was entered, adding $122,000.00 and extending the end date to 12/31/2014. This Statement of work will Add $122,000.00 to the PO extend the end date to 6/30/2015.

BACKGROUND:

The State of Michigan is in the process of engaging with KPMG to perform technical advisement services around the development, analysis, and implementation of an RFQ/RFP for the State's Data Center initiative. The KPMG services will include the following:

Stage 1 - Develop RFP & Provider Short List
The GL-ITC RFP should define the future opportunity so potential providers can understand requirements, develop solutions, and prepare a price proposal that is clear and comparable across responses received. Important components include but are not necessarily limited to the following:

- Scope definition and statement of work
- Key volumetrics and baselines
- Service level and transformation expectations
- Key business terms for the contract

Client team training is an ongoing and important part of the KPMG methodology and the period immediately following RFP issuance provides some time to ensure the team is prepared for the process ahead. Leading up to RFP release and between release and response receipt, KPMG delivers workshops addressing a number of topics including:

- RFP preparation
- Service level methodology
- Site visit training
- Commercial team negotiations preparation
- Contract governance best practices and how they relate to the State of Michigan's procurement process and requirements

Stage 2 - Finalize Solution & Select Provider
The RFP provides a good foundation for determining and documenting the detailed scope of work. The solution development process is also a key step in refining the future-state environment. This step allows potential providers to develop creative and innovative alternatives that bring value to the State.

Stage 3 - Negotiate & Contract. During this stage, much of the due diligence and contract development activities are driven in parallel. The resulting contract is a complex agreement consisting of a master agreement and typically includes 15 to 25 supporting schedules. Due diligence ensures that both parties have a common understanding of critical deal elements that are sufficiently detailed to execute enforceable obligations. Subsequent to due diligence, the GL-ITC team and the service provider(s) will draft, negotiate and finalize all elements of the contract. It is also important at this stage to review and make any necessary modifications to business case financial assumptions and final pricing to be used to support the final go/no-go decision and to freeze baselines for measuring future savings over the life of the contract.

Data Center Implementation RFP
Key activities and milestones associated with this step include the following:

- Review go/no-go decision evaluation criteria
- Configure go/no-go decision evaluation criteria to DTMB and participating agency requirements
- Develop scenario cost models
  - Create scenario assumption list
  - Conduct financial comparison analysis
    - Cost/Benefit

        - Net Present Value Analysis
        - ROI
        - Cost in specific years comparisons
        - Cost per agency

Outputs/deliverables include, but are not necessarily limited to:

- Documented business requirements for IT Infrastructure Services
- Implementation RFP for IT Infrastructure Services
- All appendices and supporting schedules for the RFP
  - A service level methodology that sets out the required service levels and a mechanism for automatic continuous improvement year to year
  - A pricing methodology that includes transition costs, baseline volumes, unit pricing and usage based pricing for the ongoing services
  - A detailed statement of work for all services to be delivered
  - A detailed service management and governance model
    - An appropriate participation agreement document to be executed by DTMB with its Agency customers
    - An updated timeline for the procurement process that includes evaluation and contract negotiations
    - Copies of all collected business requirements documentation, supporting documentation and files

Service Provider Evaluation
In this activity, KPMG will lead the development of a comprehensive evaluation methodology and provide assistance to the evaluation team during the process.

Key activities and milestones associated with this step include the following:

- Conduct sourcing evaluation workshops
- Review sourcing evaluation scoring templates and methodologies with DTMB and participating agencies
  - Financial evaluation template
    - Pricing analysis

        - Pricing sensitivity analysis
    - Technical solution evaluation template
    - Terms and conditions evaluation template
    - Risk evaluation template
    - Weighting criteria
    - Criteria definitions
    - Evaluation team configuration
        - Configure evaluation scoring templates and methodologies to DTMB's requirements
        - Provide training on vendor site visit questionnaires and agenda
        - Configure vendor site visit templates
        - Provide evaluation assistance

Outputs/deliverables include, but are not necessarily limited to:

- Evaluation methodology for this RFP
- Evaluation tools for both technical and pricing evaluations
- Impact analysis tools
- Evaluation training materials, if required
- Copies of all supporting documentation and files

Contract Negotiations Plan and Strategy
In this activity, KPMG will lead the development of a the pre-negotiations strategy and work with DTMB and the participating agencies to plan how best to negotiate a final contract

Key milestones associated with this activity include:

- Conduct terms and conditions workshop
- Conduct negotiating style and roles workshop
- Review key objectives for negotiations with DTMB and participating agencies
- Review current improvement opportunity areas to consider open for negotiation

- Review vendor due diligence best practices
- Conduct vendor due diligence
- Document key positions
- Document negotiation roles and responsibilities

Output / Deliverables to include, but not be limited to:

- Pre-negotiation strategy
- Negotiation strategy
- Due diligence strategy

Negotiate Contract

In this activity, KPMG will actively participate in contract negotiations with the apparent service provider by monitoring and supporting the process and working with appropriate State legal counsel and DTMB staff. KPMG will leverage their knowledge of industry best-practices and current deal data points to ensure that DTMB obtains the best contract that aligns with the State of Michigan's requirements. .

Key activities and milestones associated with this step include the following:

- Conduct deal point to market analysis
- Provide input on negotiation positions
- Review relevant Master Services Agreement (MSA) templates
- Review relevant MSA Schedules templates
- Negotiate/revise the MSA
- Finalize the MSA
- Provide issue tracking and reporting support
- Support schedules to MSA negotiations and revisions
- Conduct and support stakeholder briefings and updates
- Provide revision and version control support of the final MSA and associated schedules
- Update and finalize risk management matrix

Based upon AIC's background and history with the State of Michigan's RFP process, DTMB is requesting that Analysts International provide a Lead Consultant-PM to assist with the oversight and management of this initiative.

PROJECT OBJECTIVE:

DTMB is requesting Analysts International Corporation (AIC) under Contract # 071B8200236 to provide one Senior Consultant/Project Manager to plan and control the efforts of leading, performing, and overseeing strategic and operational plan management activities to the KPMG provided services identified above.

SCOPE OF WORK:
This Statement of Work (SOW) is being originated in reference to the Analysts International's Facilitated Sessions for MDTMB Contract # 071B8200236. This SOW is requesting one Senior Consultant/Project Manager to work under the direction of the DTMB Chief Technology Officer and with partner agencies and DTMB cross matrix teams to understand business needs and effectively manage all efforts initiating from this initiative.

TASKS:
In this role, the Senior Consultant/Project Manager would be responsible for managing the data center RFQ/RFP effort, including:

1. Work in conjunction with various stakeholders including but not limited to the State's CTO, Infrastructure Services, Purchasing and KPMG (Technical Advisors) to produce and release an RFQ to the vendor community. The RFQ process will serve to help the state to narrow down the go-forward approach/scope and ultimately determine a short-list of bidders for the RFP process.
2. Work with the same stakeholders to develop and release an RFP for data center services
3. Participate on the JEC to select the service provider
4. Participate in the contract negotiation process

Additional tasks include, but are not limited to:

1. Provide consulting and project management services to support the efforts of leading, performing, and overseeing strategic and operational plan management activities to meet the needs of this RFQ/RFP initiative. This includes recommendations on scope, resources and cost, as well as the best course of action/approach to attain the project objectives. The consultant/project manager will receive direction from DTMB and will be self-managed to execute project deliverables.

2. Provide consulting and project management for project activities to ensure the initiative will be completed on time, within budget and within scope. This includes assisting with and managing the development of the RFQ/RFP; monitoring the activities of KPMG, the State's technical advisement partner; and developing, reviewing and executing detailed project plans (and supporting documents) including schedules, communications, budget, issues and risks at minimum.

3. Develop, maintain and execute required project documentation and deliverables in alignment with the State's project management methodology (PMM) and system

engineering methodology (SEM) utilizing the State Unified Information Technology Environment (SUITE).

4. Work with the State's Public Information Officer, DTMB Human Resources and others to develop, maintain and execute a Communication Plan, detailing communications interactions with team, management, and other internal and external stakeholders including, but not limited to staff, the vendor community, and the union. Prepare for and facilitate meetings as defined in the approved project communications plan.

5. Develop, implement and document change control process; risk management process, and issue management process. Take proactive, expedient actions to facilitate and mitigate project issues and risks and escalate for resolution as appropriate. Execute effective control processes to ensure project is delivered within scope and on time and on budget.

6. Provide project management mentoring and support of other project management activities.

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

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

9. Collect and report on project status, progress toward milestone completion and general health of the progress towards completing the objectives of the Data Center RFQ/RFP effort. Provide input for performance measurement baselines.

10. Develop and support a formal Work Approval Process (WAP) and create sign off documents for the acceptance of the final Plans and deliverables once they are delivered and accepted.

DELIVERABLES:
Deliverables will not be considered complete until DTMB has formally accepted them. Deliverables for this project include, but are not limited to:

1. All required deliverables included in the State's Project Management Methodology

(PMM) and

System Engineering Methodology (SEM) which may include the following:

A. Project Concept Document and Project Charter

B. Detailed Project Plan – Plan should include milestones, tasks (work breakdown structure), hours, durations, schedule, and resource allocation. Detailed task level plans and schedules must be created for each release deployment. Note: This is the detailed task plan to be developed with the input of the Project Team

C. Work breakdown structure

D. Resource Plan

E. Risk Management Plan

F. Quality Plan

G. Communication Plan

H. Change Control Management Plan

I. Change Control Request Plan

J. Project Issues document

K. Project Budget Estimates

L. IT Project Budget estimates

M. Project planning transition checklist

N. Develop and support a formal Work Approval Process (WAP)

O. Other project items as needed

3. Lead and participation in and materials preparation for Executive Leadership meetings, as requested by the Implementation contractor or DTMB Project Manager.

   A. Facilitation of and materials preparation for meetings, including:

   - weekly status meetings for managers and team leaders.
   - bi-weekly leadership meeting
   - weekly planning meetings

3. Support the project team and business stakeholders through communications, issue resolution, and documentation.

4. Performance metrics including score cards, earned value analysis, project evaluation, and resource usage.

5. Facilitation of and materials preparation for close-out of each plan, including archival of all project data, lessons learned sessions, and close-out of any open action items.

6. Ad hoc reports requested by the State Project Manager(s).

ACCEPTANCE CRITERIA:
Deliverables will not be considered complete until DTMB has provided formal acceptance.

PROJECT CONTROL AND REPORTS:
A bi-weekly project status report must be submitted to DTMB maintaining the project management activities utilizing the State's Project Portfolio Management (PPM) tool, if directed to do so, throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following minimum:

1. **Hours**: Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.

2. **Accomplishments**: Indicate what was worked on and what was completed during the current reporting period.

3. **Planned Tasking:** Describe activities to be accomplished during the next reporting period.

4. **Funds**: Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

5. **Issues:** Indicate major issues/risks/changes, real or perceived, in relation to the scope of this SOW, and recommend resolutions.

SPECIFIC DEPARTMENT STANDARDS:
Agency standards, if any, in addition to DTMB standards:
State of Michigan Project Management Methodology (PMM)
State of Michigan Systems Engineering Methodology (SEM)

PAYMENT SCHEDULE:
Payment will be made on a time and materials basis. DTMB will approve and ultimately pay upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Contracts area will coordinate obtaining the appropriate approvals. All invoices should reflect actual work completed by payment date. The invoices shall describe and document to the State's satisfaction a description of the work performed the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

EXPENSES:
The State will not pay for training expenses. The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc., unless the State has agreed in advance and in writing to reimburse Contractor for such expenses at the State's current travel reimbursement rates.

PROJECT CONTACTS:

The designated DTMB Project Manager is:

Greg Faremouth
Phone: (517) 241-0626
E-mail: faremouthg@michigan.gov

AGENCY RESPONSIBILITIES:

- DTMB Project Manager will be reviewing and approving the project manager's deliverables.
- State will make their staff reasonably available for project needs.
- State will provide cubicle space for one on-site consultant.
- State will provide telephone access for project-related calls originating from within the State's office.
- State will provide copying services for project-related documents.
- State will provide access to Facsimile equipment for items that are project related.
- State will provide computer hardware and software for consultant, as deemed necessary.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:
Consultant will work primarily at the Cass Building in Lansing, Michigan as well as at AIC offices located at 3800 Heritage Drive in Okemos, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:
Work hours may vary as the project proceeds. During certain periods, the consultant/project manager may be expected to work more than eight (8) hours a day, forty (40) hours a week. It is not expected that work hours will exceed 50 hours per week for more than three consecutive weeks. Any hours exceeding this threshold must first be approved by the DTMB Project Manager. Normal working hours of 8:00 am to 5:00 pm are to be generally observed unless otherwise required to meet the needs of the initiative and approved by DTMB Project Manager or CTO The resource shall observe the same standard holidays as State employees but will not be paid for State holidays or furlough days. If approved in advance, the resource will be permitted to take planned vacations, but will not be paid for vacation days.

Any hours over 40 hrs/week are paid at straight time; no premium pay will be authorized.

PRICING / TIMEFRAME:

These services are anticipated to be needed thru 09/30/2014. The following table is an estimate only of hours for the requested skillset.

Role	Hourly Rate	Hours	Cost
Sr. Consultant/Project Manager	$122.00	1000	$ 122,000.00
		TOTAL	**$ 122,000.00**

Project Start Date: **10/01/2013**

Project End Date **6/30/2015**

APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

_____ _____

DTMB Project Sponsor – Rod Davenport Date

_____

DTMB Project Manager – Greg Faremouth Date

_____

Analysts International – Darrell Swartz Date

Project Change Request

Project Information			
Client Name:	**Michigan Dept. of Technology, Management, and Budget**		
SOW Name / Date:	DTMB DataCenter Sr. Consultant Project Extension	**State of Michigan PO Number:**	084N4300145
Account Executive:	Darrell Swartz		

This Project Change Request ("PCR") is subject to the terms and conditions contained in the DTMB DataCenter Sr. Consultant Support between the parties dated 10/01/2013 and is made a part thereof. All terms and conditions of the above noted Agreement, including (but not limited to) warranties, disclaimers of warranty and limitations of liability, are expressly incorporated herein by reference. To the extent there are any conflicts or inconsistencies between this PCR and the Agreement, the provisions of the Agreement shall govern and control. The specific terms and conditions relating to the Services include the following:

PCR Information			
PCR Number:	150735-1	**PCR Request Date:**	11/10/2014

Description of the Change Request

Include the reason for the requested change, and necessary adjustments to the project approach.

Brief Description of Services to be provided:
This request is for a Purchase Order extension and additional funding under Contract # 071B8200236 for One (1) Senior Consultant/Project Manager, David Bates, to support and complete the tasks necessary to plan and control the efforts of leading, performing, and overseeing strategic and operational plan management activities to meet the need of several key initiatives for the State of Michigan's Telecom and Data Center teams. These services were anticipated to be needed thru 12/31/2014, however, due to project changes, these services are now needed through 06/30/2015.

Project Objective:
DTMB is requesting Analysts International Corporation (AIC) under Contract # 071B8200236 to provide ongoing support from one Senior Consultant/Project Manager, David Bates, to plan and control the efforts of leading, performing, and overseeing strategic and operational plan management activities to the DataCenter project initiatives including Cloud Strategy, P2V Server Conversion, NGDI, and Data Center Facilities.

This request is to add an additional 1000 hours to PO #084n4300145, estimated at roughly 40 hours per week at the rate of $122 per hour, totaling $122,000.00.

This change request will increase the overall project PO amount by $122,000.00.

Impact to Purchase Order

The total purchase order should be increased from $283,223.00 to $405,223.00.

Additional Deliverables T&M Price	
Services Price total	$122,000.00

IN WITNESS WHEREOF, the parties hereto have caused this Project Change Request to be executed by their respective authorized representatives to be effective as of the date first above written.

Analysts International Corporation

By:_ _____

Name (printed):__Darrell Swartz_____

Title: Sr. Account Executive_____

Date signed:___11/10/2014_____

Michigan Dept. of Technology, Management, and Budget

By:_____

Name (printed):_____

Title:_____

Date signed:_____

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 11

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
BUYER	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	Two One-Year	December 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

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

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$7,826,000.00

Effective November 25, 2014, this contract is amended to utilize $14,985.00 of existing funding for the services in the attached Project Change Request (PCR) dated 9/23/2014 and to utilize $191,000.00 of existing funding for the services in the attached PCR dated 10/17/2014. The PCR's amend the attached Statement of Work (SOW) dated 12/4/2013 and the associated PO # 084N4301769 as follows:

1. **AIC Business Analyst Leza Rebera is extended 185 hours at the rate $81.00 per hour;**
2. **AIC Sr. Business Analyst is extended 1000 hours at the rate $81.00 per hour;**
3. **AIC Sr. Project Manager is extended 1000 hours at the rate $110.00 per hour;**
4. **The 12/4/13 SOW and PO end dates are extended to 6/30/2015.**

Remaining contract balance: $603,397.73

Approved Ad Board Contract Value: $8,998,939.27

Project Change Request

Project Information			
Client Name:	Michigan Center for Educational Performance Information		
SOW Name / Date:	CEPI Teacher Certification Extension	State of Michigan PO Number:	084n4301769
Account Executive:	Darrell Swartz		

This Project Change Request ("PCR") is subject to the terms and conditions contained in the CEPI Longitudinal Database SOW between the parties dated 12/04/2013 and is made a part thereof. All terms and conditions of the above noted Agreement, including (but not limited to) warranties, disclaimers of warranty and limitations of liability, are expressly incorporated herein by reference. To the extent there are any conflicts or inconsistencies between this PCR and the Agreement, the provisions of the Agreement shall govern and control. The specific terms and conditions relating to the Services include the following:

PCR Information			
PCR Number:	150620-2	PCR Request Date:	09/23/2014

Description of the Change Request

Include the reason for the requested change, and necessary adjustments to the project approach.

The Michigan CEPI is requesting some additional support from the AIC Business Analyst resource, Leza Rebera, to assist with maintaining the current requirements work she's been doing under a contract with Red Cedar Solutions Group. This change notice will allow her to support the existing projects she's working on and help with requirements gathering for an additional need for the Teacher Certification project. This request is to add an additional 185 hours to PO #084n4301769, estimated at roughly 12-15 hours per week at the rate of $81 per hour, totaling $14,985.00.

This change request will increase the overall project PO amount by $14,985.00.

Impact to Purchase Order

The total purchase order should be increased from $299,240.00 to $314,225.00.

Additional Deliverables T&M Price	
Services Price total	$14,985.00

IN WITNESS WHEREOF, the parties hereto have caused this Project Change Request to be executed by their respective authorized representatives to be effective as of the date first above written.

Analysts International Corporation

By: _____

Name (printed): Darrell Swartz

Title: Sr. Account Executive

Date signed: 09/24/2014

Michigan Center for Educational Performance Information

By: _____

Name (printed): Thomas E. Howell

Title: Director

Date signed: 10/20/2014

Project Change Request

Project Information			
Client Name:	Michigan Center for Educational Performance Information		
SOW Name / Date:	CEPI Teacher Certification Extension	State of Michigan PO Number:	084n4301769
Account Executive:	Darrell Swartz		

This Project Change Request ("PCR") is subject to the terms and conditions contained in the CEPI Longitudinal Database SOW between the parties dated 12/04/2013 and is made a part thereof. All terms and conditions of the above noted Agreement, including (but not limited to) warranties, disclaimers of warranty and limitations of liability, are expressly incorporated herein by reference. To the extent there are any conflicts or inconsistencies between this PCR and the Agreement, the provisions of the Agreement shall govern and control. The specific terms and conditions relating to the Services include the following:

PCR Information			
PCR Number:	150620-3	PCR Request Date:	10/17/2014

Description of the Change Request

Include the reason for the requested change, and necessary adjustments to the project approach.

The Michigan CEPI is requesting some additional support from the AIC Delivery Team to assist with maintaining the current requirements and oversight work supporting the LDS and Teacher Certification projects. This change is required to maintain the knowledge base acquired from the project to date and maintain the milestones required for a successful project implementation.

This change notice will allow a continuation of support for the existing projects and is a request to add the following to PO #084n4301769:

Resource	Estimated # of Hours	Rate	Total
Sr. Business Analyst	1000	$81.00	$81,000
Consultant/Sr. PM	1000	$110.00	$110,000
Extension Total:			**$191,000**

This change request will increase the overall project PO amount by $191,000.00 and extend the project timeframe from 12/31/2014 to a new end date of 06/30/2015.

Impact to Purchase Order	
An additional $191,000 added and a new PO end date of 06/30/2015.	
Additional Project Price	
Services Price total	$191,000.00

IN WITNESS WHEREOF, the parties hereto have caused this Project Change Request to be executed by their respective authorized representatives to be effective as of the date first above written.

Analysts International Corporation

By: _____

Name (printed): Darrell Swartz

Title: Sr. Account Executive

Date signed: 09/24/2014

Michigan Center for Educational Performance Information

By: _____

Name (printed): Thomas E. Howell

Title: Director

Date signed: 10/21/14

Michigan Department of Technology, Management & Budget

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
Statement of Work
Portfolio Management Requirements

Project Title: **CEPI LDS Requirements-PM Support**	**Period of Coverage:** **01/01/2014 – 12/31/2014**
Requesting Department: **DTMB – CEPI**	**Date:** **12/02/2013**
Agency Project Manager: **Tom Howell**	**Phone:** **517-241-4376**
DTMB Project Manager: **Glenn Gorton**	**Phone:** **517-241-2368**

1. BACKGROUND:

The Michigan Dept. of Technology, Management, and Budget ("DTMB") supporting Center for Educational Performance and Information ("CEPI") is looking to maintain on-going requirements and project management support for their Longitudinal Data System ("LDS") and various other initiatives. The positions being requested are for a Sr. Business Analyst and Sr. Project Manager/Consultant and will be located at the Mason Building in Lansing, MI.

2. SCOPE OF WORK:

This project includes Analysts International providing the qualified staff needed to perform the tasks requested by DTMB-CEPI with the appropriate skillsets listed below.

TASKS AND DELIVERABLES:

The following outlines skills listed in the contract that are representative (but not inclusive) of the skills to be held by the consultants during this project.

SKILL SETS REQUIRED:

The following skillsets are being requested for requirements and project management support for the LDS and other projects as identified by DTMB-CEPI:

Sr. Business Analyst:

DTMB/CEPI is looking for a full-time, on-site Sr. Business Analyst for a period of 3-6 months to provide on-going requirements support for State of Michigan LDS and various other projects. The Sr. Business Analyst will serve as the communication bridge between non-technical business users and technical solution developers. The Senior Business Analyst will have a depth of knowledge in business analysis processes including knowledge of facilitation, methodology, tools, and techniques. The Business Analyst is responsible for analyzing the raw data gathered by the project team, applying the appropriate tools and techniques to create meaningful results. This individual will be an active participant in aspects of department assessment, visioning, and reengineering.

Required Experience

Experience in the Information Technology field
Experience in facilitating requirements gathering sessions for systems implementations
Experience in performing requirements gathering sessions for systems implementations

Experience working in an environment using custom built software
Experience leading review sessions to discuss draft documents and determine the appropriate revisions
Experience create usability test cases and test plans
Experience in creating test scenarios and testing scripts
Experience documenting the results of usability testing
Experience facilitating sessions in which clients review usability testing results.
Experience in verbal and written communication with clients and technical staff in English.
Excellent verbal and written communication skills
Knowledge and understanding of the Software Engineering Institute's (SEI) Capability Maturity Model Integration (CMMI) and the State's SEM/SUITE processes and templates
Skills and personal characteristics that enable them to deal successfully with a large variety of management personnel and users
Capability of giving attention to detail while still understanding and dealing with the global aspects of the project

Sr. Project Manager / Consultant:
DTMB/CEPI is looking for a full-time, on-site Senior Project Manager for a period of up to 1 year to provide the overall management for State of Michigan LDS and various other projects. This individual will provide management services for all project activities to ensure that the project will be completed on time, within budget, and within scope.

This individual will create and manage detailed project plans and schedules for the day-to-day tracking and oversight of deliverables within the project using SOM Project Management Methodology. This individual will create and use tools to monitor and report on schedule progress, resource utilization, issue resolution/escalation, and process adherence. This individual also gathers and reports on vendor performance and compliance.

Required Experience
Experience in successfully managing Information Technology (IT) infrastructure projects (full project lifecycle)
Experience in successfully managing IT projects (full project lifecycle) whose scope included rewriting a large, complex existing system.
Proven record of delivering projects on time and within budget
History of managing a project in a multi-vendor environment.
Experience in managing IT projects (preferably within a government environment)
Experience creating and managing comprehensive project plans utilizing project management flows and tools
Experience managing large, complex multi-year systems development projects
Experience performing scope management for projects, including a disciplined change control process
Experience performing issues management across multiple Departments
Experience creating and executing Implementation plans
Experience creating Quality Assurance processes and plans
Experience in verbal and written communication with clients and technical staff in English.
Strong facilitation experience and ability to gain consensus from disparate groups.
Ability to guide the direction and successful outcomes of key project objectives.
Ability to work with all levels of a client organization including C-level
Excellent verbal and written communication skills
Knowledge and understanding of the Software Engineering Institute's (SEI) Capability Maturity Model Integration (CMMI) and the State's SEM/SUITE processes and templates

PROJECT CONTROL AND REPORTS:
A bi-weekly progress report will be submitted upon request to the DTMB/Agency Project Manager throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

- Weekly Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Issues – Risks and Change controls
- Updated project plan to reflect progress to plan
- Review and discussion of schedule variances

3. PROJECT CONTACTS:

The designated DTMB Project Manager is:

Glenn Gorton
Michigan Department of Technology, Management and Budget
Hannah Building – 1st Floor
608 W. Allegan
Lansing, MI 48909
537-241-2368
gortong@michigan.gov

The designated Agency Project Manager is:

Tom Howell
Center for Educational Performance and Information (CEPI)
Library of Michigan
702 W. Kalamazoo Street
Lansing, MI 48909
517-241-4376
howellt@michigan.gov

AGENCY RESPONSIBILITES / ASSUMPTIONS:

The State will provide the following resources for the Contractor's use on this project:

- Work space
- Access to telephone
- PC workstation
- Printer
- Access to copiers and fax machine

LOCATION WHERE THE WORK IS TO BE PERFORMED:

AIC staff will work at the Library of Michigan located at 702 W. Kalamazoo Street, Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight hours per day, forty hours per week for State employee project support. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime rates will be permitted without prior written approval of the Agency and DTMB Project Manager.

4. PRICING / TIMEFRAME:

Payment will be made on a Time and Materials basis. The State will pay AIC upon receipt of properly completed invoices on the approved timesheets submitted to DTMB Accounts Payable. All invoices will reflect work completed by payment date, and will be approved by the PM prior to payment. Invoices will document the work performed and payment amount. Payment will be considered timely if made by the State within forty-five days after receipt of properly completed invoices.

EXPENSES:

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

RESOURCE/RATE TABLE:

Role	Hourly Rate	Estimated # of Billable Hours	Total
Sr. Business Analyst – Sharon McLear	$81.00	1000	$81,000.00
Sr. Project Manager / Consultant – Greg Bodnar	$110.00	1984	$218,240.00
Total:		**3000**	**$298,240.00**

Project Start Date: Jan. 1, 2014

Project End Date Dec. 31, 2014

5. APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

DTMB Project Manager — Date: 12/2/13

Agency Project Manager — Date: 12/2/13

Analysts International – Darrell Swartz — Date: 12-4-13

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 10

to

CONTRACT NO. 071B8200236

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
BUYER	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	Two One-Year	December 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS:

N/A

DESCRIPTION OF CHANGE NOTICE:

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

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$7,826,000.00

Effective November 25, 2014, this contract is amended via this zero-dollar change notice to:

1. Agree that while the State Administrative Board has authorized adding up to an additional $1,172,939.27 to the contract for future services, the parties agree that funding will be added via Contract Change Notice(s) on an as-needed basis.
2. Require henceforth that to use any portion of contract funding, the State will submit a Statement of Work (SOW) to the Contractor for the additional services requested. For each such SOW received from the State, the Contractor will provide a Written Proposal. Upon review and written approval of the Written Proposal by the DTMB Project Manager and Agency Project Manager, the Agency will submit a contract change request to DTMB-Procurement in accordance with Section 1.403 Change Management. Upon review and written approval by DTMB-Procurement, and the State Administrative Board if required, a Contract Change Notice will be executed. A fully executed Contract Change Notice is required prior to issuance of any Purchase Order (PO) release. A PO is required prior to Contractor providing any services.

All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement, DTMB Procurement approval, and the approval of the State Administrative Board on November 25, 2014.

Remaining contract balance: $809,382.73
Approved Ad Board Contract Value: $8,998,939.27

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 9
to
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Cindy Turben	517-335-6069	turbenc@michigan.gov
BUYER	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	Two One-Year	December 31, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☐ No ☒ Yes	☐	☒	6 months	June 30, 2015

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$7,826,000.00

Effective the date signed below by the last required signer, this contract is amended to:

3. Exercise a 6-month extension per State Administrative Board Resolution 2014-1 dated February 4, 2014. After extension, the new contract expiration date is June 30, 2015.
4. Add the services described in the attached Statement of Work dated June 1, 2014, contractor Invoice Number IN00044982, and Agency letter dated August 11, 2014. This is a zero-dollar change, utilizing $67,029.00 of the contract's existing funds.
5. Add the services described in the attached Statement of Work with pricing dated August 11, 2014. This is a zero-dollar change, utilizing

$60,225.00 of the contract's existing funds.

6. After amendment, remaining contract balance is $831,358.73. Per vendor and agency agreement, DTMB Procurement approval and prior approval of the State Administrative Board on June 24, 2014.

All other pricing, terms and conditions remain the same.

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
STATEMENT OF WORK
For Business Requirements – Facilitated Sessions
Categories 1-3 and Optional Services

Project Title: **State and Local Implementation Grant Program – August thru Sept., 2014 Support**	**Period of Coverage:** **06/1/14 – 07/31/14**
Requesting Department: **State of Michigan – Dept. of Technology, Management, and Budget – Center for Shared Solutions**	**Date:** **06/1/14**
DTMB Project Manager: **Laura Blastic**	**Phone:** **517-373-7910**
DTMB Contract Administrator:	**Phone:**

BACKGROUND:

The following services and work products described will be performed by Cynergyze contracting through Analysts International for their end client, the State of Michigan DTMB.

In 2012, the Middle Class Tax Relief and Job Creation Act directed the National Telecommunications and Information Administration (NTIA) to establish a grant program to assist State, regional, tribal and local jurisdictions with identifying, planning, and implementing the most efficient means to use and integrate the infrastructure, equipment, and other architecture associated with a nationwide public safety broadband network to satisfy the wireless broadband and data services needed for their jurisdictions. This grant program is called the State and Local Implementation Grant Program (SLIGP).

Michigan is required to complete the following activities during the three year grant period:

- *Establish or enhance a governance structure to consult with FirstNet;*
- *Develop procedures to ensure local and tribal representation when the state is consulting with FirstNet;*
- *Conduct education and outreach for all relevant stakeholders that will be involved in the public safety broadband network;*
- *Identify potential public safety users for the PSBN;*
- *Develop a standard Memorandum of Agreement appropriate for the grantee state to facilitate the possible sharing of infrastructure with FirstNet;*
- *Develop staffing plans to involve local and tribal stakeholders in a future data collection in consultation with FirstNet;*
- *Prepare a comprehensive plan as part of the Statewide Communications Interoperability Plan (SCIP), or a plan complementary and similar to the SCIP, describing the public safety needs that the grantee expects FirstNet to address, plus relevant milestones.*

The SLIGP grant is broken into two phases. Phase 1 is focused on education and outreach for gathering and documenting

business requirements for Michigan's Public Safety Stakeholders for the nationwide public safety broadband network. This is in preparation for phase 2. Phase 2 will be focused on data collection to further identify, clarify and understand the requirements during FirstNet State consultation.

Estimated by the end of 2015 or early 2016, FirstNet and NTIA will provide a 'Notice to Governors' to Michigan's Governor providing an RFP document outlining the proposed implementation of the nationwide public safety broadband network (PBSN). The Governor's office will have 90 days to notify NTIA on whether Michigan will be opting in or out of building a Radio Access Network (RAN) for the nationwide PSBN. Opting In means that the State of Michigan will be buying into the FirstNet Nationwide Public Safety Broadband Network. Opting Out means that the State of Michigan will have 6 months to design and propose a Michigan Public Safety Broadband Network that would integrate into the FirstNet Nationwide Public Safety Broadband Network.

Current Status

In September 2013, Michigan received $3.347M, committed to $837K in matching funds for a total program budget of just over $4M. The Center for Shared Solutions (CSS) is working in collaboration with Michigan State Police to successfully complete this grant and provide the information to the Governor's office within this tight timeline. Currently, the Michigan team is working on Phase 1. The requirements are the primary input into Phase 2. Without successful completion of this requirements phase, the Federal Government will not approve Michigan to proceed to phase 2.

PROJECT OBJECTIVE:

The Michigan Department of Technology, Management & Budget (MDTMB), Center for Shared Solutions (CSS) would like to contract with a Sub-Supplier Agreement between Analysts International Corporation ("AIC") and Cynergyze ("Sub-Supplier") on contract 071B8200236. The Michigan State Police (MSP) 9-1-1 Administration Section received funding from the National Telecommunication and Information Administration (NTIA) for the State and Local Implementation Grant Program (SLIGP) of $3,347,017.00 with the State of Michigan match requirement of $837,574.00 to total a 3 year project budget of $4,184,591.00. The statement of work is being requested for the project responsibilities to be completed by Sub-Supplier Agreement between Analysts International Corporation ("AIC") and Cynergyze ("Sub-Supplier") is expected to be completed by September 30, 2014.

The purpose for the consulting contract is to secure services to assist DTMB, CSS in obtaining resources to meet requests for technical assistance in gathering requirements from the Michigan Public Safety Stakeholder agencies for a dedicated Public Safety Broadband LTE network. These requirements gathering session determine the business, technical, and project management requirements for the Public Safety Broadband LTE network.

SCOPE OF WORK:

The project scope of work includes

- Business Requirements
- Knowledge Transfer

TASKS and DELIVERABLES:

The following are the detailed tasks/deliverables expected to be created through this Statement of Work. These will be developed in collaboration with the MiPSB Program Director.

I. Baseline Business Requirements

The primary scope of effort to support Michigan's Public Safety Broadband Program for the contract timeframe is to facilitate requirements gathering sessions to draft the initial project requirements for the Public Safety Broadband LTE network. The scope of work includes the following:

1. Pre-session Package
    a. Tasks
        i. Prepare and participate in a pre-session meeting at which high-level project details will be gathered, session expectations set, session agenda developed and the State business owner will be provided

with requirements materials.

b. Deliverables

i. Pre-session Meeting Agenda

1. This document covers who the primary stakeholders for the project are and provides an overview of the imitation process, instructions on scheduling the session and sample text for the session invitation and a listing of the State of Michigan business owner and from the Michigan Public Safety Broadband Workgroup. **See Item(s) marked "A" in Cost Table below**.

2. Facilitated Session – Business Requirement Document Package

a. Tasks

i. Facilitate information / requirements gathering sessions(s) to capture business requirements, business processes and technical related to from the Michigan Public Safety Stakeholder agencies for a dedicated Public Safety Broadband LTE network

ii. Use information collected at the requirements gathering sessions to document business requirements, issues, business use cases and business problem and barriers of resolution

b. Deliverables

i. Facilitate Session(s) – August and September. **See Item(s) marked "B" in Cost Table below**.

ii. Session Attendance List

1. This document is used to capture the attendees' names, titles, contact information, Public Safety Stakeholder discipline representing to be included in the Requirements Definitions Document. **See Item(s) marked "C" in Cost Table below**.

iii. Session Feedback and Minutes

1. This document is used to capture the attendees feedback for business requirements, issues, business use cases and business problem and barriers of resolution. **See Item(s) marked "D" in Cost Table below**.

iv. Draft Business Requirements Document

1. This is the primary deliverable document from requirements and provides a prioritized, consolidated view of the project's requirements and workflow associated with the project. **See Item(s) marked "E" in Cost Table below**.

II. Knowledge Transfer

The smaller scope of effort to support Michigan's Public Safety Broadband Program for the contract timeframe is to provide knowledge transfer to the Michigan State and Local Implementation Grant Program (SLIGP) team to continue efforts on the Public Safety Broadband LTE network. The scope of work includes the following:

1. Tasks

a. The Contractor's team will provide project knowledge and information to the MI Public Safety Broadband Program Manager and other SLIGP staff to continue efforts related to the project

2. Deliverables

a. Knowledge Transfer Plan

i. This document covers how the information will be transferred and who will get the information. **See Item(s) marked "F" in Cost Table below**.

COST TABLE:

	Item	Price
June Deliverables		
Business Requirements Documentation – June	E	$8,213.76
Contact/Attendee List Management – June	C	$2,671.14
Knowledge Transfer – June	F	$7,780.83
Pre-Session Preparation – June	A	$7,780.83
Session Facilitation – June	B	$3,335.59
June Subtotal		**$29,782**
July Deliverables		
Contact/Attendee List Management – July	C	$4,340.61
Knowledge Transfer – July	F	$7,456.94
Business Requirements Documentation – July	E	$3,784.20
Pre-Session Preparation – July	A	$10,573.28
Session Facilitation – July	B	$7,065.17
Post-Session Follow-Up Support	D	$4,026.65
September Subtotal		**$37,247**
TOTAL		**$67,029**

Invoicing and Approval Process

Cynergyze will prepare and submit a "Request for Invoice Approval" to the MiPSB Program Manager on behalf of CSS, which will be a monthly report summarizing all work efforts, contributions and deliverables for the previous calendar month and includes the previous monthly billing amount.

Once the Request for Invoice Approval document is approved by the MiPSB Program Director, Cynergyze will forward the approved report and invoice amount to AIC. AIC will invoice DTMB based on the approved report and Cynergyze will invoice AIC.

Not to Exceed Total Billing Amount for Performance Period $67,029.00

CONTRACTOR SKILL SETS REQUIRED:

Experience and knowledge of existing standards-based communications technologies
Expert-level, policy and technical knowledge of Public Safety Interoperability

Expert-level knowledge of FirstNet and Public Safety LTE and the NPSBN
Deep knowledge of industry activities, key players and organizations
Expert level capabilities in publishing, MSOffice suite of products
Over 20 years of experience in senior organizational management
Over 20 years of business, portfolio and technology platform planning and management

PROJECT CONTACTS:

The designated Agency Project Manager is:

Harriet Miller-Brown, ENP
Michigan State Police
911 State Authority
Michigan State Police Headquarters
333 Grand Avenue
Lansing, MI 48909-0634
(517) 241-0080
(517) 241-0161
MillerHR@michigan.gov

The designated DTMB MiPSB Program Director is:

Laura Blastic
DTMB
Center for Shared Solutions
Romney, 10th Floor
111 S Capitol Ave
Lansing, MI 48933
(517) 373-7910
(517) 373-2939
blasticl@michigan.gov

ASSUMPTIONS:

- *This is specific expertise that is only available through Cynergyze. If Cynergyze becomes unavailable during the course of this assignment for any reason and AIC is unable to replace this expertise with a comparable and mutually agreed upon resource, then the contract will be terminated.*
- *This proposal assumes the maximum contract amount allowed by AIC is $60,225*
- *Cynergyze will monitor consumption against the budget on a monthly basis. If the amount varies by more than 10% of the agreed upon monthly work plan, it must be approved by the MiPSB Program Director before the work is performed.*
- *Cynergyze is not responsible for aspects of deliverables which are responsibility of state resources to complete.*
- *To ensure billing represents actual resources expended, Cynergyze will present a monthly project accounting statement. Any variances from monthly estimates will be tracked and will be conveyed as part of monthly planning meeting. If the amount varies by more than 10% of the agreed upon monthly work plan, it must be approved by the MiPSB Program Director before the work is performed.*
- *This proposal assumes that the contract vehicle will allow Cynergyze to draw upon other resources as needed to support deliverables, Cynthia Wenzel Cole, Cynergyze Principal and Senior Consultant, will be the primary interface to the State and contracted partner.*
- *Center for Shared Solutions will authorize payments for all monthly invoices based on the approved monthly work plan.*

LOCATION WHERE THE WORK IS TO BE PERFORMED:

Cynergyze, thru AIC, will work both at the State's Building located at the Romney Building, 111 S. Capitol Avenue, Lansing, Michigan and at off-site Cynergyze or AIC offices.

PAYMENT SCHEDULE:

Payment will be made as defined in the monthly work plan created during the change control process. DTMB will pay AIC upon receipt of properly completed invoices which will be submitted to the MiPSB Program Director upon designated deliverable acceptance. All invoices will reflect work completed by payment date, and will be approved by the MiPSB Program Director prior to payment. The invoices will document the work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by the DTMB within forty-five days after receipt of properly completed invoices.

[X] Firm Fixed Price

Payment Point Defined	Estimated Payment Amount
Completion of June deliverables	$29,782.15
Completion of July deliverables	$37,246.85
Total	$67,029.00

EXPENSES:

The State will not pay for any travel expenses, including hotel, mileage, meals, or parking.

PRICING / TIMEFRAME:

Performance Period: June 1, 2014 through July 31, 2014.

Total Cost, not to exceed $67,029.00

TOTAL COST $67,029.00

Project Start Date: **06/1/2014**

Project End Date **07/31/2014**

Corporate Headquarters
7700 France Ave. South, Suite 200 | Minneapolis, MN 55435
p. 952.835.5900 | f. 952-897-4555 | www.analysts.com

Invoice

Bill to:
MI DTMB
Financial SVCS-Accts Payable
320 S Walnut
PO Box 30026
Lansing MI 48909
USA

Invoice: IN00044982

Invoice Date:	Due Date:	Terms:
08/12/2014	09/11/2014	NET30

Please remit payment to:
Analysts International Corp
3513 Momentum Place
Chicago IL 60689-5335
USA

Client #: 205778
PO #:
Currency: United States Dollars
AIC Resp.Center: 2400
Delivery Method: EMAIL

Project: 152393-001

Comments:
DTMB - MIPSB

Milestone Invoice Summary

Resource	Total
Project MIPSB	$67,029.00

Work effort for June 1 - July 31 in support of the Michigan SLIGP program

Attn: Michelle Beckwith

Total	$67,029.00
Grand Total	$67,029.00

Please direct all invoicing questions to: 866.847.7117 or AICClientCare@analysts.com

STATE OF MICHIGAN

RICK SNYDER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

LANSING

DAVID B. BEHEN
DIRECTOR

August 11, 2014

Dear Mr. Bill Pemble,

The Center for Shared Solutions is requesting the Analysts International Corporation ("AIC") and Cynergyze ("Sub-Supplier") be paid for the following amount.

Amount: **$67,029.00** (see invoice quote)
Purchase order #: 084N4302467
Contract BPO#: 071B8200236

CSS had secured AIC, sub-supplier, Cynergyze to perform project management support relating to the outreach and business requirements gathering for the State and Local Implementation Grant Program. This work was to be done during the Period of Coverage from 3/01/2014 to 6/30/2014 for a total cost of $100,000.00. Cynergyze continued to perform work tasks through July 2014 which was outside of the PO coverage period. Additionally, the work done during the months of June and July exceeded the $100,000.00 amount of the purchase order

Once this error was identified, CSS suspended tasks and work assigned to AIC, sub-supplier, Cynergyze, until the issues were resolved. CSS has created a new Statement of Work with AIC and is awaiting authorization of a new PO to continue the work efforts with AIC, sub-supplier, Cynergyze.

CSS will work diligently to ensure this error is avoided in the future.

Sincerely,

Eric Swanson
Director, Center for Shared Solutions
Romney Building, 10th Floor
111 S. Capitol Avenue
Lansing, MI 48933
(517) 241-4457

DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from Analysts International Corporation
Contract # 071B8200236
STATEMENT OF WORK
For Business Requirements – Facilitated Sessions
Categories 1-3 and Optional Services

Project Title: **State and Local Implementation Grant Program – August thru Sept., 2014 Support**	**Period of Coverage:** **08/1/14 – 09/30/14**
Requesting Department: **State of Michigan – Dept. of Technology, Management, and Budget – Center for Shared Solutions**	**Date:** **08/11/14**
DTMB Project Manager: **Laura Blastic**	**Phone:** **517-373-7910**
DTMB Contract Administrator:	**Phone:**

BACKGROUND:

The following services and work products described will be performed by Cynergyze contracting through Analysts International for their end client, the State of Michigan DTMB.

In 2012, the Middle Class Tax Relief and Job Creation Act directed the National Telecommunications and Information Administration (NTIA) to establish a grant program to assist State, regional, tribal and local jurisdictions with identifying, planning, and implementing the most efficient means to use and integrate the infrastructure, equipment, and other architecture associated with a nationwide public safety broadband network to satisfy the wireless broadband and data services needed for their jurisdictions. This grant program is called the State and Local Implementation Grant Program (SLIGP).

Michigan is required to complete the following activities during the three year grant period:

- *Establish or enhance a governance structure to consult with FirstNet;*
- *Develop procedures to ensure local and tribal representation when the state is consulting with FirstNet;*
- *Conduct education and outreach for all relevant stakeholders that will be involved in the public safety broadband network;*
- *Identify potential public safety users for the PSBN;*
- *Develop a standard Memorandum of Agreement appropriate for the grantee state to facilitate the possible sharing of infrastructure with FirstNet;*
- *Develop staffing plans to involve local and tribal stakeholders in a future data collection in consultation with FirstNet;*
- *Prepare a comprehensive plan as part of the Statewide Communications Interoperability Plan (SCIP), or a plan complementary and similar to the SCIP, describing the public safety needs that the grantee expects FirstNet to address, plus relevant milestones.*

The SLIGP grant is broken into two phases. Phase 1 is focused on education and outreach for gathering and documenting

business requirements for Michigan's Public Safety Stakeholders for the nationwide public safety broadband network. This is in preparation for phase 2. Phase 2 will be focused on data collection to further identify, clarify and understand the requirements during FirstNet State consultation.

Estimated by the end of 2015 or early 2016, FirstNet and NTIA will provide a 'Notice to Governors' to Michigan's Governor providing an RFP document outlining the proposed implementation of the nationwide public safety broadband network (PBSN). The Governor's office will have 90 days to notify NTIA on whether Michigan will be opting in or out of building a Radio Access Network (RAN) for the nationwide PSBN. Opting In means that the State of Michigan will be buying into the FirstNet Nationwide Public Safety Broadband Network. Opting Out means that the State of Michigan will have 6 months to design and propose a Michigan Public Safety Broadband Network that would integrate into the FirstNet Nationwide Public Safety Broadband Network.

Current Status

In September 2013, Michigan received $3.347M, committed to $837K in matching funds for a total program budget of just over $4M. The Center for Shared Solutions (CSS) is working in collaboration with Michigan State Police to successfully complete this grant and provide the information to the Governor's office within this tight timeline. Currently, the Michigan team is working on Phase 1. The requirements are the primary input into Phase 2. Without successful completion of this requirements phase, the Federal Government will not approve Michigan to proceed to phase 2.

PROJECT OBJECTIVE:

The Michigan Department of Technology, Management & Budget (MDTMB), Center for Shared Solutions (CSS) would like to contract with a Sub-Supplier Agreement between Analysts International Corporation ("AIC") and Cynergyze ("Sub-Supplier") on contract 071B8200236. The Michigan State Police (MSP) 9-1-1 Administration Section received funding from the National Telecommunication and Information Administration (NTIA) for the State and Local Implementation Grant Program (SLIGP) of $3,347,017.00 with the State of Michigan match requirement of $837,574.00 to total a 3 year project budget of $4,184,591.00. The statement of work is being requested for the project responsibilities to be completed by Sub-Supplier Agreement between Analysts International Corporation ("AIC") and Cynergyze ("Sub-Supplier") is expected to be completed by September 30, 2014.

The purpose for the consulting contract is to secure services to assist DTMB, CSS in obtaining resources to meet requests for technical assistance in gathering requirements from the Michigan Public Safety Stakeholder agencies for a dedicated Public Safety Broadband LTE network. These requirements gathering session determine the business, technical, and project management requirements for the Public Safety Broadband LTE network.

SCOPE OF WORK

The project scope of work includes

- Business Requirements
- Knowledge Transfer

TASKS and DELIVERABLES

The following are the detailed tasks/deliverables expected to be created through this Statement of Work. These will be developed in collaboration with the MiPSB Program Director.

I. Baseline Business Requirements

The primary scope of effort to support Michigan's Public Safety Broadband Program for the contract timeframe is to facilitate requirements gathering sessions to draft the initial project requirements for the Public Safety Broadband LTE network. The scope of work includes the following:

1. Pre-session Package
    a. Tasks
        i. Prepare and participate in a pre-session meeting at which high-level project details will be gathered, session expectations set, session agenda developed and the State business owner will be provided

with requirements materials.

b. Deliverables

i. Pre-session Meeting Agenda

1. This document covers who the primary stakeholders for the project are and provides an overview of the imitation process, instructions on scheduling the session and sample text for the session invitation and a listing of the State of Michigan business owner and from the Michigan Public Safety Broadband Workgroup. **See Item(s) marked "A" in Cost Table below**.

2. Facilitated Session – Business Requirement Document Package

a. Tasks

i. Facilitate information / requirements gathering sessions(s) to capture business requirements, business processes and technical related to from the Michigan Public Safety Stakeholder agencies for a dedicated Public Safety Broadband LTE network

ii. Use information collected at the requirements gathering sessions to document business requirements, issues, business use cases and business problem and barriers of resolution

b. Deliverables

i. Facilitate Session(s) – August and September. **See Item(s) marked "B" in Cost Table below**.

ii. Requirement Session Agenda

1. This document includes information on conducting the session along with any notes, charts, or other documents produced as output of the session. **See Item(s) marked "C" in Cost Table below**.

iii. Session Attendance List

1. This document is used to capture the attendees' names, titles, contact information, Public Safety Stakeholder discipline representing to be included in the Requirements Definitions Document. **See Item(s) marked "D" in Cost Table below**.

iv. Session Feedback and Minutes

1. This document is used to capture the attendees feedback for business requirements, issues, business use cases and business problem and barriers of resolution. **See Item(s) marked "E" in Cost Table below**.

v. Draft Business Requirements Document

1. This is the primary deliverable document from requirements and provides a prioritized, consolidated view of the project's requirements and workflow associated with the project. **See Item(s) marked "F" in Cost Table below**.

II. Knowledge Transfer

The smaller scope of effort to support Michigan's Public Safety Broadband Program for the contract timeframe is to provide knowledge transfer to the Michigan State and Local Implementation Grant Program (SLIGP) team to continue efforts on the Public Safety Broadband LTE network. The scope of work includes the following:

1. Tasks

a. The Contractor's team will provide project knowledge and information to the MI Public Safety Broadband

Program Manager and other SLIGP staff to continue efforts related to the project

2. Deliverables
    a. Knowledge Transfer Plan
        i. This document covers how the information will be transferred and who will get the information. **See Item(s) marked "G" in Cost Table below**.

COST TABLE:

	Item	Price
August Deliverables		
Business Requirements Documentation – August	F	$7,380
Contact/Attendee List Management – August	D	$2,400
Knowledge Transfer – August	G	$7,000
Pre-Session Preparation – August	A	$7,000
Session Facilitation – August	B	$2,997
August Subtotal		**$26,777**
September Deliverables		
Contact/Attendee List Management – September: Meeting # 1	D	$2,400
Contact/Attendee List Management – September: Meeting # 2	D	$1,500
Knowledge Transfer – September	G	$6,700
Business Requirements Documentation – September	F	$3,400
Pre-Session Preparation – September	A	$9,500
Session Facilitation – September	B	$6,348
Post-Session Follow-Up Support	E	$3,600
September Subtotal		**$33,448**
TOTAL		**$60,225**

Invoicing and Approval Process

Cynergyze will prepare and submit a "Request for Invoice Approval" to the MiPSB Program Manager on behalf of CSS, which will be a monthly report summarizing all work efforts, contributions and deliverables for the previous calendar month and includes the previous monthly billing amount.

Once the Request for Invoice Approval document is approved by the MiPSB Program Director, Cynergyze will forward the approved report and invoice amount to AIC. AIC will invoice DTMB based on the approved report and Cynergyze will invoice AIC.

Not to Exceed Total Billing Amount for Performance Period $60,225

CONTRACTOR SKILL SETS REQUIRED:

Experience and knowledge of existing standards-based communications technologies
Expert-level, policy and technical knowledge of Public Safety Interoperability
Expert-level knowledge of FirstNet and Public Safety LTE and the NPSBN
Deep knowledge of industry activities, key players and organizations
Expert level capabilities in publishing, MSOffice suite of products
Over 20 years of experience in senior organizational management
Over 20 years of business, portfolio and technology platform planning and management

PROJECT CONTACTS:

The designated Agency Project Manager is:

Harriet Miller-Brown, ENP
Michigan State Police
911 State Authority
Michigan State Police Headquarters
333 Grand Avenue
Lansing, MI 48909-0634
(517) 241-0080
(517) 241-0161
MillerHR@michigan.gov

The designated DTMB MiPSB Program Director is:

Laura Blastic
DTMB
Center for Shared Solutions
Romney, 10th Floor
111 S Capitol Ave
Lansing, MI 48933
(517) 373-7910
(517) 373-2939
blasticl@michigan.gov

ASSUMPTIONS:

- *This is specific expertise that is only available through Cynergyze. If Cynergyze becomes unavailable during the course of this assignment for any reason and AIC is unable to replace this expertise with a comparable and mutually agreed upon resource, then the contract will be terminated.*
- *This proposal assumes the maximum contract amount allowed by AIC is $60,225*
- *Cynergyze will monitor consumption against the budget on a monthly basis. If the amount varies by more than 10% of the agreed upon monthly work plan, it must be approved by the MiPSB Program Director before the work is performed.*
- *Cynergyze is not responsible for aspects of deliverables which are responsibility of state resources to complete.*
- *To ensure billing represents actual resources expended, Cynergyze will present a monthly project accounting statement. Any variances from monthly estimates will be tracked and will be conveyed as part of monthly planning meeting. If the amount varies by more than 10% of the agreed upon monthly work plan, it must be approved by the MiPSB Program Director before the work is performed.*
- *This proposal assumes that the contract vehicle will allow Cynergyze to draw upon other resources as needed to support deliverables, Cynthia Wenzel Cole, Cynergyze Principal and Senior Consultant, will be the primary interface to the State and contracted partner.*

- *Center for Shared Solutions will authorize payments for all monthly invoices based on the approved monthly work plan.*

LOCATION WHERE THE WORK IS TO BE PERFORMED:

Cynergyze, thru AIC, will work both at the State's Building located at the Romney Building, 111 S. Capitol Avenue, Lansing, Michigan and at off-site Cynergyze or AIC offices.

PAYMENT SCHEDULE:

Payment will be made as defined in the monthly work plan created during the change control process. DTMB will pay AIC upon receipt of properly completed invoices which will be submitted to the MiPSB Program Director upon designated deliverable acceptance. All invoices will reflect work completed by payment date, and will be approved by the MiPSB Program Director prior to payment. The invoices will document the work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by the DTMB within forty-five days after receipt of properly completed invoices.

[X] Firm Fixed Price

Payment Point Defined	Estimated Payment Amount
Completion of August deliverables	$29,177
Completion of September deliverables	$31,048
Total	$60,225

EXPENSES:

The State will not pay for any travel expenses, including hotel, mileage, meals, or parking.

PRICING / TIMEFRAME:

Performance Period: August 1, 2014 through September 30, 2014.

Total Cost, not to exceed **$60,225.00**

TOTAL COST **$60,225.00**

Project Start Date: **08/1/2014**

Project End Date **09/30/2014**

12. APPROVALS:

This work will be performed under the terms and conditions set forth in BPO #071B8200236. By signing below, both AIC and the State agree to the information contained within this agreement.

DTMB / CSS Director – Eric Swanson

8/12/14
Date

Analysts International – Art Crawford on behalf of Darrell Swartz

8/12/14
Date

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 8
to
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A'	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Diana Quintero	517-241-3495	quinterod@michigan.gov
BUYER	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	Two One-Year	December 31, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS:

N/A

DESCRIPTION OF CHANGE NOTICE:

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

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$1,000,000.00	$7,826,000.00

Effective June 24, 2014 this Contract is hereby INCREASE by $1,000,000.00.
Please note the buyer has been changed to Jarrod Barron.
All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement, DTMB Procurement approval, and the approval of the State Administrative Board on June 24, 2014.

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

November 19, 2013

CHANGE NOTICE NO. 7
to
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite 'A' Lansing, MI 48910	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Diana Quintero	517-241-3495	quinterod@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-335-5306	zukerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2008	August 8,2011	Two One-Year	December 31, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☐ No ☒ Yes	☐	☒	12 Months	December 31, 2014

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$1,500,000.00	$6,826,000.00

Effective immediately this contract is EXTENDED 12 months to December 31, 2014 to cover services until a new contract is awarded. The State may terminate this agreement at any time. Please note that the buyer has been changed to Whitnie Zuker. Ad Board approval dated December 17, 2013.

All other terms, conditions, specifications and pricing remain unchanged.

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

August 2, 2013

CHANGE NOTICE NO. 6
to
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite A	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Diana Quintero	517-241-3495	quinterod@michigan.gov
BUYER	DTMB	Steve Motz	517 241-3215	MotzS@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Bureau of Strategic Policy (BSP) Facilitated Sessions for DTMB

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
8/5/2008	8/31/2011	Two One-Year	8/31/2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☐ No ☒ Yes	☐	☒	4 Months	12/31/2013

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$5,326,000.00

Effective immediately this contract is EXTENDED four months to December 31, 2013. Per Administrative Board approval on 7/23/2013. Please Note: the Contract Compliance Inspector for the State is changed to Diana Quintero.

All other terms, conditions, specifications and pricing remain unchanged.

FOR THE CONTRACTOR:	FOR THE STATE:
Analysts International	
Firm Name	Signature
	Genevieve Hayes / IT Division Director
Authorized Agent Signature	Name/Title
	DTMB Procurement
Authorized Agent (Print or Type)	Enter Name of Agency
Date	Date

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE NO.5
To

CONTRACT NO. 071B8200236

Between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite A	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Mike Breen	(517) 241-7720	BreenM@michigan.gov
BUYER:	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	August 5, 2008	August 31, 2011	None
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ YES ☒ NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:			
OPTION EXERCISED: ☒ NO ☐ YES		EXPIRATION DATE REMAINS:	August 31, 2013
Effective immediately, this contract is hereby INCREASED by $906,000.00 per the attached Contractor letter. Please also note that the Buyer has been changed to Steve Motz and Contract Compliance Inspector has been changed to Mike Breen. **All other terms, conditions, specifications, and pricing remain the same.** **Per vendor, agency and DTMB Procurement agreement and the approval of the State Administrative Board on October 16, 2012.**			
VALUE/COST OF CHANGE NOTICE:		$906,000.00	

ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	$5,326,000.00

Lansing Office
3800 Heritage Drive
Suite A4
Okemos, MI 48864
517-347-7611
Fax: 517-347-7603

August 20, 2012

Diana Quintero & Cindy Turben
DTMB – ePMO
Lewis Cass Building
320 South Walnut – 1st Floor
Lansing, MI 48913

RE: Acceptance of Contract # 071B8200236 Amendment for BSP Facilitated Sessions for MDTMB

Analysts International appreciates the opportunity to help MDTMB with their current need for requirements gathering and RFP development assistance. As part of that, AIC is pleased to accept the additional funding for project requests anticipated for FY2013 and has the resources available to assist with the identified upcoming needs. This additional funding is accepted under the current terms and conditions of Contract #071B8200236.

If you have any questions or require any additional information, please give me a call at the number below.

Thank you,

_____ 08-20-2012
Darrell Swartz Date
Senior Account Executive
Analysts International
(517) 347-7611; dswartz@analysts.com

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE NO.5
To
CONTRACT NO. 071B8200236

Between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite A	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Mike Breen	(517) 241-7720	BreenM@michigan.gov
BUYER:	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

INITIAL CONTRACT SUMMARY:

DESCRIPTION: **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	August 5, 2008	August 31, 2011	None
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ YES	☒ NO

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

OPTION EXERCISED: ☒ NO ☐ YES	EXPIRATION DATE REMAINS:	August 31, 2013

Effective immediately, this contract is hereby INCREASED by $906,000.00 per the attached Contractor letter. Please also note that the Buyer has been changed to Steve Motz and Contract Compliance Inspector has been changed to Mike Breen.

All other terms, conditions, specifications, and pricing remain the same.

Per vendor, agency and DTMB Procurement agreement and the approval of the State Administrative Board on October 16, 2012.

VALUE/COST OF CHANGE NOTICE:	$906,000.00
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	$5,326,000.00

CHANGE NOTICE NO.5 to CONTRACT NO. 071B8200236

FOR THE CONTRACTOR:	**FOR THE STATE:**
Analysts International	
Firm Name	Signature
	Greg Faremouth, IT Division Director
Authorized Agent Signature	Name/Title
	DTMB Procurement
Authorized Agent (Print or Type)	Enter Name of Agency
Date	Date

Lansing Office
3800 Heritage Drive
Suite A4
Okemos, MI 48864
517-347-7611
Fax: 517-347-7603

August 20, 2012

Diana Quintero & Cindy Turben
DTMB – ePMO
Lewis Cass Building
320 South Walnut – 1st Floor
Lansing, MI 48913

RE: Acceptance of Contract # 071B8200236 Amendment for BSP Facilitated Sessions for MDTMB

Analysts International appreciates the opportunity to help MDTMB with their current need for requirements gathering and RFP development assistance. As part of that, AIC is pleased to accept the additional funding for project requests anticipated for FY2013 and has the resources available to assist with the identified upcoming needs. This additional funding is accepted under the current terms and conditions of Contract #071B8200236.

If you have any questions or require any additional information, please give me a call at the number below.

Thank you,

_____ 08-20-2012
Darrell Swartz Date
Senior Account Executive
Analysts International
(517) 347-7611; dswartz@analysts.com

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE NO.4

To

CONTRACT NO. 071B8200236

Between

THE STATE OF MICHIGAN

And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite A	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Patty Bogard		
BUYER:	DTMB	Tammi Hart	(517) 335-4770	HartT3@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
	August 5, 2008	August 31, 2011	
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ YES ☒ NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:		
OPTION EXERCISED: ☐ NO ☒ YES	IF YES, NEW EXPIRATION DATE:	August 31, 2013
Effective immediately, this contract is hereby EXTENDED to August 31, 2013 and increased by $1,000,000.00. Please also note that the buyer has been changed to Tammi Hart. Per vendor, agency and DTMB Procurement agreement and the approval of the State Administrative Board on April 3, 2012.		
VALUE/COST OF CHANGE NOTICE:	$1,000,000.00	
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	$4,420,000.00	

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET **July 20, 2011**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3101 Technology Blvd Suite A** **Lansing, MI 48910** **Email:** dswartz@analysts.com	TELEPHONE Darrell Swartz **517-336-1042** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 **Joe Kelly**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2012**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby EXTENDED to August 31, 2012 and INCERASED by $1,000,000.00. Please also note that the buyer has been CHANGED to Joe Kelly. All other terms, conditions, pricing and specifications remain the same.

Rates for fixed rate project are attached. All other pricing to remain the same.

AUTHORITY/REASON(S):

Per vendor and agency agreement, and the approval of the State Administrative Board on July 19, 2011.

INCREASE: $1,000,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $3,420,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

June 16, 2010

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3101 Technology Blvd Suite A** **Lansing, MI 48910** **Email:** dswartz@analysts.com	TELEPHONE Darrell Swartz **517-336-1042** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Effective immediately, the following vendor is added to this contract as a subcontractor:

AMI Strategies
34705 West 12 Mile Road, Suite 101
Farmington Hills, MI 48331
Office: 248-957-4230
Mobile: 248-996-0007
Email: jsydlowski@amistrategies.com

AUTHORITY/REASON(S):

Per vendor request and Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $2,420,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

November 20, 2009

CHANGE NOTICE NO. 1 (REVISED)
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3101 Technology Blvd Suite A** **Lansing, MI 48910** **Email:** dswartz@analysts.com	TELEPHONE Darrell Swartz **517-336-1042** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Per Executive Directive 2009-3, the vendor has offered the following price concessions to the State of Michigan:

Effective 10/26/2009 through 8/31/2011, the hourly rates for this contract are reduced as follows, for a total savings of $80,000.00:

Proposed Business Requirements Contract Rate Reductions – Time and Materials Table

Role	Current Rate	Proposed Rate	$Diff.	%Diff.
Project Manager	$115.00	$104.00	$11.00	9.57%
Business Analyst	$90.00	$81.00	$9.00	10.00%
Facilitator	$115.00	$104.00	$11.00	9.57%
QA Manager	$105.00	$90.00	$15.00	14.29%
Security Specialist	$140.00	$115.00	$25.00	17.86%
Tester	$75.00	$70.00	$5.00	6.67%
Technical Writer	$75.00	$70.00	$5.00	6.67%
Project Assistant	$85.00	$75.00	$10.00	11.76%
Sr. Consultant/Architect	$140.00	$125.00	$15.00	10.71%

Database Architect	**$110.00**	**$100.00**	**$10.00**	**9.09%**
Application Designer	**$110.00**	**$100.00**	**$10.00**	**9.09%**

Proposed Business Requirements Contract Rate Reductions

Fixed Price Category Table

Project Category	Current Cost	Proposed Cost	$Diff.	%Diff.
Cat 1	**$24,067.00**	**$21,746.00**	**$2,321.00**	**-9.64%**
Cat 2	**$45,016.00**	**$40,516.00**	**$4,500.00**	**-10.00%**
Cat 3	**$64,705.00**	**$57,874.00**	**$6,831.00**	**-10.56%**

DECREASE: $80,000.00

TOTAL REVISED CONTRACT VALUE: $2,420,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

October 28, 2009

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3252 University Drive, Suite 200** **Auburn Hills, MI 48326** **Email: msouders@analysts.com**	TELEPHONE Michael Souders **248-299-4220** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Per Executive Directive 2009-3, the vendor has offered the following price concessions to the State of Michigan:

Effective 10/26/2009 through 8/31/2011, the hourly rates for this contract are reduced as follows, for a total savings of $250,000.00:

Proposed Business Requirements Contract Rate Reductions – Time and Materials Table

Role	Current Rate	Proposed Rate	$Diff.	%Diff.
Project Manager	$115.00	$104.00	$11.00	9.57%
Business Analyst	$90.00	$81.00	$9.00	10.00%
Facilitator	$115.00	$104.00	$11.00	9.57%
QA Manager	$105.00	$90.00	$15.00	14.29%
Security Specialist	$140.00	$115.00	$25.00	17.86%
Tester	$75.00	$70.00	$5.00	6.67%
Technical Writer	$75.00	$70.00	$5.00	6.67%
Project Assistant	$85.00	$75.00	$10.00	11.76%
Sr. Consultant/Architect	$140.00	$125.00	$15.00	10.71%

Database Architect	**$110.00**	**$100.00**	**$10.00**	**9.09%**
Application Designer	**$110.00**	**$100.00**	**$10.00**	**9.09%**

Proposed Business Requirements Contract Rate Reductions

Fixed Price Category Table

Project Category	Current Cost	Proposed Cost	$Diff.	%Diff.
Cat 1	**$24,067.00**	**$21,746.00**	**$2,321.00**	**-9.64%**
Cat 2	**$45,016.00**	**$40,516.00**	**$4,500.00**	**-10.00%**
Cat 3	**$64,705.00**	**$57,874.00**	**$6,831.00**	**-10.56%**

DECREASE: $250,000.00

TOTAL REVISED CONTRACT VALUE: $2,250,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

August 6, 2008

NOTICE
OF
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3252 University Drive, Suite 200** **Auburn Hills, MI 48326** **Email: msouders@analysts.com**	TELEPHONE Michael Souders **248-299-4220** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

Estimated Contract Value: $2,500,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

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CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are those of ITB #071I8200159, this Contract Agreement and the vendor's quote dated June 4, 2008. 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.** **Estimated Contract Value: $2,500,000.00**	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I8200159. Orders for delivery 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.

FOR THE CONTRACTOR:	**FOR THE STATE:**
Analysts International Firm Name	
Authorized Agent Signature Michael Souders Authorized Agent (Print or Type)	Name/Title Greg Faremouth, IT Division Division
Date	Date

STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract Number: 071B8200236
Bureau of Strategic Policy (BSP) Facilitated Sessions

Buyer Name: Jacque Kuch
Telephone Number: 517-241-0239
E-Mail Address: kuchj@michigan.gov

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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (State), through the Michigan Department of Management & Budget (MDMB), with assistance of the Michigan Department of Information Technology (MDIT), Bureau of Strategic Policy (BSP), has issued this Request for Proposals (RFP) to obtain proposals from qualified firms to conduct and provide assistance and support for facilitated sessions to gather and document requirements for new information technology projects.

The State may, as an option, request the drafting of statements of work for a Request for Proposals to obtain the services required to complete the project defined by the business requirements sessions.

1.002 BACKGROUND

MDIT was created on October 14, 2001, by Executive Order 2001-3, in part to improve the management of information technology investments. Among other enumerated items, MDIT is leading state efforts to re-engineer the state's information technology infrastructure, and to coordinate development of a unified executive branch technology plan, with the goal of achieving the use of common technology enterprise use of common information technologies and providing consistent professional management of the state's Information Technology (IT) resources.

As part of its integrated functions, MDIT assists state agencies in obtaining resources to meet requests for technical assistance in gathering requirements for new IT projects. These requirements gathering sessions determine the business, technical and project management requirements for a new project.

Agency needs for assistance will vary in terms of the complexity and risks of a proposed project. MDIT's Risk Assessment methodology will be used by MDIT staff to calculate a score and assess the risk level for their project. These documents are included to provide more detail of the risk assessment process and the differences among the three categories for the contractor.

Information provided herein is intended solely to assist vendors in the preparation of proposals. To the best of the State's knowledge, the information provided is accurate. However, the State does not warrant such accuracy, and any variations subsequently determined will not be construed as a basis for invalidating the RFP. The State reserves the right to cancel this Request for Proposal (RFP), or any part of this RFP, at any time.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

This project consists of the following scope:

- **Business Requirements**
- **Knowledge Transfer**
- **Training, as an option**
- **Draft Statements of Work for Requests for Proposals, as an option**

The State seeks to have services begin after the award of the contract in 2008.

This contract will have a minimum term of three (3) years, with two (2) one-year extensions possible. Renewal of the contract will be at the sole discretion of the State and will be based on acceptable performance of the selected Contractor as determined by the State.

A more detailed description of the services (work) and deliverables sought for this project is provided in Article 1, Section 1.104, Work and Deliverables.

Sessions are authorized as needed via individual Statements of Work (SOW) to be submitted to the vendor. The vendor will provide a written price proposal based on the assigned risk category and will include the resources' names and the actual resumes for each resource proposed for the project. Upon review, acceptance and approval of the MDIT Project Manager, a Purchase Order release will be issued to the vendor for the project to begin.

1.102 OUT OF SCOPE

The scope of this agreement does not include:

- System development
- Developers
- Programmers

This contract does not cover any construction, testing or implementation tasks.

Purchase of hardware, software or other commodities is not within the scope of the contract.

1.103 ENVIRONMENT

The links below will provide information on the State's Enterprise IT policies, standards and procedures which includes security policy and procedures, IT strategic plan and the State Unified Information Technology Environment (SUITE).

Contractors are advised that the State has methods, policies, standards and guidelines that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and deliverables provided as a result of this RFP must comply with all applicable State IT policies and standards in effect at the time the services are provided. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT processes. It will be the responsibility of the State to deny the exception request or to seek a policy or standards exception.

Contractor is required to review all applicable links provided below.

Enterprise IT Policies, Standards and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html

IT Strategic Plan:
http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html

The State's Project Management Methodology (PMM) must be followed:
http://www.michigan.gov/dit/0,1607,7-139-18391_22016-58009--,00.html

Contractors must follow the State's Unified Information Technology Environment (SUITE) methodology: http://michigan.gov/suite

All software and hardware items identified by the Contractor must run on and be compatible with the MDIT Standard Information Technology Environment. Additionally, the State must be able to maintain software and other items identified as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by MDIT. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's Project Manager and MDIT must approve any tools, in writing, before use on any information technology project.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. Any changes must be approved, in writing, by the State's Project Manager and MDIT, before work may proceed based on the changed environment.

IT Security Policy and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html

The State's security environment includes:

- MDIT provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

Each request for technical assistance in developing requirements for MDIT and/or an agency will include a description of the MDIT/agency information technology environment involved in the project.

1.104 WORK AND DELIVERABLES

This section includes I. Services (work) To Be Provided and Deliverables, and II. Requirements for the successful completion of requests for services.

I. Services (work) To Be Provided and Deliverables

A. Baseline Business Requirements – Contractor will:

Facilitate requirements gathering sessions - The Contractor will work with MDIT/ the Agency requesting services to provide the requirements gathering session-conducting services to support varying project types.

The tables below outlines tasks that are representative (but not inclusive) of the work to be performed by the Contractor during requirements gathering and project analysis.

Tasks	Deliverable
1. Pre-Session Package	
▪ Provide a business analyst to provide shadowing and pre-work with the business owner to gather "seed" information to allow customization of the pre-session documentation and session agenda.	▪ Pre-session Documentation
▪ Prepare and participate in a pre-session meeting at which high-level project details will be gathered, session expectations set, session agenda developed, and the State business owner will be provided with required materials. The Contractor will schedule the meeting and provide the agenda.	▪ Pre-session meeting agenda.
2. Facilitated Session – Business Requirements Document Package	
▪ Facilitate information/requirements gathering session(s)* to capture business requirements, business processes, and technical considerations related to the designated project.	▪ Facilitate session(s), dependent on Project Risk Factor ▪ Requirements Session Agenda ▪ Session Attendance List ▪ Session Feedback
▪ Use information collected at the requirements gathering session to document business requirements, issues, business use cases and business problem resolution.	▪ Draft Business Requirements Document

Tasks	Deliverable
▪ Attend, and facilitate if needed, a meeting at which the draft of the Business Requirements Document is reviewed and requirements are ranked/prioritized. ▪ Facilitate review session(s) to discuss the draft document and determine the appropriate revisions. Attendees of the review session(s) will receive the external draft version of the Requirements Document Deliverable five (5) business days prior to the review session to allow time to read the provided materials and come to the review session prepared to discuss review comments.	▪ Facilitate Review Session ▪ Review Session Agenda ▪ Business Requirements Document – Requirements Ranking Section
▪ Update the draft Business Requirements Document with information from the review session to document, produce, and deliver a final Business Requirements Document. This document will contain the business and technical needs from the group's discussion and capture models, diagrams, and narratives, as needed, from the work and review sessions necessary for MDIT/agency Executive Review.	▪ Final Business Requirements Document ▪ Appendix to the Business Requirements Document
3. Business Design Requirements Package	
Create requirements package, to include: ▪ Detailed business design requirements document ▪ Technical assumptions and constraints ▪ Business use cases ▪ Security requirements ▪ ADA/usability requirements ▪ Preliminary requirements traceability matrix	▪ Business design requirements package ▪ Revised RFP Risk Management Plan, if required
4. Optional – Draft Statement of Work	
▪ Optional, at State's request: Draft Statement of Work for Request for Proposals for project	▪ Draft Statement of Work

*The Contractor's team will work with the MDIT/agency team to develop session schedules that best accommodate session attendees and the information being collected. Ideally, the session referenced above is meant to be one continuous session, over consecutive days, if needed, with the same participants, and same Contractor team facilitating. The State recognizes that circumstances may prevent one continuous session over consecutive days from being conducted. When considering information collection through shorter sessions with different groups of attendees, give thought to the value of improved project understanding and consensus gained by working with all stakeholders.

Deliverables

The Contractor's team will provide the following deliverables as part of this contract. The tasks and deliverables outlined in the tables above are covered within the following documents:

- **Pre-session meeting agenda** – This document covers who the primary stakeholders for the project are and provides an overview of the Initiation Process, instructions on scheduling the session, sample text for the session invitation, and a listing of the MDIT/agency business owner responsibilities.
- **Requirements Session Agenda** – This document covers the agenda items in the session, such as Project Introduction by the sponsor, Project Objectives, Business Issues, Current Business Process, Future Business Process, potential impacts and technical considerations.

- **Facilitate session(s), dependent on Project Type** – This deliverable includes information on conducting the session along with any notes, charts, or other documents produced as output of the session.
- **Attendance List** – This document is used to capture the attendees' names, titles, and contact information to be included in the Requirements Definition Document.
- **Session Feedback Forms –** This document captures the attendees' feedback for lessons learned and continuous improvement of the sessions.
- **Business Requirements Document –** This is the primary deliverable document from Requirements and provides a prioritized, consolidated view of the project's requirements and workflows associated with the project. Key items of this deliverable will include: Executive Summary, General Features, User Community, Business Processes (both current and proposed), Business Improvements, Use Case Scenarios, Project Impact, Organizational Data, Operations, Technical Considerations, Implementation Considerations, Assumptions, Risk, Glossary, and a listing of Prioritized Requirements Ranking.
- **Business Requirements Document – Business Process Section –** This section includes the Business Process Flow diagrams for both the current and proposed process(s) and the Business Use Cases.
- **Business Requirements Document – Business Process Improvement Section** – This section is used to describe the business improvements that could be gained from executing this project.
- **Business Requirements Document – Operations Section** – This section highlights the operational requirements specific to the agency(ies) and project.
- **Business Requirements Document – Parking Lot Section –** This section identifies areas that have not been completely detailed or clarified, along with who has been assigned to follow up on the item. The parking lot also identifies requirements, which have been analyzed and determined to be out of scope for the project.
- **Business Requirements Document – Requirements Ranking Section –** This section lists the Business priority and the rank as assigned by the review session participants.
- **Business Design Requirements Package –** This deliverable will include the following components: Detailed Business Design Requirements document, Technical Assumptions and Constraints, Business Use Cases, Security Requirements, ADA/Usability Requirements, Preliminary Requirements Traceability Matrix.
- **Review Session Agenda –** This document indicates the topics from the Business Requirements Document that will be covered in the review session.
- **Facilitated Session Acceptance Document –** This document provides approvals from both the MDIT/agency business owner and the MDIT/agency PMO manager on final acceptance of the required deliverables within this section.
- **Draft Statement of Work for Request for Proposals Template –** This document is used to solicit proposals from vendors to provide the requested services to complete the authorized project.

Acceptance Criteria
The acceptance criteria for Document Deliverables are listed in Section 1.501 - Criteria.

B. Knowledge Transfer –

1. The Contractor's team will transition project knowledge and information to MDIT/agency designated staff and/or contractors to continue efforts related to the project.
2. Contractor shall provide, as an option, services to continue to work with the MDIT and/or agency project team to remain on the project.
   a. This is a continuation of the analyst role, only, from the previous task and will not be required for all projects.

b. The State may request technical analysts to provide subject-matter expertise as needed for specific projects. The Contractor's team will provide these analysts as needed when requested/approved by the State.

Deliverable(s)
Knowledge Transfer Plan

Acceptance Criteria

C. Training - Contractor shall provide, as an option, training services.

1. Contractor may be requested to provide training to State staff on business requirements gathering processes, to include documenting requirements and managing requirements to ensure the project meets all identified requirements.

Deliverable(s)
Training Plan describing the training and including:

a. Training content
b. Time commitments

Acceptance Criteria
The acceptance criteria for Document Deliverables are listed in Section 1.501 - Criteria.

Training Deliverables acceptance criteria - State staff are properly trained and supplied with the proper tools and documentation to facilitate sessions and gather business requirements for new IT projects.

II. Requirements

A. All work performed by the Contractor will be based on prior written authorization by the MDIT Program Manager.
B. All work and deliverables must adhere to MDIT project management standards and guidelines and the State's SUITE methodology.
C. All deliverables must use MDIT templates if available.
D. All deliverables must be accepted by MDIT/agency designated personnel.
E. MDIT's Risk Assessment process will be used by MDIT staff to assign a risk level to all projects and define the category of the RFP Risk Management Plan
F. Contractor's project work will be defined by the risk level assigned:

1. Category 1 – Low Risk
2. Category 2 – Medium Risk
3. Category 3 – High Risk

F. Work effort for the facilitated sessions to be based on a pay per session basis. Refer to Section 1.104 Work & Deliverables and Appendices A & B & D for more details on the deliverables.

The table below gives an estimated number of projects and the median price of the projects based on the State of Michigan's fiscal year 2008 "Call for Projects" initiative. This will provide information for the contractor to have an understanding of the estimated number of projects and the estimated dollars associated for each category. Additional projects will be requested based on future "Call for Projects" initiatives during the time period of this contract.

Category	Estimated # of MDIT Projects	Estimated Median Price
Category 1	60	$300,000
Category 2	15	$1,700,000
Category 3	5	$10,000,000

Project Assumptions

1. Number of attendees participating in the sessions and total number of days of sessions will be limited to the following (requirements sessions will be able to be broken up into ½ day sessions, if requested):

Category Type	Participants in Session	Days of Requirements Sessions Available	Hours of Review Sessions Available
Category 1	1-10	1 day	3 hours
Category 2	1-15	2 days	5 hours
Category 3	1-20	3 days	6 hours

2. Contractor and the State will mutually agree upon project type placement into State designated categories to assure proper sizing of delivery effort.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

I. Contractor Staff

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

The Contractor will provide resumes for staff, including subcontractors, who will be assigned to the Contract, indicating the duties/responsibilities and qualifications of such personnel, and stating the amount of time each will be assigned to the project. The Contractor will commit that staff identified in its proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the State.

The Contractor will provide, and update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.

All Personnel may be subject to the State's approval process.

Contractor must identify the classifications to be assigned for the requested projects and provide a representative resume for each classification.

Contractor will work with the State to allow the State to provide at least a two-week notice on upcoming project needs for submittal, approval, and assignment of personnel.

Contractor has provided representative resumes for some key skills that will be required for the delivery of this project, including facilitators, business analysts, DBAs, and Application Designers (See Exhibit A ?).

Project Resources

The following resource roles are called for to complete tasks for each of the project categories:

Project Manager:

The PM manages project resources, schedules, issues and risks on a daily basis. The PM also reports project status as outlined in the communication plan including communication to the Business Owner and Project Sponsor(s). The PM works with the project team to provide deliverables on a timely basis. Additional responsibilities include:

- ◊ Management of the project scope throughout the project
- ◊ Development and management of the project team and allocating team members to the defined project tasks

- Provide knowledge transfer to participants on the project team
- Develops the project plan and schedule and manages adherence to them
- Day-to-day responsibility for running the internal operations of the project
- Works with the Business Owner to identify and resolve issues, and communicate progress to the management of the Enterprise
- Participate in project activities
- Coordinate activities of sub-teams
- Verify the project plan is adhered to
- Reports project progress status to the Business Owner & Project Sponsor per communication plan
- Coordinates the activities of team members, including managerial, operational, technological and facilities focuses

Business Analyst:
Serves as the communication bridge between non-technical business users and technical solution developers. The Senior Business Analyst has a depth of knowledge in business analysis processes including knowledge of methodology, tools, and techniques. The Business Analyst is responsible for analyzing the raw data gathered by the project team, applying the appropriate tools and techniques to create meaningful results. This individual is an active participant in aspects of department assessment, visioning, and reengineering. Additional responsibilities include:

- Collects data for use in analysis with appropriate tools and techniques
- Analyzes data using appropriate tools and techniques
- May facilitate non-executive level sessions
- Participates in developing the format for deliverables
- Drafts, reviews, edits and proofreads project deliverables
- Reports project progress status to the PM
- Provides training and coaching to other team members on the use of methodology, tools and techniques
- Guides the work of other team members, as required

Architect:
Gives direction on how the hardware and software is structured. How its components fit together, what protocols and interfaces are used for communication and cooperation among components, include human interaction. Although additional responsibilities may vary based on the specific project and technology involved in a given project, they may include:

- Lead conceptual and physical design efforts
- System Architecture
- Integration Architecture
- Manage rollout plans (installation, conversion, user testing support)
- Review technical components of the project
- Complete tasks identified in project plans
- Provide support as necessary for projects after delivery
- Assist with Requirements Management and Proposals

Application Designer:
Participate in or oversees a variety of analytical assignments that provide for the development, enhancement, and maintenance of application programs, application systems, and operating systems software within mainframe, network, and client server environments.

Data Architect:
The Project Data Architect leads the database design effort project. Their responsibilities include:

- ◊ Lead conceptual and physical database design efforts
- ◊ Review database design and architecture components of the project
- ◊ Manage database generation and database change as applicable
- ◊ Conduct code reviews of database load procedures guided by standards.
- ◊ Complete tasks identified in project plans
- ◊ Assist with Requirements Management and Proposals

A. The Contractor will identify a Single Point of Contact (SPOC)

The duties of the SPOC shall include, but not be limited to:

- Supporting the management of the Contract,
- Facilitating dispute resolution, and
- Advising the State of performance under the terms and conditions of the Contract.

The State reserves the right to require a change in the current SPOC if the assigned SPOC is not, in the opinion of the State, adequately serving the needs of the State.

For the role of Single Point of Contact for items including management, issue resolution, and contractual oversight, contractor identifies Darrell Swartz as the designated SPOC for this project.

Darrell Swartz
E-mail: dswartz@analysts.com
Phone: 517-336-1042

B. The Contractor will provide a project manager, to work closely with the designated personnel from the State to insure a smooth transition to the new system. The project manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project's budget

For the role of Lead Project Manager, contractor identifies Jeanette Clark.

Jeanette Clark
E-mail: jclark@analysts.com
Phone: 517-336-1026

C. On Site Work Requirements

1. **Location of Work -** The majority of the work assignments are in the Lansing, Michigan, area, although other work sites may be in the Detroit, Michigan, area, or other areas of the state of Michigan. For documentation creation, Contractor's personnel will utilize the Lansing or Auburn Hills offices to house their delivery staff to alleviate on-site coordination issues for short-term assignments. If requested, the Contractor's SPOC and Lead PM will work with the State to assist with specific requests for all work to be performed on-site.

2. **Hours of Operation:**
   - **a.** Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.
   - **b.** The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
   - **c.** Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

3. **Travel:**
   - **a.** No travel or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.
   - **b.** Travel time will not be reimbursed.

4. **Additional Security and Background Check Requirements:**
   Contractor must present certifications evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project.

Contractor is responsible for any costs associated with ensuring their staff meets all

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The State will provide the following resources for the Contractor's use on this project:

- Work space
- Access to telephone
- PC workstation
- Printer
- Access to copiers and fax machine

MDIT will provide appropriate facilities to conduct the facilitated sessions to include:

- Meeting-type facility
- Adequate space for 20 attendees
- Adequate space for a "U" seating arrangement
- White-board space in the front of the meeting room
- Wall space for session use of poster-size worksheets

Each project will have its own State project team to be identified in the request for services. It may include Executive Subject Matter Experts (SME's), project support, and a MDIT and Agency project manager.

Executive Subject Matter Experts

The Executive Subject Matter Experts representing the business units involved will provide the vision for the project. They will be available on an as needed basis. The Executive SME's will be empowered to:

- Resolve project issues in a timely manner

- Provide acceptance sign-off
- Ensure timely availability of State resources
- Make key decisions, as identified by the Contractor's team, within 48-hours of their expected decision date.

State Project Manager- (MDIT and Agency)
MDIT will provide a Project Manager for each IT project. MDIT will be responsible for the State's infrastructure and work together with the Contractor in identifying technical requirements.

The State's Project Manager will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors, if needed.
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverable/milestone
- Review and sign-off of timesheets and invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings.

The MDIT project manager, and any agency project manager, will be identified at the time when the Agency requests services under this contract.

MDIT shall provide a Program Manager for this Contract as a contact for all issues pertaining to the execution of services and deliverables under the contract. As of the effective date for contract commencement the MDIT Program Manager shall be:

Joel Storchan
Michigan Dept. of Information Technology
Bureau of Strategic Policy, Office of Contract Administration
Constitution Hall
Lansing, MI 48913
517-241-1369
storchanj@michigan.gov

MDIT shall provide a Contract Administrator whose duties shall include, but not be limited to, supporting the management of the Contract. As of the effective date for contract commencement, the MDIT Contract Administrator will be:

Patty Bogard
MDIT/Bureau of Strategic Policy, Office of Contract Administration
Constitution Hall
517-335-4051
bogardp@michigan.gov

1.203 OTHER ROLES AND RESPONSIBILITIES
None, unless identified in a specific request for services under this Contract.

1.3 PROJECT PLAN –

1.301 PROJECT PLAN MANAGEMENT

I. Preliminary Project Plan - Contractor will provide a sample Project Plan with the proposal, including necessary time frames and deliverables for the various stages of a project and the responsibilities and obligations of both the Contractor and the State. See Article 1, Attachment E for project schedules.

A. In particular, the sample Project Plan, to be followed for any specific request for services, will include a MS Project plan or equivalent, approved by MDIT, which shall include:

1. A description of the deliverables to be provided.
2. Target dates and critical paths for the deliverables.
3. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
4. The labor, equipment, materials and supplies required to be provided by the State in meeting the target dates established in the sample Project Plan.
5. Internal milestones
6. Task durations

B. The sample Project Plan shall include the following deliverable/milestones for which payment shall be made.

1. Payment to the Contractor will be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the task. A milestone is defined as complete when all of the deliverables within the milestone have been completed.

A. Orientation Meeting

1. Upon ten (10) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract.
2. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor.
3. Contractor will provide at no charge to the State, a series of one hour “Road Shows” to be provided in Lansing as an overview of the process and benefits that the Facilitated Sessions approach can provide in writing more thorough RFPs and in turn, gaining more consistent responses from the vendor community.
4. Contractor will provide up to eight Road Show presentations, with up to ten attendees at each, as part of this offering.
5. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

B. Performance Review Meetings

1. The State will require the Contractor to attend monthly meetings, at a minimum, to review the Contractor’s performance under the Contract.
2. The meetings will be held Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor.
3. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

C. Project Control

1. The Contractor will carry out this project under the direction and control of MDIT and any agency identified in a specific request for services.
2. Within ten (10) working days of a request for services under the Contract, the Contractor will submit to the State project manager(s) for final approval a project plan for the project.
   - **a.** This project plan must include the following:
     - **i.** The Contractor’s project organizational structure.
     - **ii.** The Contractor’s staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
     - **iii.** The project breakdown (work plan) showing sub-projects, activities and tasks, and resources required and allocated to each.

iv. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the work plan.

b. Upon approval of the Project Plan by the State, it will be marked as an Appendix and will be accepted by both parties as a part of the Contract and will be incorporated by reference. The State shall use the Project Plan as its tool for measurement of the performance of the Contractor.

3. The Contractor will manage the project in accordance with the PMBOK® (Project Management Body of Knowledge from the Project Management Institute), the state's Project Management Methodology (PMM) [Methodology is available at www.michigan.gov/projectmanagement], and the state's Software Engineering Methodology. (Methodology is available at www.michigan.gov/suite.)

a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:

i. Staffing tables with names of personnel assigned to Contract tasks.

ii. Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next ten (10) calendar days, updated semi-monthly).

iii. Updates must include actual time spent on each task and a revised estimate to complete.

iv. Graphs showing critical events, dependencies and decision points during the course of the Contract.

b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.302 REPORTS

The Contractor shall provide periodic high-level administrative reports to the State's Program Manager containing sufficient information to allow for the State's evaluation of the effectiveness of the program. Contractor shall provide a sample of a proposed periodic reporting format with its proposal.

Reporting formats must be submitted to the State's Project Manager for approval within ten (10) business days after the effective date of a specific request for services under the contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the request for services. Contractor project managers will communicate specific project information in a weekly status report. The Weekly Status Report details for this contract will include key information such as:

- Weekly Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Issues
  - Risks
  - Change controls
- Updated project plan to reflect progress to plan
- Review and discussion of schedule variances

On a weekly basis, Contractor will provide copies of project status reports and escalated issue reports, which will be distributed to the following:

- MDIT/Agency program manager
- Agency business owners
- Project documentation file

Contractor project managers will track hours expended for each task in the project schedule. A detailed report will be agreed on with the State to support the monthly invoices. This report will describe the work performed during the invoice period; the time spent on each task in the project schedule as well as the associated Statement of Work details.

1.4 Project Management

1.401 ISSUE MANAGEMENT

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Project Manager on an individual project and the State's Program Manager for all projects on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

Issue Management Process

- Identify project issues
- Document project issues using defined toolset/forms
- Record project issues clearly
- Assess each issue and determine the impact/severity of each issue on the project
- Assign a priority to each issue based on the associated project impact
- Review each issue and determine action plan
- Assign resources to action plan
- Execute and monitor action plan
- Escalate issues as defined
- Regularly report the status of each issue

A sample tracking of the process elements is found below. The Vendor's standard tool will represent issue in a grid versus table format in order to allow for issues to be sorted, grouped, filtered by owner, etc.

Issue	Identified Issue		
Impact	Defined the possible impact to project.		
Severity Level	Low, Med., High	**Priority**	Low, Med., High
Action Plan	Define steps for resolution including target completion date		
Resource	Name responsible party		
Status	Maintain a current status, frequency as agreed upon.		

Issues shall be escalated for resolution from level 1 through level 4, as defined below:

Level 1 – Business leads
Level 2 – Project Managers
Level 3 – Executive SME's
Level 4 – MDIT Program Manager for this contract

1.402 RISK MANAGEMENT

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project.

The Contractor will establish a risk management plan and process, including the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, monitoring of risk items, and periodic risk assessment reviews with the State.

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the contract. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

The Contractor shall provide the tool to track risks. The Contractor will work with the State and allow input into the prioritization of risks.

The Contractor is responsible for identification of risks for each phase of the project. Mitigating and/or eliminating assigned risks will be the responsibility of the Contractor. The State will assume the same responsibility for risks assigned to them.

Early identification allows for:

- Contractor and/or the State to decline projects where risks are excessive or disproportionate to potential project gain
- Establishing a risk management strategy including processes for identifying/monitoring the occurrence of risk and contingency plans to control/minimize the impact if the risk is realized
- The State to be aware of the potential for risk and understand their role in the risk management process
- Verify that the estimation process for resource allocation, task and effort distribution and hourly rate, are sufficient for delivery of the project timeline. This supports the risk management process and identification of a mitigation/contingency plan

The assessment will include the State's Risk Management Methodology as defined by the PMM and is intended to identify the project risks and the associated potential impact to the project. A Project Manager will be responsible for the continuous evaluation, control and mitigation of the identified risk. Moreover, the assessment will establish mitigation/contingency plans to minimize the impact of the risk if realized. The mitigation/contingency plan will define responsibilities of the project team and of outside resources including the Contractor's management and State personnel. It is important that the stakeholders understand the project risks, mitigation and contingency plans and are prepared to carry out their assigned responsibilities.

<u>Risk Assessment Methodology</u>

Contractor will follow a standard risk assessment methodology in the evaluation of its on-going projects. The depth at which a project is audited is a direct result of the quantity and quality of the associated project risks.

<u>Risk Identification: Actual vs. Potential</u>

This activity begins in the proposal/planning phase of the project with a preliminary risk assessment. The assessment is an on-going process throughout the management of a project. During this phase a document is created containing in part a table of risks, which is to be evaluated as more information is obtained. As requested by the State the evaluation will take place on a bi-weekly basis or as otherwise agreed to or as required by project. This methodology is intended to facilitate the control of risk throughout the project life cycle.

Analyze Risks: Probability, Impact, and Cost

The risks identified are evaluated against three variables; probability, impact and cost. The following items will be reviewed:

- Assign probability of the risk occurring
- Identify the associated impact to the project (cost, schedule and/or deliverables)
- Identify how the impact can be minimized
- Define a contingency plan for the anticipated impact

Risk Documentation

Contractor will work with the State to identify risk mitigation strategies and will review their effectiveness. Documentation of the risks include:

- Description of the risk
- Description of the consequences if the risk is realized
- Qualitative probability that the risk will be realized
- Strategy for avoiding, mitigating or accepting the risk
- A sample of the risk tracking process elements is found below

Risk	Identified Risk		
Effect of Risk	Possible Impact to project.		
Probability	Low, Med., High	**Impact**	Low, Med., High
Mitigation	Review availability of minimizing chance of occurrence or ramifications of risk.		

During Project Execution, additional risks may be identified. Any team member can identify a risk. This identification will be discussed at the Project Status Meeting and addressed appropriately.

This deliverable will be a formal project risk assessment. The risk assessment will be a living document, which will be adapted throughout the course of the project.

Ongoing Risk Monitoring

Each open risk will be reviewed at the Project Status Meeting. Changes in the status will be documented. For high impact risks, an action plan, including responsible resources, will be created for the risk if the risk is realized, or an agreement to accept a risk that cannot be mitigated.

Develop Risk Contingency Strategy

Develop a contingency plan for each risk, which has been identified. The contingency strategy should take into account the following items:

- Monitor warning flags
- Define what events could indicate the potential/occurrence of risk
- Differentiate between symptoms and problems
- Identify alternatives
- Prioritize alternatives based on impact level
- Create process flow and assign responsibility for each priority alternative
- Validate strategy against critical success factors of project (schedule, cost, and quality)
- Plan for effective communication to notify responsible participants
- Update the project plan accordingly
- Activate Contingency Strategy
    - Stakeholders or resources other than the project team may be required to participate in the contingency strategy. Make sure that everyone involved in the risk strategy knows and understands their role.

- Inform participants
- Early notification of skills required
- Close monitoring of progress and quality

Assess Effectiveness

- Update the project plan with any changes necessary
- Modify Contingency Strategy as required

1.403 CHANGE MANAGEMENT

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract.

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

The Contractor must employ change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State while the migration is underway.

The Contractor will employ the change control methodologies to justify changes in the processing environment, and to ensure those changes will not adversely affect performance or availability.

Change controls are evaluated based on the following set of criteria:

- ◊ Impact on any project delivery date
- ◊ Impact to project budget
- ◊ Potential changes to the project requirements
- ◊ Effects on the project resource plan
- ◊ Introduction of medium- or high-risk activities into the project

Priority also plays a role in the change management process. The following are priority classifications that are often applied to on-going projects:

- ◊ **Critical** – The change is unavoidable. The impact may only be minimized, unless action is taken.
- ◊ **High** – The change is necessary to support the business requirements.
- ◊ **Medium** – The change can be deferred, but offers significant business and technical advantage.
- ◊ **Low –** The change can easily be deferred and offers little business and technical advantage.

The key steps of the change management process are listed in the table below.

STEP	ACTION	RESPONSIBILITY / AGENT
1	Identify and Document Change Requests	Change-Request Initiator
2	Validate Change Requests – The Project Manager performs a key function such that requests are evaluated as they are entered and signaled by e-mail notification.	Project Manager

STEP	ACTION	RESPONSIBILITY / AGENT
3	Assign Change Request Owner - The Project Manager makes sure that the initial information is correct, makes an assignment for evaluation and may initiate additional communication depending upon the urgency and criticality of the change control.	Project Manager
4	Collect Change Request Details – The owner of the request follows a tailored process to make sure that all affected parties submit any estimates/impacts of the change control.	Change-Request Owner
5	Request Change Control Board (CCB) Review meeting.	Change-Request Owner
6	Convene CCB Review meeting.	Project Manager
7	Based on change impact thresh holds, obtain appropriate approvals.	Business Owner Project Manager
8	Once change approval has been received, a program change request must be completed and approved for any change that increases total project cost.	Business Owner Project Manager
9	Communicate CCB Decision and Closure – In addition to the benefit of controlling scope and accommodating change in a controlled fashion, a key aspect of change controls is the communications value they bring. The release owner is responsible for issuing a listing of approved change controls and unapproved change controls.	Project Manager
10	Close Change Request – The change control is closed in the Excel tracking tool that captures user identification, date and time stamp.	Project Manager

1.5 Acceptance

1.501 CRITERIA

DOCUMENT DELIVERABLES:

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Draft documents are not accepted as final deliverables.
3. The State will have ten (10) business days to review each deliverable, unless a specific request for assistance identifies another time period for review.
    a. The receipt date is not included in the review period.
    b. The State will provide the Contractor with a signed acceptance letter for accepted deliverables.
    c. If a deliverable is determined to be unacceptable, the State will identify the deficiencies in writing to the Contractor.
    d. The Contractor will have five (5) business days to correct identified deficiencies.
    e. This cycle will repeat until the deliverable is accepted by the State.

1.502 FINAL ACCEPTANCE
Final acceptance is expressly conditioned upon completion of all deliverables/milestones, completion of all tasks in the project plan(s) as approved, and the certification by the State that the Contractor has met the defined requirements.

Upon final delivery of the identified deliverables in Section 1.104, the Contractor's Lead Project Manager will provide the designated State Project Manager with an official project closure form. This form will outline the project, deliverables received, and verification from the State that all have been approved. If all deliverables are found to be acceptable, the State will sign the project closure form, which will officially close out the project and initiate final project invoicing. This form will be provided for review in the template package at the onset of the contract.

If any issues are identified throughout the project or at this point, the Contractor's Lead PM will work to rectify the identified issues and submit any missing or updated deliverables to the State for final verification and approval.

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT
Identify any assumptions Contractor has made developing its Cost Proposal.

Contractor must identify all information related, directly or indirectly, to the Contractor's proposed charges for services and deliverables including, but not limited to, costs, fees, prices, rates, bonuses, discounts, rebates, or the identification of free services, labor or materials.

The Cost Proposal is to be provided on a pay per session basis, using **Article 1, Attachment A**.

Upon contract execution, individual session requests will be submitted to the contractor. Requests will have been reviewed by MDIT staff and assigned a "risk category" using the State of Michigan's Risk Assessment Process and the Risk Management Plan. Final pricing for individual sessions may be negotiated.

If Contractor reduces its prices for any of the services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the State's MDIT Contract Administrator with the reduced prices within fifteen (15) Business Days.

Contractor agrees all the prices, terms, and benefits provided in this Contract are comparable to or better than the terms presently being offered by Contractor to any other governmental entity purchasing the same quantity under similar terms. If, during the term of this Contract, Contractor shall enter into contracts with any other governmental entity providing greater benefits or more favorable terms than those provided by this Contract, Contractor shall be obligated to provide the same to the State for subsequent purchases.

Payment / Invoices

Contractor will submit properly itemized invoices to MDIT – Procurement to the "BILL TO" address on the Purchase Order Release**.**

Invoices shall provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discounts.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Facilitated Requirements Gathering (Article 1, Attachment A, Table 1)

- Payment is on a firm fixed price per project category and will not exceed the amount set forth in the approved proposal.
- The State will make payments based on a negotiated payment schedule as outlined in Article 1, Attachment A, Table 1.
- Each billing will consist of an invoice and progress report. The invoices will include the project name, deliverable(s), contract number, purchase order number, Contractor name, address, phone number, contract number, resource(s) name, and time frame.
- Optional services will be provided, as requested, on a Time and Materials approach using Article 1, Attachment A, Table 2

Time and Materials Table for As-Needed Support and Optional Services (Article 1, Attachment A, Table 2)

- Payment is on a time and material basis and will not exceed the rates set forth in the approved proposal.
- Invoices will be submitted monthly for actual hours worked
- The invoices will include the project name, deliverable(s), contract number, purchase order number, Contractor name, address, phone number, contract number, resource(s) name, and time frame
- Each invoice will have an attached timesheet, which has been reviewed and signed off by the MDIT Project Manager.

1.7 Additional Information Specific to this SOW

1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW

A. Directives

MDIT's Office of Enterprise Security follows federal security standards. A new requirement is effective February 1, 2008, reflected in the following language of the United States Office of Management and Budget policy memorandum M-07-11, “Implementation of Commonly Accepted Configurations for Windows Operating Systems”:

- The provider of information technology shall certify applications are fully functional and operate correctly as intended on systems using the Federal Desktop Core Configuration (FDCC). This includes Internet Explorer 7 configured to operate on Windows http://csrc.nist.gov/itsec/guidance_WinXP.htmlWindows XP and Vista (in Protected Mode on Vista). For the Windows XP settings, see: htmlhttp://csrc.nist.gov/itsec/guidance_vista.html, and for the Windows Vista settings, see: http://csrc.nist.gov/itsec/guidance_vista.html.
- The standard installation, operation, maintenance, update, and/or patching of software shall not alter the configuration settings from the approved FDCC configuration. The information technology should also use the Windows Installer Service for installation to the default “program files” directory and should be able to silently install and uninstall.
- Applications designed for normal end users shall run in the standard user context without elevated system administration privileges.

Article 1, Attachment A

Pricing -

TABLE 1:

Deliverables	Category 1 Projects	Category 2 Projects	Category 3 Projects
1. Pre-Session Package (refer to 1.104 – A, #1)	**$1,562.00**	**$3,774.00**	**$6,019.00**
1.01 List the number of proposed resources and the classifications to be used for each category. (Modify as needed)	1. Project Mgr 2. Business Analyst 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator
2. Facilitated Session -Business Requirements Document Package (refer to 1.104 – A, #2)	**$13,313.00**	**$22,607.00**	**$32,013.00**
2.01 List the number of proposed resources and the classifications to be used for each category. (Modify as needed)	1. Project Mgr 2. Business Analyst(2) 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator
Deliverables Based Billing Point			
3. Business Design Requirements Package (refer to 1.104 – A, #3)	**$9,192.00**	**$18,635.00**	**$26,673.00**
3.01 List the number of proposed resources and the classifications to be used for each category. (Modify as needed)	1.Project Manager 2.Business Analyst(2) 3.Data Architect 4.Application Designer 5.Senior Consultant/Architect	1.Project Manager 2.Business Analyst(2) 3.Data Architect 4.Application Designer 5.Senior Consultant/Architect	1.Project Manager 2.Business Analyst(2) 3.Data Architect 4.Application Designer 5.Senior Consultant/Architect
Deliverables Based Billing Point			

Deliverables	Category 1 Projects	Category 2 Projects	Category 3 Projects
Maximum number of days allotted for facilitated sessions for each category.	Approximate duration of 25 business days and 1 day in facilitated session and 3 hours in review session	Approximate duration of 40 business days and 2 days in facilitated sessions and 5 hours review session	Approximate duration of 50 business days and 3 days in facilitated sessions 6 hours in review session
TOTAL: "Not to exceed" price (Add #1, #2 and #3 for each category)	**$24,067.00**	**$45,016.00**	**$64,705.00**

Table 1 continued for Optional services:

Deliverables	Category 1 Projects	Category 2 Projects	Category 3 Projects
4. Option – Draft SOW Use **Table 2** for resource rates (refer to 1.104 – A, #4)	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr
5. Option – Knowledge Transfer continuing services to project team Use **Table 2** for resource rates (refer to 1.104 – B)	Business Analyst - $90/hr Designer - $110/hr, Data Architect $110/hr, Senior Consultant/Architect - $140/hr	Business Analyst - $90/hr Designer - $110/hr, Data Architect $110/hr, Senior Consultant/Architect - $140/hr	Business Analyst - $90/hr Designer - $110/hr, Data Architect $110/hr, Senior Consultant/Architect - $140/hr
6. Option – Training & Documentation Use **Table 2** for resource rates (refer to 1.104 – C)	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr
7. Other costs not listed above			
COMMENTS:	Provide services as requested. Deliverable #3 includes basic knowledge transfer for project transition.	Provide services as requested. Deliverable #3 includes basic knowledge transfer for project transition.	Provide services as requested. Deliverable #3 includes basic knowledge transfer for project transition.

Table 2: Resource Rates for the deliverables and the optional services listed in Table 1.

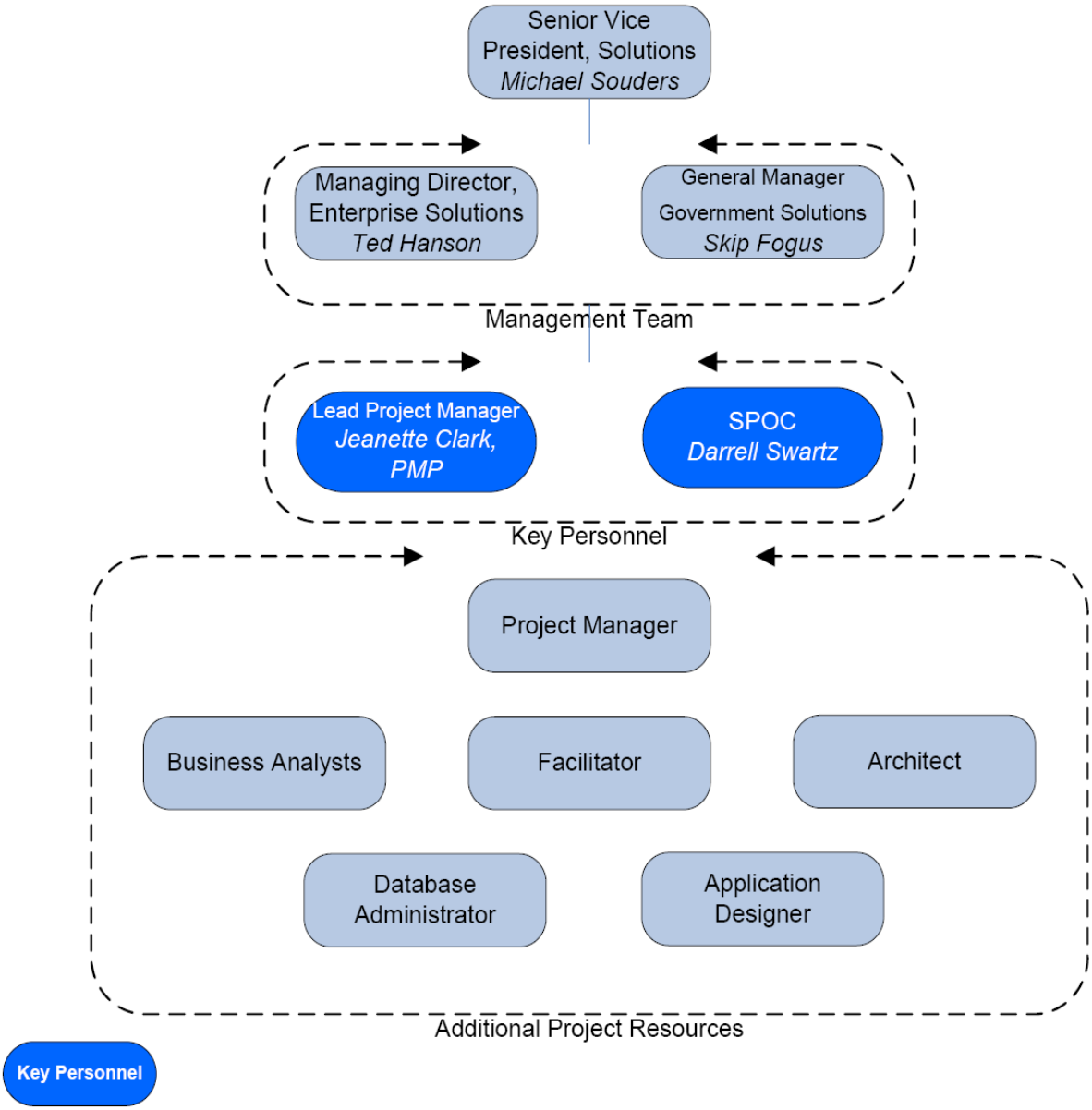
Classification	Resource rate (hourly)	Comments
1. Project Manager	$115.00	Responsible for project oversight and planning
2. Business Analysts	$90.00	Responsible for data collection, shadowing, and deliverable creation
3. Q/A Manager	$105.00	Responsible for on-going support throughout RFP process as requested
4. Security Specialist	$140.00	Will be utilized on higher risk projects for validation of security practices and items to be included within RFP
5. Testers	$75.00	Not currently utilized in creation of Table 1 deliverables but may available to the State as needed
6. Technical Writers	$75.00	Not currently utilized in creation of Table 1 deliverables but may available to the State as needed
7. Project Assistants	$85.00	Not currently utilized in creation of Table 1 deliverables but may available to the State as needed
Others: (List) below):		
8. Facilitator	$115.00	Responsible for session facilitation, documentation review and oversight, and knowledge transfer
9. Architect / Senior Consultant	$140.00	Responsible for consolidation of key metrics for executive management and/or assistance with creation of strategic direction
10. Database Architect	$110.00	Responsible for data model functional design creation within Table 1 deliverables
11. Application Designer	$110.00	Responsible for use case validation and RTM creation within Table 1 deliverables

Note: Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed. The State will utilize the fully loaded hourly rates detailed above for each staff that will be used as fixed rates for responses to separate statements of work for optional services.

The State will submit a Statement of Work to the vendor for the optional services requested and the Contractor will provide a written price proposal. Upon review and approval of the MDIT Project Manager, a Purchase Order release will be issued to the Contractor for the project to begin.

Article 1, Attachment B

Organizational Chart, including Key Personnel -



Article 1, Attachment C

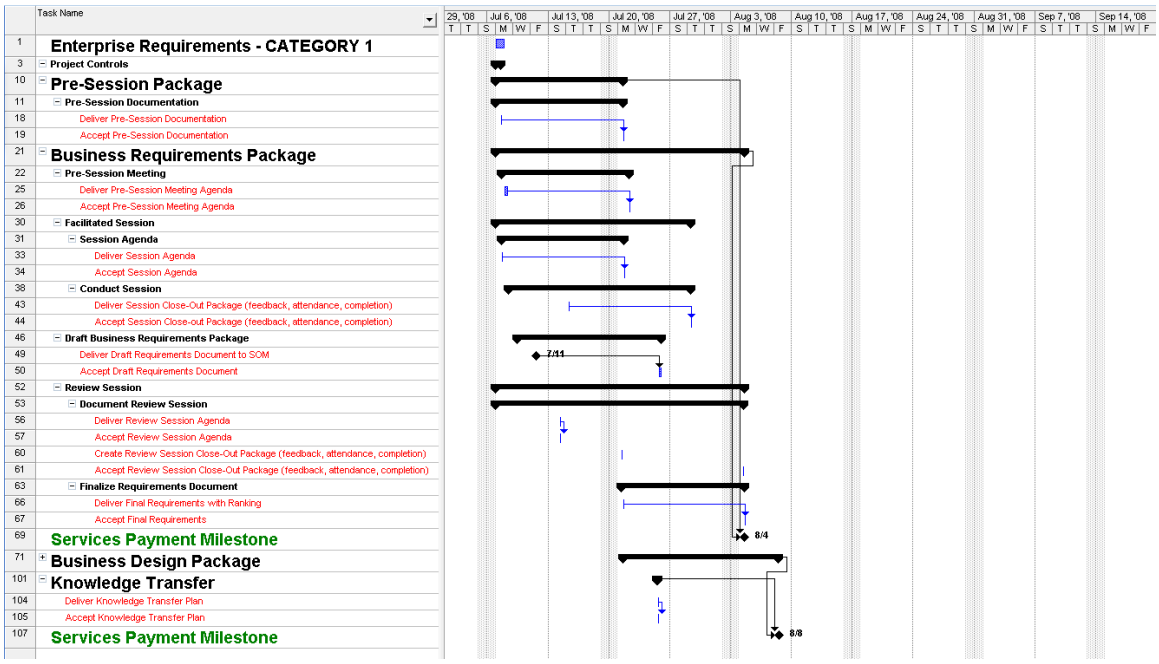
Labor Rates - **RESERVED**

Article 1, Attachment D

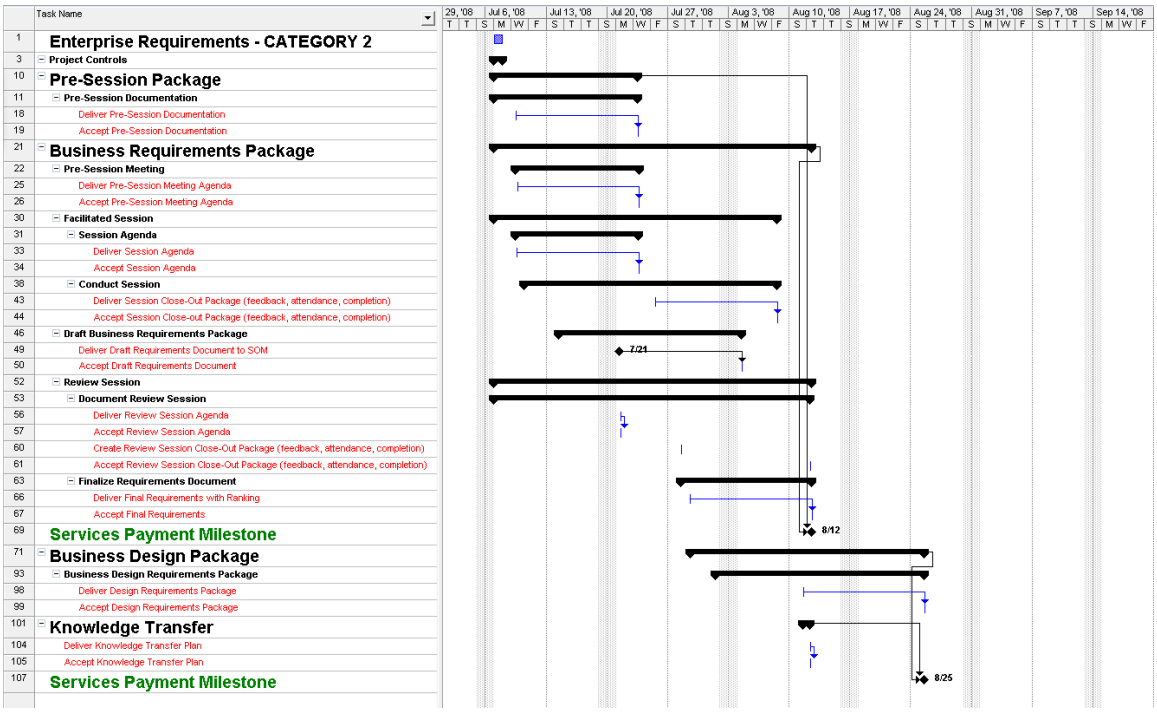
Deliverables - **RESERVED**

Article 1, Attachment E
Project Schedule

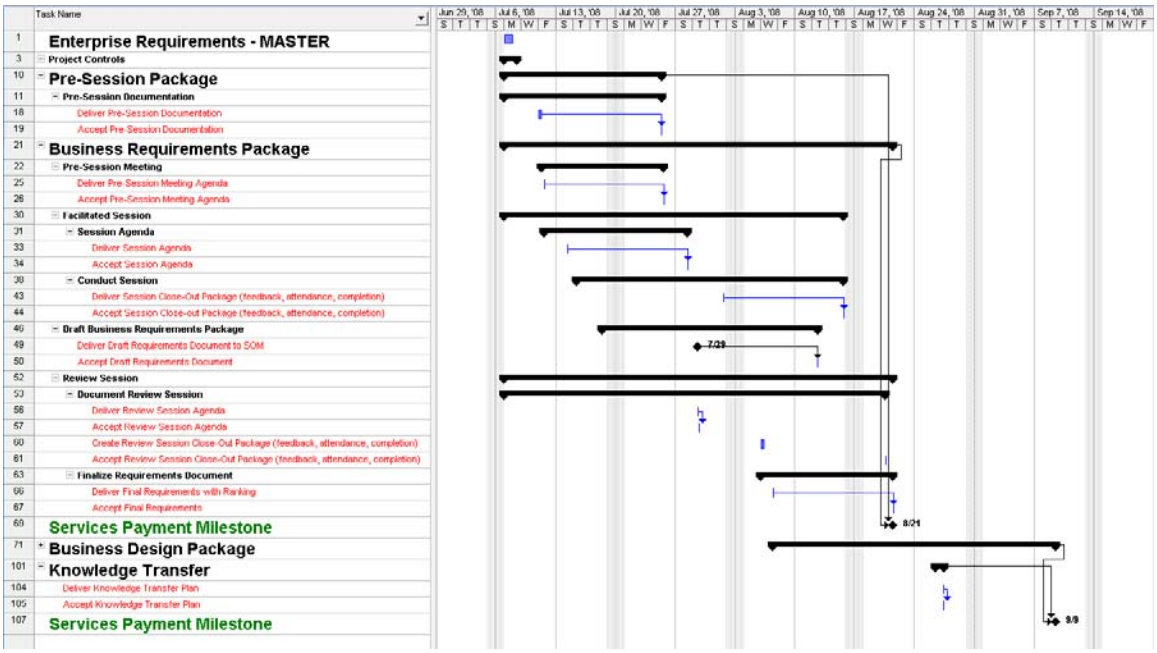
Category 1 Project Schedule



Category 2 Project Schedule



Category 3 Project Schedule



Article 2 – General Terms and Conditions

2.010 Contract Structure and Administration

2.011 Definitions

Capitalized terms used in this Contract (including its Exhibits) shall have the meanings given below, unless the context requires otherwise:

(a) "Days" means calendar days unless otherwise specified.
(b) "24x7x365" means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
(c) "Additional Service" means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. "Additional Service" does not include New Work.
(d) "Amendment Labor Rates" means the schedule of fully-loaded hourly labor rates attached as **Article 1, Attachment A**
(e) "Audit Period" has the meaning given in **Section 2.111**.
(f) "Business Day," whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
(g) "Incident" means any interruption in Services.
(h) "Business Critical" means any function identified in any Statement of Work as Business Critical.
(i) "Deliverable" means physical goods and/or commodities as required or identified by a Statement of Work
(j) "Key Personnel" means any Personnel designated in **Article 1, Section 1.201 and/or Attachment B,** as Key Personnel.
(k) "New Work" means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.
(l) "Services" means any function performed for the benefit of the State.
(m) "State Location" means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
(n) "Subcontractor" means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
(o) "Work in Process" means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

2.012 Attachments and Exhibits

All Attachments and/or Exhibits attached to any, and all Statement(s) of Work, attached to, or referencing this Contract, are incorporated in their entirety into, and form part of, this Contract.

2.013 Statements of Work

(a) The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract, or an amendment to this Contract (see 2.106). Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.
(b) Unless otherwise agreed by the parties, each Statement of Work (as defined in Article 1) will include, or incorporate by reference to the appropriate Contract Article 1 Attachment containing, the following information:
- a description of the Services to be performed by Contractor under the Statement of Work;

- a project schedule (including the commencement and completion dates for all tasks, subtasks (for all projects of sufficient duration and complexity to warrant sub task breakdown), and Deliverables;
- a list of the Deliverables to be provided, if any, including any particular specifications and acceptance criteria for such Deliverables, and the dates on which the Deliverables are scheduled to be completed and delivered to the State;
- all Deliverable price schedules and other charges associated with the Statement of Work, the overall fixed price for such Statement of Work and any other appropriate pricing and payment terms;
- a specification of Contractor's and the State's respective performance responsibilities with respect to the performance or completion of all tasks, subtasks and Deliverables;
- a listing of any Key Personnel of Contractor and/or its Subcontractors for that Statement of Work and any future Statements of Work;
- any other information or provisions the parties agree to include.

(c) Reserved.

(d) The initial Statements of Work, as of the Effective Date, are attached to this Contract.

2.014 Issuing Office

This Contract is issued by the Department of Management and Budget, Purchasing Operations and Department of Information Technology (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **Purchasing Operations is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within the office of Purchasing Operations for this Contract is:

Jacque Kuch
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
kuchj@michigan.gov
517-241-0239

2.015 Contract Compliance Inspector

Upon receipt at Purchasing Operations of the properly executed Contract, it is anticipated that the Director of DMB Purchasing Operations, in consultation with Department of Information Technology, will direct that the person named below, or any other person so designated, be authorized to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by Purchasing Operations**. The Contract Compliance Inspector for this Contract is:

Patty Bogard
Department of Information Technology
Constitution Hall
525 W. Allegan St
Lansing, MI 48913
Bogardp@michigan.gov
517-335-4051

2.016 Project Manager

The following individual will oversee the project:
Joel Storchan
Department of Information Technology
Bureau of Strategic Policy, Contract Office
Constitution Hall
525 W. Allegan St
Lansing, MI 48913

2.020 Contract Objectives/Scope/Background

2.021 Background

Refer to Section 1.002 Background

2.022 Purpose

Refer to Section 1.001 Project Request

2.023 Objectives and Scope

Refer to Section 1.104 Work and Deliverables

2.024 Interpretation

Sections 2.021 through 2.023 are intended to provide background and context for this Contract and are not intended to expand the scope of the obligations under this Contract or to alter the plain meaning of the terms and conditions of this Contract. However, to the extent the terms and conditions of this Contract are unclear or otherwise ambiguous, such terms and conditions are to be interpreted and construed in light of the provisions of this Section.

2.025 Form, Function and Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not the meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.030 Legal Effect and Term

2.031 Legal Effect

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.032 Contract Term

This Contract is for a period of three (3) years commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.033 Renewal(s)

This Contract may be renewed in writing by mutual agreement of the parties not less than thirty (30) days before its expiration. The Contract may be renewed for up to two (2) additional one (1) year

periods. Successful completion of negotiations surrounding the terms of the extension, will be a pre-requisite for the exercise of any option year.

2.040 Contractor Personnel

2.041 Contractor Personnel

(a) Personnel Qualifications. All persons assigned by Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

(b) Key Personnel

(i) In discharging its obligations under this Contract, Contractor shall provide the named Key Personnel on the terms indicated. **Appendix B** provides an organization chart showing the roles of certain Key Personnel, if any.

(ii) Key Personnel shall be dedicated as defined in **Appendix B** to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. Additionally, the State's request shall be based on legitimate, good-faith reasons. Proposed alternative for the individual denied, shall be fully qualified for the position.

(iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides thirty (30) days of shadowing unless parties agree to a different time period. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its rights under **Section 2.210**.

(c) Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the

State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.

(d) Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted in **Section 2.076** for a time as agreed to by the parties.

(e) Staffing Levels.

(i) All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and Contract administration support staff necessary for Contractor to perform its obligations hereunder.

(ii) Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.

(f) Personnel Turnover. The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.

(g) Location. All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.042 Contractor Identification

Contractor employees shall be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.043 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel, and,

as reasonably requested by the State, to provide to the State's agents and other contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with such requests for access.

2.044 Subcontracting by Contractor

(a) Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

(b) Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, office of Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time agreed upon by the parties.

(c) In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. . Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

(d) Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.040, 2.110, 2.150, 2.160, 2.171(c), 2.172(b), 2.180, 2.260, 2.276, 2.297** in all of its agreements with any Subcontractors.

(e) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.045 Contractor Responsibility for Personnel

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

2.050 State Standards

2.051 Existing Technology Standards

Please refer to Section 1.103 Environment

2.052 PM Methodology Standards

Please refer to Section 1.103 Environment

2.053 Adherence to Portal Technology Tools

The State has adopted the following tools for 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

Unless otherwise stated, Contractor must use the Portal Technology Tools to implement web content management and deployment efforts. 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 DIT, Enterprise Application Services Office, e-Michigan Web Development team.

Contractors that are compelled to use alternate tools must have received an exception from DIT, Enterprise Application Services Office, e-Michigan Web Development team, before this Contract is effective.

2.054 Acceptable Use Policy

Please refer to Section 1.103 Environment

2.060 Deliverables

2.061 Ordering

DIT will continue to oversee the use of this Contract by End Users. DIT may, in writing, delegate to agencies the authority to submit requests for certain services directly to the Contractor. DIT may also designate, in writing, some services as non-delegated and require DIT review and approval before agency acquisition. DIT will use Contractor provided management reports and periodic random agency audits to monitor and administer contract usage for delegated services.

2.062 Software - Reserved

2.063 Hardware - Reserved

2.064 Equipment to be New and Prohibited Products - Reserved

2.070 Performance

2.071 Performance, In General

The State engages Contractor to execute the Contract and perform the Services/provide the Deliverables, and Contractor undertakes to execute and complete the Contract in its entirety in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

2.072 Time of Performance

(a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.072(a)**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.

(c) If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations in accordance with specified Contract time periods, Contractor shall notify the State in a timely manner and shall use commercially reasonable efforts to perform its obligations in accordance with such Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.

2.073 Liquidated Damages - Reserved

2.074 Bankruptcy

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

To secure the State's progress payments before the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

2.075 Time is of the Essence

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

2.076 Service Level Agreements (SLAs) - Reserved

2.080 Delivery and Acceptance of Deliverables

2.081 Delivery of Deliverables - Reserved

2.082 Contractor System Testing - Reserved

2.083 Approval of Deliverables, In General - Reserved

2.084 Process for Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.085 Process for Approval of Custom Software Deliverables - Reserved

2.086 Final Acceptance - Reserved

2.090 Financial

2.091 Pricing

(a) Fixed Prices for Services/Deliverables

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates (**Article 1, Attachment A, Cost Table**). The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

(b) Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope, using the rates in **Article 1, Attachment A, Cost Table,** unless specifically identified in an applicable Statement of Work.

(c) Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

(d) Labor Rates

All time and material charges will be at the rates specified in **Article 1, Attachment A, Cost Table**.

2.092 Invoicing and Payment Procedures and Terms

(a) Invoicing and Payment – In General

(i) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment

and commodities to be provided, and the associated payment milestones and payment amounts.

(ii) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates specified in **Article 1, Attachment A, Cost Table**. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 2.094**, if applicable.

(iii) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.

(b) Taxes (See Section 2.305 and Article 3, Section 3.022-3.024 for additional)

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c) Out-of-Pocket Expenses

Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services/ providing the Deliverables (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. See http://www.mi.gov/dmb/0,1607,7-150-9141_13132---,00.html for current rates.

(d) Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

(e) Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

(f) Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.093 State Funding Obligation

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

2.094 Holdback - Reserved

2.095 Electronic Payment Availability

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).

2.100 Contract Management

2.101 Contract Management Responsibility

(a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with **Article 1, Attachment E** (Project Plan) is likely to delay the timely achievement of any Contract tasks.

(b) The Services/Deliverables will be provided by the Contractor either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.102 Problem and Contract Management Procedures

Problem Management and Contract Management procedures will be governed by the Contract and the applicable Statements of Work.

2.103 Reports and Meetings

(a) Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

(i) separately address Contractor's performance in each area of the Services;

(ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;

(iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;

(iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;

(v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;

(vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.

(vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.

(viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.

(ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State's request, Contractor shall prepare and circulate minutes promptly after a meeting.

2.104 System Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State's approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

2.105 Reserved

2.106 Change Requests

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the

requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) Change Requests

(i) State Requests

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a “Change”), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a “Change Request”).

(ii) Contractor Recommendations

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor’s proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(iv) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a “Contract Change Notice”).

(v) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, office of Purchasing Operations.

(vi) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects

to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

2.107 Management Tools

Contractor will use an automated tool for planning, monitoring and tracking the Contract's progress. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract: (i) staffing tables with names of personnel assigned to Contract tasks, (ii) project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.

2.110 Records and Inspections

2.111a Records and Inspections

(a) Inspection of Work Performed. The State's authorized representatives shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and at all reasonable times, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

(b) Examination of Records. Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

(c) Retention of Records. Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

(d) Audit Resolution. If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report, unless a shorter response time is specified in such report.

The Contractor and the State shall develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.

2.112 Errors

(a) If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten percent (10%), then the Contractor shall pay all of the reasonable costs of the audit.

2.120 State Responsibilities

2.121 State Performance Obligations

(a) Equipment and Other Resources. To facilitate Contractor's performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.

(b) Facilities. The State shall designate space as long as it is available and as provided in the Statement of Work, to house Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

(c) Return. Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

(d) Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

2.130 Security

2.131 Background Checks

The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case by case basis. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. Such investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC

Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.140 Reserved

2.150 Confidentiality

2.151 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.152 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

2.153 Protection of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

2.154 Exclusions

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

2.155 No Implied Rights

Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.156 Remedies

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

2.157 Security Breach Notification

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

2.158 Survival

The parties' respective obligations under this Section shall survive the termination or expiration of this Contract for any reason.

2.159 Destruction of Confidential Information

Promptly upon termination or cancellation of the Contract for any reason, Contractor shall certify to the State that Contractor has destroyed all State Confidential Information.

2.160 Proprietary Rights

Reserved

2.163 Rights in Data

(a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

(b) The State is and shall remain the owner of all State-specific data pursuant to the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State shall only use personally identifiable information as strictly necessary to utilize the Services and shall disclose such information only to its employees who have a strict need to know such information, except as provided by law. The State shall comply at all times with all laws and

regulations applicable to such personally identifiable information. Other material developed and provided to the State shall remain the State's sole and exclusive property.

2.164 Ownership of Materials

State and Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State.

2.165 Standard Software

If applicable and necessary, all Standard Software used in performing the Services shall be provided to the State under a separate license agreement between the State and the owner (or authorized licensor) of such software.

2.166 Pre-existing Materials for Custom Software Deliverables - Reserved

2.167 General Skills

Notwithstanding anything to the contrary in this Section, each party, its Subcontractors and their personnel shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing the Services, so long as it or they acquire and apply the foregoing without disclosure of any confidential or proprietary information of the other party.

2.170 Warranties And Representations

2.171 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It 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 licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) 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 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.

(e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) 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.

(h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP 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 change in the business, properties, financial condition, or results of operations of Contractor.

(m) All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, it true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

(n) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such contract.

2.172 Software Warranties - Reserved

2.173 Equipment Warranty - Reserved

2.174 Physical Media Warranty - Reserved

2.175a DISCLAIMER

THE FOREGOING EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.175b Standard Warranties

(a) Warranty of Merchantability - Reserved
(b) Warranty of fitness for a particular purpose - Reserved
(c) Warranty of title

Contractor shall convey good title in those Deliverables, whose transfer is right and lawful. All Deliverables provided by Contractor shall be delivered free from any security interest, lien, or

encumbrance. Deliverables shall be delivered free of any rightful claim of any third person of ownership, interest, lien or encumbrance.

2.176 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.

2.180 Insurance

2.181 Liability Insurance

(a) Liability Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverages provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.
See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Purchasing Operations, 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 coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Purchasing Operations, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked ☑ below:

☑ 1. Commercial General Liability with the following minimum coverage:
$2,000,000 General Aggregate Limit other than Products/Completed Operations
$2,000,000 Products/Completed Operations Aggregate Limit
$1,000,000 Personal & Advertising Injury Limit
$1,000,000 Each Occurrence Limit
$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor‘s business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ 3. Workers’ compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor’s domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees’ activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☑ 4. Employers liability insurance with the following minimum limits:
$100,000 each accident
$100,000 each employee by disease
$500,000 aggregate disease

☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars ($1,000,000.00) with a maximum deductible of fifty thousand dollars ($50,000.00).

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars ($3,000,000.00) each occurrence and three million dollars ($3,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

(b) Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the office of Purchasing Operations certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

2.190 Indemnification

2.191 Indemnification

(a) General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious

acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

(b) Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

(c) Employee Indemnification

Subject to section 2.201 of the Contract, in any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions. Notwithstanding the foregoing, Contractor has no obligation of indemnification hereunder where the basis for the claim are the acts or omissions of the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees or agents.

(d) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

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

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.192 Continuation of Indemnification Obligations

The Contractor's duty to indemnify pursuant to this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

2.193 Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

(a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.200 Limits of Liability and Excusable Failure

2.201 Limits of Liability

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or $200,000 (for low risk contracts – Select a higher amount for moderate to high risk contracts) which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of the Contract.

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

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

2.202 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; 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 commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than ten (10) Business 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/Deliverables from an alternate source, and the State shall not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

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/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and 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.

2.203 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or manmade disaster.

2.210 Termination/Cancellation by the State

The State may terminate 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:

2.211 Termination for Cause

(a) In the event that Contractor breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA as defined in **Section 2.076**), which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) days), 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 termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.

(b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

(c) In the event the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State shall pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

(d) In the event this Contract is terminated for cause pursuant to this Section, and it is determined, for any reason, that Contractor was not in breach of contract pursuant to the provisions of this section, that termination for cause shall be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in this Contract for a termination for convenience.

2.212 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

2.213 Non-Appropriation

(a) 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 Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise

made available, the State shall have the right to terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State shall give Contractor at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise made available, the State may, upon thirty (30) days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.

(c) In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.214 Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including 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 Contractor's business integrity.

2.215 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, § 5, and Civil Service Rule 7-1. 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.

2.216 Rights and Obligations Upon Termination

(a) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in Deliverables that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.217 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

2.218 Contractor Transition Responsibilities

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed ninety (90) days. These efforts shall include, but are not limited to, the following:

(a) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

(b) Information - The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

(d) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

(e) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified by **Article**

1, Attachment A, Cost Table. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.219 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

(a) Reconciling all accounts between the State and the Contractor;
(b) Completing any pending post-project reviews.

2.220 Termination by Contractor

2.221 Termination by Contractor

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with **Section 2.090**, or if the State breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 2.250** before any such termination.

2.230 Stop Work

2.231 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this **Section 2.230**. Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.210**.

2.232 Cancellation or Expiration of Stop Work Order

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.106.**

2.233 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under **Section 2.212**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.230**.

2.240 Reserved

2.250 Dispute Resolution

2.251 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work shall be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor shall submit a letter executed by Contractor's Contract Administrator or his designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the supporting data provided with such an affidavit are current and complete to Contractor's best knowledge and belief.

2.252 Informal Dispute Resolution

(a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:

(i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.

(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within sixty (60) calendar days, the Director of Purchasing Operations, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.

(b) This **Section 2.250** will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to **Section 2.253**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to the Contract.

2.253 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.252** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.254 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.210** and **2.220**, as the case may be.

2.260 Federal and State Contract Requirements

2.261 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq*., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq*., and any breach of this provision may be regarded as a material breach of the Contract.

2.262 Unfair Labor Practices

Pursuant to 1980 PA 278, MCL 423.231, *et seq*., the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.263 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html.

2.270 Litigation

2.271 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions thereto, to which Contractor (or, to the extent Contractor is aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor hereunder; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to the Contract Administrator within thirty (30) days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information

provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

(i) the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or

(ii) whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:

(A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and

(B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

(c) Contractor shall make the following notifications in writing:

(1) Within thirty (30) days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify Purchasing Operations.

(2) Contractor shall also notify the Purchasing Operations within thirty (30) days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor shall also notify Purchasing Operations within thirty (30) days whenever changes to company affiliations occur.

2.272 Governing Law

The Contract shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.273 Compliance with Laws

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services/Deliverables.

2.274 Jurisdiction

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.280 Environmental Provision

2.281 Environmental Provision - Reserved

2.290 General

2.291 Amendments

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties.

2.292 Assignment

(a) Neither party shall have the right to assign the Contract, or to assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

2.293 Entire Contract; Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to such subject matter and as additional terms and conditions on the purchase order shall apply as limited by **Section 2.061**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of **Sections 2.110 through 2.220** of the Contract, which may be modified or amended only by a formal Contract amendment.

2.294 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 the Contract.

2.295 Relationship of the Parties (Independent Contractor Relationship)

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of 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. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.296 Notices

(a) Any notice given to a party under the Contract 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.

State of Michigan
DMB-Purchasing Operations
Attention: Jacque Kuch
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

with a copy to:
State of Michigan
Department of Information Technology
Attention: Joel Storchan
Constitution Hall
525 W Allegan Ave.
Lansing, MI 48913

Contractor(s):
Analysts International
3252 University Drive, Suite 200
Auburn Hills, MI 48326

Either party may change its address where notices are to be sent by giving notice in accordance with this Section.

(b) Binding Commitments

Representatives of Contractor identified in **Article 1, Attachment B** shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

2.297 Media Releases and Contract Distribution

(a) Media Releases

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.

(b) Contract Distribution

Purchasing Operations shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.298 Reformation and 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.

2.299 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

2.300 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.

2.301 Survival

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.302 Covenant of Good Faith

Each party agrees that, in its dealings with the other party or in connection with the Contract, it shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.303 Permits

Contractor shall obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.304 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.

2.305 Taxes

Vendors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes defined in Section 3.022 for all persons involved in the resulting Contract.

The State may refuse to award a contract to any Vendor who has failed to pay any applicable State taxes. The State may refuse to accept Vendor's bid, if Vendor has any outstanding debt with the State. Prior to any award, the State will verify whether Vendor has any outstanding debt with the State.

2.306 Prevailing Wage

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe

benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.307 Call Center Disclosure - Reserved

2.308 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a leading edge on the competitive RFP.

2.310 Reserved

2.320 Extended Purchasing

2.321 MiDEAL

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: http://www.michigan.gov/doingbusiness/0,1607,7-146-6586-16656--,00.html. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment at the established State of Michigan contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

2.322 State Employee Purchases - Reserved

2.330 Federal Grant Requirements

2.331 Federal Grant Requirements

The following links contain certifications and terms which may be required for some purchases paid via Federal funds. They are included here to be utilized as required.

Lobbying Certifications are usually for agreements over $100,000. The debarment certification is required for all agreements. The last link is where you can go and search for debarred or suspended contractors.

http://straylight.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00001352----000-.html

http://www.archives.gov/federal_register/codification/executive_order/12549.html
http://www.archives.gov/federal_register/executive_orders/pdf/12869.pdf
http://www.epls.gov/epls/servlet/EPLSSearchMain/1

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE NO.4
To
CONTRACT NO. 071B8200236

Between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite A	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Patty Bogard		
BUYER:	DTMB	Tammi Hart	(517) 335-4770	HartT3@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
	August 5, 2008	August 31, 2011	
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ YES ☒ NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:		
OPTION EXERCISED: ☐ NO ☒ YES	IF YES, NEW EXPIRATION DATE:	August 31, 2013
Effective immediately, this contract is hereby EXTENDED to August 31, 2013 and increased by $1,000,000.00. Please also note that the buyer has been changed to Tammi Hart. Per vendor, agency and DTMB Procurement agreement and the approval of the State Administrative Board on April 3, 2012.		
VALUE/COST OF CHANGE NOTICE:	$1,000,000.00	

ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	$4,420,000.00

CONTRACT #071B8200236

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET **July 20, 2011**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3101 Technology Blvd Suite A** **Lansing, MI 48910** **Email:** dswartz@analysts.com	TELEPHONE Darrell Swartz **517-336-1042** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 **Joe Kelly**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2012**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby EXTENDED to August 31, 2012 and INCERASED by $1,000,000.00. Please also note that the buyer has been CHANGED to Joe Kelly. All other terms, conditions, pricing and specifications remain the same.

Rates for fixed rate project are attached. All other pricing to remain the same.

AUTHORITY/REASON(S):

Per vendor and agency agreement, and the approval of the State Administrative Board on July 19, 2011.

INCREASE: $1,000,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $3,420,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

June 16, 2010

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3101 Technology Blvd Suite A** **Lansing, MI 48910** **Email:** dswartz@analysts.com	TELEPHONE Darrell Swartz **517-336-1042** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008**	To: **August 31, 2011**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Effective immediately, the following vendor is added to this contract as a subcontractor:

AMI Strategies
34705 West 12 Mile Road, Suite 101
Farmington Hills, MI 48331
Office: 248-957-4230
Mobile: 248-996-0007
Email: jsydlowski@amistrategies.com

AUTHORITY/REASON(S):

Per vendor request and Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $2,420,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

November 20, 2009

CHANGE NOTICE NO. 1 (REVISED)
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3101 Technology Blvd Suite A** **Lansing, MI 48910** **Email:** dswartz@analysts.com	TELEPHONE Darrell Swartz **517-336-1042** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008**	To: **August 31, 2011**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Per Executive Directive 2009-3, the vendor has offered the following price concessions to the State of Michigan:

Effective 10/26/2009 through 8/31/2011, the hourly rates for this contract are reduced as follows, for a total savings of $80,000.00:

Proposed Business Requirements Contract Rate Reductions – Time and Materials Table

Role	Current Rate	Proposed Rate	$Diff.	%Diff.
Project Manager	$115.00	$104.00	$11.00	9.57%
Business Analyst	$90.00	$81.00	$9.00	10.00%
Facilitator	$115.00	$104.00	$11.00	9.57%
QA Manager	$105.00	$90.00	$15.00	14.29%
Security Specialist	$140.00	$115.00	$25.00	17.86%
Tester	$75.00	$70.00	$5.00	6.67%

Technical Writer	**$75.00**	**$70.00**	**$5.00**	**6.67%**
Project Assistant	**$85.00**	**$75.00**	**$10.00**	**11.76%**
Sr. Consultant/Architect	**$140.00**	**$125.00**	**$15.00**	**10.71%**
Database Architect	**$110.00**	**$100.00**	**$10.00**	**9.09%**
Application Designer	**$110.00**	**$100.00**	**$10.00**	**9.09%**

Proposed Business Requirements Contract Rate Reductions

Fixed Price Category Table

Project Category	Current Cost	Proposed Cost	$Diff.	%Diff.
Cat 1	**$24,067.00**	**$21,746.00**	**$2,321.00**	**-9.64%**
Cat 2	**$45,016.00**	**$40,516.00**	**$4,500.00**	**-10.00%**
Cat 3	**$64,705.00**	**$57,874.00**	**$6,831.00**	**-10.56%**

DECREASE: $80,000.00

TOTAL REVISED CONTRACT VALUE: $2,420,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

October 28, 2009

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3252 University Drive, Suite 200** **Auburn Hills, MI 48326** **Email: msouders@analysts.com**	TELEPHONE Michael Souders **248-299-4220** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Per Executive Directive 2009-3, the vendor has offered the following price concessions to the State of Michigan:

Effective 10/26/2009 through 8/31/2011, the hourly rates for this contract are reduced as follows, for a total savings of $250,000.00:

Proposed Business Requirements Contract Rate Reductions – Time and Materials Table

Role	Current Rate	Proposed Rate	$Diff.	%Diff.
Project Manager	$115.00	$104.00	$11.00	9.57%
Business Analyst	$90.00	$81.00	$9.00	10.00%
Facilitator	$115.00	$104.00	$11.00	9.57%
QA Manager	$105.00	$90.00	$15.00	14.29%
Security Specialist	$140.00	$115.00	$25.00	17.86%
Tester	$75.00	$70.00	$5.00	6.67%

Technical Writer	**$75.00**	**$70.00**	**$5.00**	**6.67%**
Project Assistant	**$85.00**	**$75.00**	**$10.00**	**11.76%**
Sr. Consultant/Architect	**$140.00**	**$125.00**	**$15.00**	**10.71%**
Database Architect	**$110.00**	**$100.00**	**$10.00**	**9.09%**
Application Designer	**$110.00**	**$100.00**	**$10.00**	**9.09%**

Proposed Business Requirements Contract Rate Reductions

Fixed Price Category Table

Project Category	Current Cost	Proposed Cost	$Diff.	%Diff.
Cat 1	**$24,067.00**	**$21,746.00**	**$2,321.00**	**-9.64%**
Cat 2	**$45,016.00**	**$40,516.00**	**$4,500.00**	**-10.00%**
Cat 3	**$64,705.00**	**$57,874.00**	**$6,831.00**	**-10.56%**

DECREASE: $250,000.00

TOTAL REVISED CONTRACT VALUE: $2,250,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

August 6, 2008

NOTICE
OF
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3252 University Drive, Suite 200** **Auburn Hills, MI 48326** **Email: msouders@analysts.com**	TELEPHONE Michael Souders **248-299-4220** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

Estimated Contract Value: $2,500,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3252 University Drive, Suite 200** **Auburn Hills, MI 48326** **Email: msouders@analysts.com**	TELEPHONE Michael Souders **248-299-4220** CONTRACTOR NUMBER/MAIL CODE **(2) 41-0905408 (003)** BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are those of ITB #071I8200159, this Contract Agreement and the vendor's quote dated June 4, 2008. 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.** **Estimated Contract Value: $2,500,000.00**	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I8200159. Orders for delivery 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.

FOR THE CONTRACTOR:	**FOR THE STATE:**
Analysts International Firm Name	
Authorized Agent Signature Michael Souders Authorized Agent (Print or Type)	Name/Title Greg Faremouth, IT Division Division

Date	Date

STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract Number: 071B8200236
Bureau of Strategic Policy (BSP) Facilitated Sessions

Buyer Name: Jacque Kuch
Telephone Number: 517-241-0239
E-Mail Address: kuchj@michigan.gov

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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (State), through the Michigan Department of Management & Budget (MDMB), with assistance of the Michigan Department of Information Technology (MDIT), Bureau of Strategic Policy (BSP), has issued this Request for Proposals (RFP) to obtain proposals from qualified firms to conduct and provide assistance and support for facilitated sessions to gather and document requirements for new information technology projects.

The State may, as an option, request the drafting of statements of work for a Request for Proposals to obtain the services required to complete the project defined by the business requirements sessions.

1.002 BACKGROUND

MDIT was created on October 14, 2001, by Executive Order 2001-3, in part to improve the management of information technology investments. Among other enumerated items, MDIT is leading state efforts to re-engineer the state's information technology infrastructure, and to coordinate development of a unified executive branch technology plan, with the goal of achieving the use of common technology enterprise use of common information technologies and providing consistent professional management of the state's Information Technology (IT) resources.

As part of its integrated functions, MDIT assists state agencies in obtaining resources to meet requests for technical assistance in gathering requirements for new IT projects. These requirements gathering sessions determine the business, technical and project management requirements for a new project.

Agency needs for assistance will vary in terms of the complexity and risks of a proposed project. MDIT's Risk Assessment methodology will be used by MDIT staff to calculate a score and assess the risk level for their project. These documents are included to provide more detail of the risk assessment process and the differences among the three categories for the contractor.

Information provided herein is intended solely to assist vendors in the preparation of proposals. To the best of the State's knowledge, the information provided is accurate. However, the State does not warrant such accuracy, and any variations subsequently determined will not be construed as a basis for invalidating the RFP. The State reserves the right to cancel this Request for Proposal (RFP), or any part of this RFP, at any time.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

This project consists of the following scope:

- **Business Requirements**
- **Knowledge Transfer**
- **Training, as an option**
- **Draft Statements of Work for Requests for Proposals, as an option**

The State seeks to have services begin after the award of the contract in 2008.

This contract will have a minimum term of three (3) years, with two (2) one-year extensions possible. Renewal of the contract will be at the sole discretion of the State and will be based on acceptable performance of the selected Contractor as determined by the State.

A more detailed description of the services (work) and deliverables sought for this project is provided in Article 1, Section 1.104, Work and Deliverables.

Sessions are authorized as needed via individual Statements of Work (SOW) to be submitted to the vendor. The vendor will provide a written price proposal based on the assigned risk category and will include the resources' names and the actual resumes for each resource proposed for the project. Upon review, acceptance and approval of the MDIT Project Manager, a Purchase Order release will be issued to the vendor for the project to begin.

1.102 OUT OF SCOPE

The scope of this agreement does not include:

- System development
- Developers
- Programmers

This contract does not cover any construction, testing or implementation tasks.

Purchase of hardware, software or other commodities is not within the scope of the contract.

1.103 ENVIRONMENT

The links below will provide information on the State's Enterprise IT policies, standards and procedures which includes security policy and procedures, IT strategic plan and the State Unified Information Technology Environment (SUITE).

Contractors are advised that the State has methods, policies, standards and guidelines that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and deliverables provided as a result of this RFP must comply with all applicable State IT policies and standards in effect at the time the services are provided. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT processes. It will be the responsibility of the State to deny the exception request or to seek a policy or standards exception.

Contractor is required to review all applicable links provided below.

Enterprise IT Policies, Standards and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html

IT Strategic Plan:
http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html

The State's Project Management Methodology (PMM) must be followed:
http://www.michigan.gov/dit/0,1607,7-139-18391_22016-58009--,00.html

Contractors must follow the State's Unified Information Technology Environment (SUITE) methodology: http://michigan.gov/suite

All software and hardware items identified by the Contractor must run on and be compatible with the MDIT Standard Information Technology Environment. Additionally, the State must be able to maintain software and other items identified as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by MDIT. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's Project Manager and MDIT must approve any tools, in writing, before use on any information technology project.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. Any changes must be approved, in writing, by the State's Project Manager and MDIT, before work may proceed based on the changed environment.

IT Security Policy and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html

The State's security environment includes:

- MDIT provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

Each request for technical assistance in developing requirements for MDIT and/or an agency will include a description of the MDIT/agency information technology environment involved in the project.

1.104 WORK AND DELIVERABLES

This section includes I. Services (work) To Be Provided and Deliverables, and II. Requirements for the successful completion of requests for services.

II. Services (work) To Be Provided and Deliverables

B. Baseline Business Requirements – Contractor will:

Facilitate requirements gathering sessions - The Contractor will work with MDIT/ the Agency requesting services to provide the requirements gathering session-conducting services to support varying project types.

The tables below outlines tasks that are representative (but not inclusive) of the work to be performed by the Contractor during requirements gathering and project analysis.

Tasks	Deliverable
1. Pre-Session Package	
▪ Provide a business analyst to provide shadowing and pre-work with the business owner to gather "seed" information to allow customization of the pre-session documentation and session agenda.	▪ Pre-session Documentation
▪ Prepare and participate in a pre-session meeting at which high-level project details will be gathered, session expectations set, session agenda developed, and the State business owner will be provided with required materials. The Contractor will schedule the meeting and provide the agenda.	▪ Pre-session meeting agenda.
2. Facilitated Session – Business Requirements Document Package	
▪ Facilitate information/requirements gathering session(s)* to capture business requirements, business processes, and technical considerations related to the designated project.	▪ Facilitate session(s), dependent on Project Risk Factor ▪ Requirements Session Agenda ▪ Session Attendance List ▪ Session Feedback
▪ Use information collected at the requirements gathering session to document business requirements, issues, business use cases and business problem resolution.	▪ Draft Business Requirements Document

Tasks	Deliverable
▪ Attend, and facilitate if needed, a meeting at which the draft of the Business Requirements Document is reviewed and requirements are ranked/prioritized. ▪ Facilitate review session(s) to discuss the draft document and determine the appropriate revisions. Attendees of the review session(s) will receive the external draft version of the Requirements Document Deliverable five (5) business days prior to the review session to allow time to read the provided materials and come to the review session prepared to discuss review comments.	▪ Facilitate Review Session ▪ Review Session Agenda ▪ Business Requirements Document – Requirements Ranking Section
▪ Update the draft Business Requirements Document with information from the review session to document, produce, and deliver a final Business Requirements Document. This document will contain the business and technical needs from the group's discussion and capture models, diagrams, and narratives, as needed, from the work and review sessions necessary for MDIT/agency Executive Review.	▪ Final Business Requirements Document ▪ Appendix to the Business Requirements Document
3. Business Design Requirements Package	
Create requirements package, to include: ▪ Detailed business design requirements document ▪ Technical assumptions and constraints ▪ Business use cases ▪ Security requirements ▪ ADA/usability requirements ▪ Preliminary requirements traceability matrix	▪ Business design requirements package ▪ Revised RFP Risk Management Plan, if required
4. Optional – Draft Statement of Work	
▪ Optional, at State's request: Draft Statement of Work for Request for Proposals for project	▪ Draft Statement of Work

*The Contractor's team will work with the MDIT/agency team to develop session schedules that best accommodate session attendees and the information being collected. Ideally, the session referenced above is meant to be one continuous session, over consecutive days, if needed, with the same participants, and same Contractor team facilitating. The State recognizes that circumstances may prevent one continuous session over consecutive days from being conducted. When considering information collection through shorter sessions with different groups of attendees, give thought to the value of improved project understanding and consensus gained by working with all stakeholders.

Deliverables

The Contractor's team will provide the following deliverables as part of this contract. The tasks and deliverables outlined in the tables above are covered within the following documents:

- **Pre-session meeting agenda** – This document covers who the primary stakeholders for the project are and provides an overview of the Initiation Process, instructions on scheduling the session, sample text for the session invitation, and a listing of the MDIT/agency business owner responsibilities.
- **Requirements Session Agenda** – This document covers the agenda items in the session, such as Project Introduction by the sponsor, Project Objectives, Business Issues, Current Business Process, Future Business Process, potential impacts and technical considerations.

- **Facilitate session(s), dependent on Project Type** – This deliverable includes information on conducting the session along with any notes, charts, or other documents produced as output of the session.
- **Attendance List** – This document is used to capture the attendees' names, titles, and contact information to be included in the Requirements Definition Document.
- **Session Feedback Forms –** This document captures the attendees' feedback for lessons learned and continuous improvement of the sessions.
- **Business Requirements Document –** This is the primary deliverable document from Requirements and provides a prioritized, consolidated view of the project's requirements and workflows associated with the project. Key items of this deliverable will include: Executive Summary, General Features, User Community, Business Processes (both current and proposed), Business Improvements, Use Case Scenarios, Project Impact, Organizational Data, Operations, Technical Considerations, Implementation Considerations, Assumptions, Risk, Glossary, and a listing of Prioritized Requirements Ranking.
- **Business Requirements Document – Business Process Section –** This section includes the Business Process Flow diagrams for both the current and proposed process(s) and the Business Use Cases.
- **Business Requirements Document – Business Process Improvement Section** – This section is used to describe the business improvements that could be gained from executing this project.
- **Business Requirements Document – Operations Section** – This section highlights the operational requirements specific to the agency(ies) and project.
- **Business Requirements Document – Parking Lot Section –** This section identifies areas that have not been completely detailed or clarified, along with who has been assigned to follow up on the item. The parking lot also identifies requirements, which have been analyzed and determined to be out of scope for the project.
- **Business Requirements Document – Requirements Ranking Section –** This section lists the Business priority and the rank as assigned by the review session participants.
- **Business Design Requirements Package –** This deliverable will include the following components: Detailed Business Design Requirements document, Technical Assumptions and Constraints, Business Use Cases, Security Requirements, ADA/Usability Requirements, Preliminary Requirements Traceability Matrix.
- **Review Session Agenda –** This document indicates the topics from the Business Requirements Document that will be covered in the review session.
- **Facilitated Session Acceptance Document –** This document provides approvals from both the MDIT/agency business owner and the MDIT/agency PMO manager on final acceptance of the required deliverables within this section.
- **Draft Statement of Work for Request for Proposals Template –** This document is used to solicit proposals from vendors to provide the requested services to complete the authorized project.

Acceptance Criteria
The acceptance criteria for Document Deliverables are listed in Section 1.501 - Criteria.

C. Knowledge Transfer –

1. The Contractor's team will transition project knowledge and information to MDIT/agency designated staff and/or contractors to continue efforts related to the project.
2. Contractor shall provide, as an option, services to continue to work with the MDIT and/or agency project team to remain on the project.
   c. This is a continuation of the analyst role, only, from the previous task and will not be required for all projects.

d. The State may request technical analysts to provide subject-matter expertise as needed for specific projects. The Contractor's team will provide these analysts as needed when requested/approved by the State.

Deliverable(s)
Knowledge Transfer Plan

Acceptance Criteria

D. Training - Contractor shall provide, as an option, training services.

2. Contractor may be requested to provide training to State staff on business requirements gathering processes, to include documenting requirements and managing requirements to ensure the project meets all identified requirements.

Deliverable(s)
Training Plan describing the training and including:

c. Training content
d. Time commitments

Acceptance Criteria
The acceptance criteria for Document Deliverables are listed in Section 1.501 - Criteria.

Training Deliverables acceptance criteria - State staff are properly trained and supplied with the proper tools and documentation to facilitate sessions and gather business requirements for new IT projects.

III. Requirements

G. All work performed by the Contractor will be based on prior written authorization by the MDIT Program Manager.
H. All work and deliverables must adhere to MDIT project management standards and guidelines and the State's SUITE methodology.
I. All deliverables must use MDIT templates if available.
J. All deliverables must be accepted by MDIT/agency designated personnel.
K. MDIT's Risk Assessment process will be used by MDIT staff to assign a risk level to all projects and define the category of the RFP Risk Management Plan
L. Contractor's project work will be defined by the risk level assigned:

1. Category 1 – Low Risk
2. Category 2 – Medium Risk
3. Category 3 – High Risk

F. Work effort for the facilitated sessions to be based on a pay per session basis. Refer to Section 1.104 Work & Deliverables and Appendices A & B & D for more details on the deliverables.

The table below gives an estimated number of projects and the median price of the projects based on the State of Michigan's fiscal year 2008 "Call for Projects" initiative. This will provide information for the contractor to have an understanding of the estimated number of projects and the estimated dollars associated for each category. Additional projects will be requested based on future "Call for Projects" initiatives during the time period of this contract.

Category	Estimated # of MDIT Projects	Estimated Median Price
Category 1	60	$300,000
Category 2	15	$1,700,000
Category 3	5	$10,000,000

Project Assumptions

3. Number of attendees participating in the sessions and total number of days of sessions will be limited to the following (requirements sessions will be able to be broken up into ½ day sessions, if requested):

Category Type	Participants in Session	Days of Requirements Sessions Available	Hours of Review Sessions Available
Category 1	1-10	1 day	3 hours
Category 2	1-15	2 days	5 hours
Category 3	1-20	3 days	6 hours

4. Contractor and the State will mutually agree upon project type placement into State designated categories to assure proper sizing of delivery effort.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

II. Contractor Staff

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

The Contractor will provide resumes for staff, including subcontractors, who will be assigned to the Contract, indicating the duties/responsibilities and qualifications of such personnel, and stating the amount of time each will be assigned to the project. The Contractor will commit that staff identified in its proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the State.

The Contractor will provide, and update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.

All Personnel may be subject to the State's approval process.

Contractor must identify the classifications to be assigned for the requested projects and provide a representative resume for each classification.

Contractor will work with the State to allow the State to provide at least a two-week notice on upcoming project needs for submittal, approval, and assignment of personnel.

Contractor has provided representative resumes for some key skills that will be required for the delivery of this project, including facilitators, business analysts, DBAs, and Application Designers (See Exhibit A ?).

Project Resources

The following resource roles are called for to complete tasks for each of the project categories:

Project Manager:

The PM manages project resources, schedules, issues and risks on a daily basis. The PM also reports project status as outlined in the communication plan including communication to the Business Owner and Project Sponsor(s). The PM works with the project team to provide deliverables on a timely basis. Additional responsibilities include:

- ◊ Management of the project scope throughout the project
- ◊ Development and management of the project team and allocating team members to the defined project tasks

- Provide knowledge transfer to participants on the project team
- Develops the project plan and schedule and manages adherence to them
- Day-to-day responsibility for running the internal operations of the project
- Works with the Business Owner to identify and resolve issues, and communicate progress to the management of the Enterprise
- Participate in project activities
- Coordinate activities of sub-teams
- Verify the project plan is adhered to
- Reports project progress status to the Business Owner & Project Sponsor per communication plan
- Coordinates the activities of team members, including managerial, operational, technological and facilities focuses

Business Analyst:
Serves as the communication bridge between non-technical business users and technical solution developers. The Senior Business Analyst has a depth of knowledge in business analysis processes including knowledge of methodology, tools, and techniques. The Business Analyst is responsible for analyzing the raw data gathered by the project team, applying the appropriate tools and techniques to create meaningful results. This individual is an active participant in aspects of department assessment, visioning, and reengineering. Additional responsibilities include:

- Collects data for use in analysis with appropriate tools and techniques
- Analyzes data using appropriate tools and techniques
- May facilitate non-executive level sessions
- Participates in developing the format for deliverables
- Drafts, reviews, edits and proofreads project deliverables
- Reports project progress status to the PM
- Provides training and coaching to other team members on the use of methodology, tools and techniques
- Guides the work of other team members, as required

Architect:
Gives direction on how the hardware and software is structured. How its components fit together, what protocols and interfaces are used for communication and cooperation among components, include human interaction. Although additional responsibilities may vary based on the specific project and technology involved in a given project, they may include:

- Lead conceptual and physical design efforts
- System Architecture
- Integration Architecture
- Manage rollout plans (installation, conversion, user testing support)
- Review technical components of the project
- Complete tasks identified in project plans
- Provide support as necessary for projects after delivery
- Assist with Requirements Management and Proposals

Application Designer:
Participate in or oversees a variety of analytical assignments that provide for the development, enhancement, and maintenance of application programs, application systems, and operating systems software within mainframe, network, and client server environments.

Data Architect:

The Project Data Architect leads the database design effort project. Their responsibilities include:

- ◊ Lead conceptual and physical database design efforts
- ◊ Review database design and architecture components of the project
- ◊ Manage database generation and database change as applicable
- ◊ Conduct code reviews of database load procedures guided by standards.
- ◊ Complete tasks identified in project plans
- ◊ Assist with Requirements Management and Proposals

D. The Contractor will identify a Single Point of Contact (SPOC)

The duties of the SPOC shall include, but not be limited to:

- Supporting the management of the Contract,
- Facilitating dispute resolution, and
- Advising the State of performance under the terms and conditions of the Contract.

The State reserves the right to require a change in the current SPOC if the assigned SPOC is not, in the opinion of the State, adequately serving the needs of the State.

For the role of Single Point of Contact for items including management, issue resolution, and contractual oversight, contractor identifies Darrell Swartz as the designated SPOC for this project.

Darrell Swartz
E-mail: dswartz@analysts.com
Phone: 517-336-1042

E. The Contractor will provide a project manager, to work closely with the designated personnel from the State to insure a smooth transition to the new system. The project manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project's budget

For the role of Lead Project Manager, contractor identifies Jeanette Clark.

Jeanette Clark
E-mail: jclark@analysts.com
Phone: 517-336-1026

F. On Site Work Requirements

2. Location of Work - The majority of the work assignments are in the Lansing, Michigan, area, although other work sites may be in the Detroit, Michigan, area, or other areas of the state of Michigan. For documentation creation, Contractor's personnel will utilize the Lansing or Auburn Hills offices to house their delivery staff to alleviate on-site coordination issues for short-term assignments. If requested, the Contractor's SPOC and Lead PM will work with the State to assist with specific requests for all work to be performed on-site.

2. Hours of Operation:

d. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.

e. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

f. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

3. Travel:

c. No travel or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.

d. Travel time will not be reimbursed.

5. Additional Security and Background Check Requirements:
Contractor must present certifications evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project.

Contractor is responsible for any costs associated with ensuring their staff meets all

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The State will provide the following resources for the Contractor's use on this project:

- Work space
- Access to telephone
- PC workstation
- Printer
- Access to copiers and fax machine

MDIT will provide appropriate facilities to conduct the facilitated sessions to include:

- Meeting-type facility
- Adequate space for 20 attendees
- Adequate space for a "U" seating arrangement
- White-board space in the front of the meeting room
- Wall space for session use of poster-size worksheets

Each project will have its own State project team to be identified in the request for services. It may include Executive Subject Matter Experts (SME's), project support, and a MDIT and Agency project manager.

Executive Subject Matter Experts

The Executive Subject Matter Experts representing the business units involved will provide the vision for the project. They will be available on an as needed basis. The Executive SME's will be empowered to:

- Resolve project issues in a timely manner

- Provide acceptance sign-off
- Ensure timely availability of State resources
- Make key decisions, as identified by the Contractor's team, within 48-hours of their expected decision date.

State Project Manager- (MDIT and Agency)
MDIT will provide a Project Manager for each IT project. MDIT will be responsible for the State's infrastructure and work together with the Contractor in identifying technical requirements.

The State's Project Manager will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors, if needed.
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverable/milestone
- Review and sign-off of timesheets and invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings.

The MDIT project manager, and any agency project manager, will be identified at the time when the Agency requests services under this contract.

MDIT shall provide a Program Manager for this Contract as a contact for all issues pertaining to the execution of services and deliverables under the contract. As of the effective date for contract commencement the MDIT Program Manager shall be:

Joel Storchan
Michigan Dept. of Information Technology
Bureau of Strategic Policy, Office of Contract Administration
Constitution Hall
Lansing, MI 48913
517-241-1369
storchanj@michigan.gov

MDIT shall provide a Contract Administrator whose duties shall include, but not be limited to, supporting the management of the Contract. As of the effective date for contract commencement, the MDIT Contract Administrator will be:

Patty Bogard
MDIT/Bureau of Strategic Policy, Office of Contract Administration
Constitution Hall
517-335-4051
bogardp@michigan.gov

1.203 OTHER ROLES AND RESPONSIBILITIES
None, unless identified in a specific request for services under this Contract.

1.3 PROJECT PLAN –

1.301 PROJECT PLAN MANAGEMENT

II. Preliminary Project Plan - Contractor will provide a sample Project Plan with the proposal, including necessary time frames and deliverables for the various stages of a project and the responsibilities and obligations of both the Contractor and the State. See Article 1, Attachment E for project schedules.

B. In particular, the sample Project Plan, to be followed for any specific request for services, will include a MS Project plan or equivalent, approved by MDIT, which shall include:

7. A description of the deliverables to be provided.

8. Target dates and critical paths for the deliverables.

9. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.

10. The labor, equipment, materials and supplies required to be provided by the State in meeting the target dates established in the sample Project Plan.

11. Internal milestones

12. Task durations

B. The sample Project Plan shall include the following deliverable/milestones for which payment shall be made.

2. Payment to the Contractor will be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the task. A milestone is defined as complete when all of the deliverables within the milestone have been completed.

D. Orientation Meeting

6. Upon ten (10) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract.

7. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor.

8. Contractor will provide at no charge to the State, a series of one hour “Road Shows” to be provided in Lansing as an overview of the process and benefits that the Facilitated Sessions approach can provide in writing more thorough RFPs and in turn, gaining more consistent responses from the vendor community.

9. Contractor will provide up to eight Road Show presentations, with up to ten attendees at each, as part of this offering.

10. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

E. Performance Review Meetings

4. The State will require the Contractor to attend monthly meetings, at a minimum, to review the Contractor’s performance under the Contract.

5. The meetings will be held Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor.

6. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

F. Project Control

3. The Contractor will carry out this project under the direction and control of MDIT and any agency identified in a specific request for services.

4. Within ten (10) working days of a request for services under the Contract, the Contractor will submit to the State project manager(s) for final approval a project plan for the project.

b. This project plan must include the following:

i. The Contractor’s project organizational structure.

ii. The Contractor’s staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.

iii. The project breakdown (work plan) showing sub-projects, activities and tasks, and resources required and allocated to each.

iv. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the work plan.

c. Upon approval of the Project Plan by the State, it will be marked as an Appendix and will be accepted by both parties as a part of the Contract and will be incorporated by reference. The State shall use the Project Plan as its tool for measurement of the performance of the Contractor.

4. The Contractor will manage the project in accordance with the PMBOK® (Project Management Body of Knowledge from the Project Management Institute), the state's Project Management Methodology (PMM) [Methodology is available at www.michigan.gov/projectmanagement], and the state's Software Engineering Methodology. (Methodology is available at www.michigan.gov/suite.)

a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:

i. Staffing tables with names of personnel assigned to Contract tasks.

ii. Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next ten (10) calendar days, updated semi-monthly).

iii. Updates must include actual time spent on each task and a revised estimate to complete.

iv. Graphs showing critical events, dependencies and decision points during the course of the Contract.

b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.302 REPORTS

The Contractor shall provide periodic high-level administrative reports to the State's Program Manager containing sufficient information to allow for the State's evaluation of the effectiveness of the program. Contractor shall provide a sample of a proposed periodic reporting format with its proposal.

Reporting formats must be submitted to the State's Project Manager for approval within ten (10) business days after the effective date of a specific request for services under the contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the request for services. Contractor project managers will communicate specific project information in a weekly status report. The Weekly Status Report details for this contract will include key information such as:

- Weekly Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Issues
  - Risks
  - Change controls
  - Updated project plan to reflect progress to plan
- Review and discussion of schedule variances

On a weekly basis, Contractor will provide copies of project status reports and escalated issue reports, which will be distributed to the following:

- MDIT/Agency program manager
- Agency business owners
- Project documentation file

Contractor project managers will track hours expended for each task in the project schedule. A detailed report will be agreed on with the State to support the monthly invoices. This report will describe the work performed during the invoice period; the time spent on each task in the project schedule as well as the associated Statement of Work details.

1.4 Project Management

1.401 ISSUE MANAGEMENT

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Project Manager on an individual project and the State's Program Manager for all projects on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

Issue Management Process

- Identify project issues
- Document project issues using defined toolset/forms
- Record project issues clearly
- Assess each issue and determine the impact/severity of each issue on the project
- Assign a priority to each issue based on the associated project impact
- Review each issue and determine action plan
- Assign resources to action plan
- Execute and monitor action plan
- Escalate issues as defined
- Regularly report the status of each issue

A sample tracking of the process elements is found below. The Vendor's standard tool will represent issue in a grid versus table format in order to allow for issues to be sorted, grouped, filtered by owner, etc.

Issue	Identified Issue		
Impact	Defined the possible impact to project.		
Severity Level	Low, Med., High	**Priority**	Low, Med., High
Action Plan	Define steps for resolution including target completion date		
Resource	Name responsible party		
Status	Maintain a current status, frequency as agreed upon.		

Issues shall be escalated for resolution from level 1 through level 4, as defined below:

Level 1 – Business leads
Level 2 – Project Managers
Level 3 – Executive SME's
Level 4 – MDIT Program Manager for this contract

1.402 RISK MANAGEMENT

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project.

The Contractor will establish a risk management plan and process, including the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, monitoring of risk items, and periodic risk assessment reviews with the State.

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the contract. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

The Contractor shall provide the tool to track risks. The Contractor will work with the State and allow input into the prioritization of risks.

The Contractor is responsible for identification of risks for each phase of the project. Mitigating and/or eliminating assigned risks will be the responsibility of the Contractor. The State will assume the same responsibility for risks assigned to them.

Early identification allows for:

- Contractor and/or the State to decline projects where risks are excessive or disproportionate to potential project gain
- Establishing a risk management strategy including processes for identifying/monitoring the occurrence of risk and contingency plans to control/minimize the impact if the risk is realized
- The State to be aware of the potential for risk and understand their role in the risk management process
- Verify that the estimation process for resource allocation, task and effort distribution and hourly rate, are sufficient for delivery of the project timeline. This supports the risk management process and identification of a mitigation/contingency plan

The assessment will include the State's Risk Management Methodology as defined by the PMM and is intended to identify the project risks and the associated potential impact to the project. A Project Manager will be responsible for the continuous evaluation, control and mitigation of the identified risk. Moreover, the assessment will establish mitigation/contingency plans to minimize the impact of the risk if realized. The mitigation/contingency plan will define responsibilities of the project team and of outside resources including the Contractor's management and State personnel. It is important that the stakeholders understand the project risks, mitigation and contingency plans and are prepared to carry out their assigned responsibilities.

<u>Risk Assessment Methodology</u>

Contractor will follow a standard risk assessment methodology in the evaluation of its on-going projects. The depth at which a project is audited is a direct result of the quantity and quality of the associated project risks.

<u>Risk Identification: Actual vs. Potential</u>

This activity begins in the proposal/planning phase of the project with a preliminary risk assessment. The assessment is an on-going process throughout the management of a project. During this phase a document is created containing in part a table of risks, which is to be evaluated as more information is obtained. As requested by the State the evaluation will take place on a bi-weekly basis or as otherwise agreed to or as required by project. This methodology is intended to facilitate the control of risk throughout the project life cycle.

Analyze Risks: Probability, Impact, and Cost

The risks identified are evaluated against three variables; probability, impact and cost. The following items will be reviewed:

- Assign probability of the risk occurring
- Identify the associated impact to the project (cost, schedule and/or deliverables)
- Identify how the impact can be minimized
- Define a contingency plan for the anticipated impact

Risk Documentation

Contractor will work with the State to identify risk mitigation strategies and will review their effectiveness. Documentation of the risks include:

- Description of the risk
- Description of the consequences if the risk is realized
- Qualitative probability that the risk will be realized
- Strategy for avoiding, mitigating or accepting the risk
- A sample of the risk tracking process elements is found below

Risk	Identified Risk		
Effect of Risk	Possible Impact to project.		
Probability	Low, Med., High	**Impact**	Low, Med., High
Mitigation	Review availability of minimizing chance of occurrence or ramifications of risk.		

During Project Execution, additional risks may be identified. Any team member can identify a risk. This identification will be discussed at the Project Status Meeting and addressed appropriately.

This deliverable will be a formal project risk assessment. The risk assessment will be a living document, which will be adapted throughout the course of the project.

Ongoing Risk Monitoring

Each open risk will be reviewed at the Project Status Meeting. Changes in the status will be documented. For high impact risks, an action plan, including responsible resources, will be created for the risk if the risk is realized, or an agreement to accept a risk that cannot be mitigated.

Develop Risk Contingency Strategy

Develop a contingency plan for each risk, which has been identified. The contingency strategy should take into account the following items:

- Monitor warning flags
- Define what events could indicate the potential/occurrence of risk
- Differentiate between symptoms and problems
- Identify alternatives
- Prioritize alternatives based on impact level
- Create process flow and assign responsibility for each priority alternative
- Validate strategy against critical success factors of project (schedule, cost, and quality)
- Plan for effective communication to notify responsible participants
- Update the project plan accordingly
- Activate Contingency Strategy
    - Stakeholders or resources other than the project team may be required to participate in the contingency strategy. Make sure that everyone involved in the risk strategy knows and understands their role.

- Inform participants
- Early notification of skills required
- Close monitoring of progress and quality

Assess Effectiveness

- Update the project plan with any changes necessary
- Modify Contingency Strategy as required

1.403 CHANGE MANAGEMENT

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract.

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

The Contractor must employ change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State while the migration is underway.

The Contractor will employ the change control methodologies to justify changes in the processing environment, and to ensure those changes will not adversely affect performance or availability.

Change controls are evaluated based on the following set of criteria:

- ◊ Impact on any project delivery date
- ◊ Impact to project budget
- ◊ Potential changes to the project requirements
- ◊ Effects on the project resource plan
- ◊ Introduction of medium- or high-risk activities into the project

Priority also plays a role in the change management process. The following are priority classifications that are often applied to on-going projects:

- ◊ **Critical** – The change is unavoidable. The impact may only be minimized, unless action is taken.
- ◊ **High** – The change is necessary to support the business requirements.
- ◊ **Medium** – The change can be deferred, but offers significant business and technical advantage.
- ◊ **Low –** The change can easily be deferred and offers little business and technical advantage.

The key steps of the change management process are listed in the table below.

STEP	ACTION	RESPONSIBILITY / AGENT
1	Identify and Document Change Requests	Change-Request Initiator
2	Validate Change Requests – The Project Manager performs a key function such that requests are evaluated as they are entered and signaled by e-mail notification.	Project Manager

STEP	ACTION	RESPONSIBILITY / AGENT
3	Assign Change Request Owner - The Project Manager makes sure that the initial information is correct, makes an assignment for evaluation and may initiate additional communication depending upon the urgency and criticality of the change control.	Project Manager
4	Collect Change Request Details – The owner of the request follows a tailored process to make sure that all affected parties submit any estimates/impacts of the change control.	Change-Request Owner
5	Request Change Control Board (CCB) Review meeting.	Change-Request Owner
6	Convene CCB Review meeting.	Project Manager
7	Based on change impact thresh holds, obtain appropriate approvals.	Business Owner Project Manager
8	Once change approval has been received, a program change request must be completed and approved for any change that increases total project cost.	Business Owner Project Manager
9	Communicate CCB Decision and Closure – In addition to the benefit of controlling scope and accommodating change in a controlled fashion, a key aspect of change controls is the communications value they bring. The release owner is responsible for issuing a listing of approved change controls and unapproved change controls.	Project Manager
10	Close Change Request – The change control is closed in the Excel tracking tool that captures user identification, date and time stamp.	Project Manager

1.5 Acceptance

1.501 CRITERIA

DOCUMENT DELIVERABLES:

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Draft documents are not accepted as final deliverables.
3. The State will have ten (10) business days to review each deliverable, unless a specific request for assistance identifies another time period for review.
    a. The receipt date is not included in the review period.
    b. The State will provide the Contractor with a signed acceptance letter for accepted deliverables.
    c. If a deliverable is determined to be unacceptable, the State will identify the deficiencies in writing to the Contractor.
    d. The Contractor will have five (5) business days to correct identified deficiencies.
    e. This cycle will repeat until the deliverable is accepted by the State.

1.502 FINAL ACCEPTANCE
Final acceptance is expressly conditioned upon completion of all deliverables/milestones, completion of all tasks in the project plan(s) as approved, and the certification by the State that the Contractor has met the defined requirements.

Upon final delivery of the identified deliverables in Section 1.104, the Contractor's Lead Project Manager will provide the designated State Project Manager with an official project closure form. This form will outline the project, deliverables received, and verification from the State that all have been approved. If all deliverables are found to be acceptable, the State will sign the project closure form, which will officially close out the project and initiate final project invoicing. This form will be provided for review in the template package at the onset of the contract.

If any issues are identified throughout the project or at this point, the Contractor's Lead PM will work to rectify the identified issues and submit any missing or updated deliverables to the State for final verification and approval.

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT
Identify any assumptions Contractor has made developing its Cost Proposal.

Contractor must identify all information related, directly or indirectly, to the Contractor's proposed charges for services and deliverables including, but not limited to, costs, fees, prices, rates, bonuses, discounts, rebates, or the identification of free services, labor or materials.

The Cost Proposal is to be provided on a pay per session basis, using **Article 1, Attachment A**.

Upon contract execution, individual session requests will be submitted to the contractor. Requests will have been reviewed by MDIT staff and assigned a "risk category" using the State of Michigan's Risk Assessment Process and the Risk Management Plan. Final pricing for individual sessions may be negotiated.

If Contractor reduces its prices for any of the services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the State's MDIT Contract Administrator with the reduced prices within fifteen (15) Business Days.

Contractor agrees all the prices, terms, and benefits provided in this Contract are comparable to or better than the terms presently being offered by Contractor to any other governmental entity purchasing the same quantity under similar terms. If, during the term of this Contract, Contractor shall enter into contracts with any other governmental entity providing greater benefits or more favorable terms than those provided by this Contract, Contractor shall be obligated to provide the same to the State for subsequent purchases.

Payment / Invoices

Contractor will submit properly itemized invoices to MDIT – Procurement to the "BILL TO" address on the Purchase Order Release**.**

Invoices shall provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discounts.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Facilitated Requirements Gathering (Article 1, Attachment A, Table 1)

- Payment is on a firm fixed price per project category and will not exceed the amount set forth in the approved proposal.
- The State will make payments based on a negotiated payment schedule as outlined in Article 1, Attachment A, Table 1.
- Each billing will consist of an invoice and progress report. The invoices will include the project name, deliverable(s), contract number, purchase order number, Contractor name, address, phone number, contract number, resource(s) name, and time frame.
- Optional services will be provided, as requested, on a Time and Materials approach using Article 1, Attachment A, Table 2

Time and Materials Table for As-Needed Support and Optional Services (Article 1, Attachment A, Table 2)

- Payment is on a time and material basis and will not exceed the rates set forth in the approved proposal.
- Invoices will be submitted monthly for actual hours worked
- The invoices will include the project name, deliverable(s), contract number, purchase order number, Contractor name, address, phone number, contract number, resource(s) name, and time frame
- Each invoice will have an attached timesheet, which has been reviewed and signed off by the MDIT Project Manager.

1.7 Additional Information Specific to this SOW

1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW

B. Directives

MDIT's Office of Enterprise Security follows federal security standards. A new requirement is effective February 1, 2008, reflected in the following language of the United States Office of Management and Budget policy memorandum M-07-11, “Implementation of Commonly Accepted Configurations for Windows Operating Systems”:

- The provider of information technology shall certify applications are fully functional and operate correctly as intended on systems using the Federal Desktop Core Configuration (FDCC). This includes Internet Explorer 7 configured to operate on Windows http://csrc.nist.gov/itsec/guidance_WinXP.htmlWindows XP and Vista (in Protected Mode on Vista). For the Windows XP settings, see: htmlhttp://csrc.nist.gov/itsec/guidance_vista.html, and for the Windows Vista settings, see: http://csrc.nist.gov/itsec/guidance_vista.html.
- The standard installation, operation, maintenance, update, and/or patching of software shall not alter the configuration settings from the approved FDCC configuration. The information technology should also use the Windows Installer Service for installation to the default “program files” directory and should be able to silently install and uninstall.
- Applications designed for normal end users shall run in the standard user context without elevated system administration privileges.

Article 1, Attachment A

Pricing -

TABLE 1:

Deliverables	Category 1 Projects	Category 2 Projects	Category 3 Projects
1. Pre-Session Package (refer to 1.104 – A, #1)	**$1,562.00**	**$3,774.00**	**$6,019.00**
1.01 List the number of proposed resources and the classifications to be used for each category. (Modify as needed)	1. Project Mgr 2. Business Analyst 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator
2. Facilitated Session -Business Requirements Document Package (refer to 1.104 – A, #2)	**$13,313.00**	**$22,607.00**	**$32,013.00**
2.01 List the number of proposed resources and the classifications to be used for each category. (Modify as needed)	1. Project Mgr 2. Business Analyst(2) 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator
Deliverables Based Billing Point			
3. Business Design Requirements Package (refer to 1.104 – A, #3)	**$9,192.00**	**$18,635.00**	**$26,673.00**
3.01 List the number of proposed resources and the classifications to be used for each category. (Modify as needed)	1.Project Manager 2.Business Analyst(2) 3.Data Architect 4.Application Designer 5.Senior Consultant/Architect	1.Project Manager 2.Business Analyst(2) 3.Data Architect 4.Application Designer 5.Senior Consultant/Architect	1.Project Manager 2.Business Analyst(2) 3.Data Architect 4.Application Designer 5.Senior Consultant/Architect
Deliverables Based Billing Point			

Deliverables	Category 1 Projects	Category 2 Projects	Category 3 Projects
Maximum number of days allotted for facilitated sessions for each category.	Approximate duration of 25 business days and 1 day in facilitated session and 3 hours in review session	Approximate duration of 40 business days and 2 days in facilitated sessions and 5 hours review session	Approximate duration of 50 business days and 3 days in facilitated sessions 6 hours in review session
TOTAL: "Not to exceed" price (Add #1, #2 and #3 for each category)	**$24,067.00**	**$45,016.00**	**$64,705.00**

Table 1 continued for Optional services:

Deliverables	Category 1 Projects	Category 2 Projects	Category 3 Projects
4. Option – Draft SOW Use **Table 2** for resource rates (refer to 1.104 – A, #4)	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr
5. Option – Knowledge Transfer continuing services to project team Use **Table 2** for resource rates (refer to 1.104 – B)	Business Analyst - $90/hr Designer - $110/hr, Data Architect $110/hr, Senior Consultant/Architect - $140/hr	Business Analyst - $90/hr Designer - $110/hr, Data Architect $110/hr, Senior Consultant/Architect - $140/hr	Business Analyst - $90/hr Designer - $110/hr, Data Architect $110/hr, Senior Consultant/Architect - $140/hr
6. Option – Training & Documentation Use **Table 2** for resource rates (refer to 1.104 – C)	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr
7. Other costs not listed above			
COMMENTS:	Provide services as requested. Deliverable #3 includes basic knowledge transfer for project transition.	Provide services as requested. Deliverable #3 includes basic knowledge transfer for project transition.	Provide services as requested. Deliverable #3 includes basic knowledge transfer for project transition.

Table 2: Resource Rates for the deliverables and the optional services listed in Table 1.

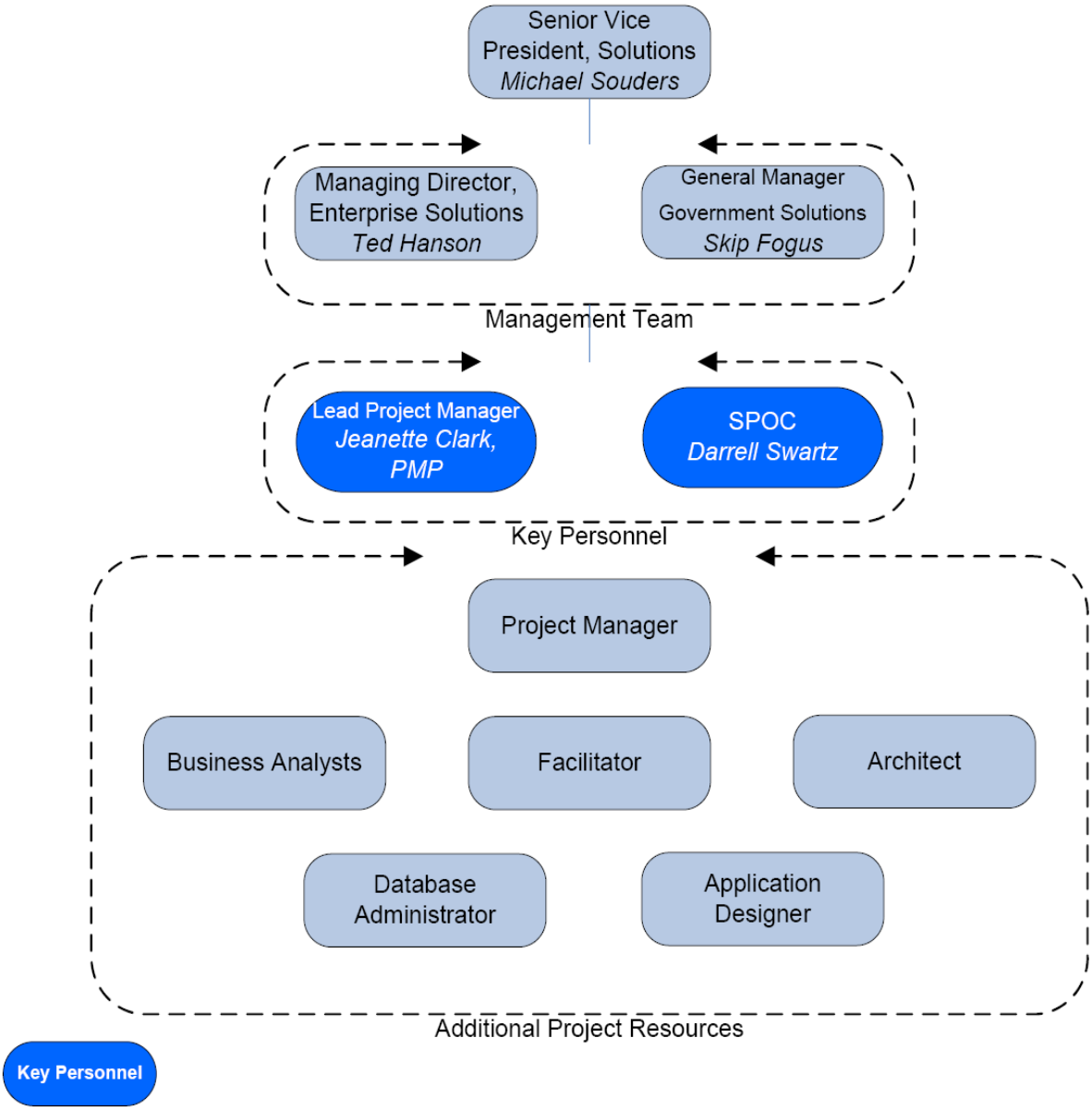
Classification	Resource rate (hourly)	Comments
12. Project Manager	$115.00	Responsible for project oversight and planning
13. Business Analysts	$90.00	Responsible for data collection, shadowing, and deliverable creation
14. Q/A Manager	$105.00	Responsible for on-going support throughout RFP process as requested
15. Security Specialist	$140.00	Will be utilized on higher risk projects for validation of security practices and items to be included within RFP
16. Testers	$75.00	Not currently utilized in creation of Table 1 deliverables but may available to the State as needed
17. Technical Writers	$75.00	Not currently utilized in creation of Table 1 deliverables but may available to the State as needed
18. Project Assistants	$85.00	Not currently utilized in creation of Table 1 deliverables but may available to the State as needed
Others: (List) below):		
19. Facilitator	$115.00	Responsible for session facilitation, documentation review and oversight, and knowledge transfer
20. Architect / Senior Consultant	$140.00	Responsible for consolidation of key metrics for executive management and/or assistance with creation of strategic direction
21. Database Architect	$110.00	Responsible for data model functional design creation within Table 1 deliverables
22. Application Designer	$110.00	Responsible for use case validation and RTM creation within Table 1 deliverables

Note: Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed. The State will utilize the fully loaded hourly rates detailed above for each staff that will be used as fixed rates for responses to separate statements of work for optional services.

The State will submit a Statement of Work to the vendor for the optional services requested and the Contractor will provide a written price proposal. Upon review and approval of the MDIT Project Manager, a Purchase Order release will be issued to the Contractor for the project to begin.

Article 1, Attachment B

Organizational Chart, including Key Personnel -



Article 1, Attachment C

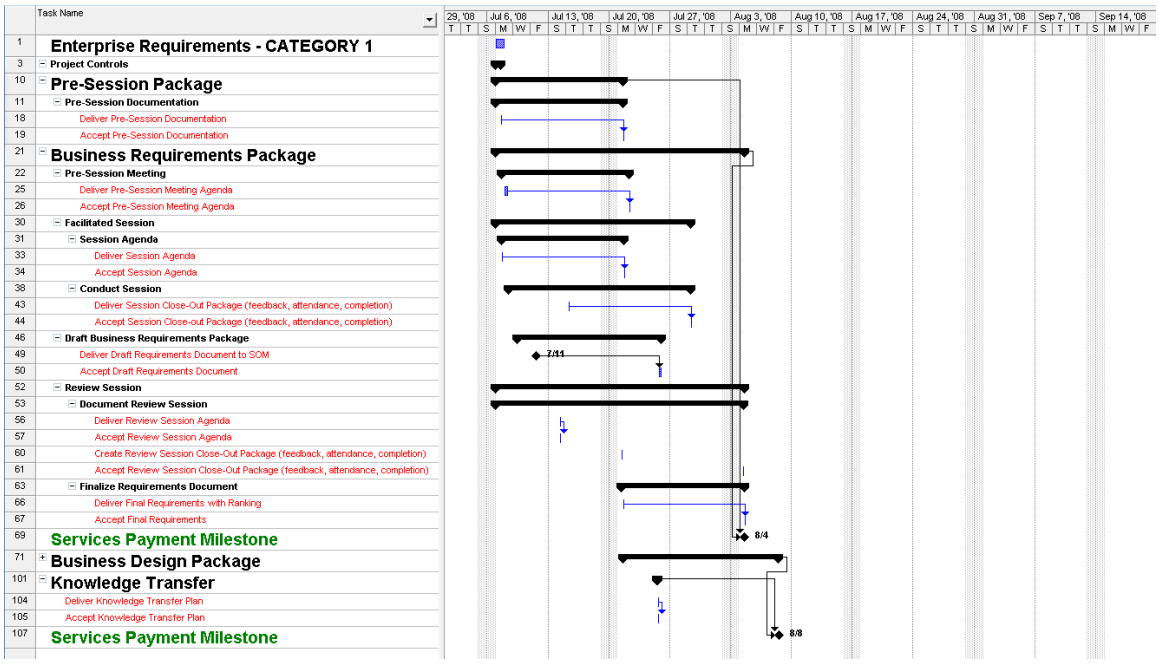
Labor Rates - **RESERVED**

Article 1, Attachment D

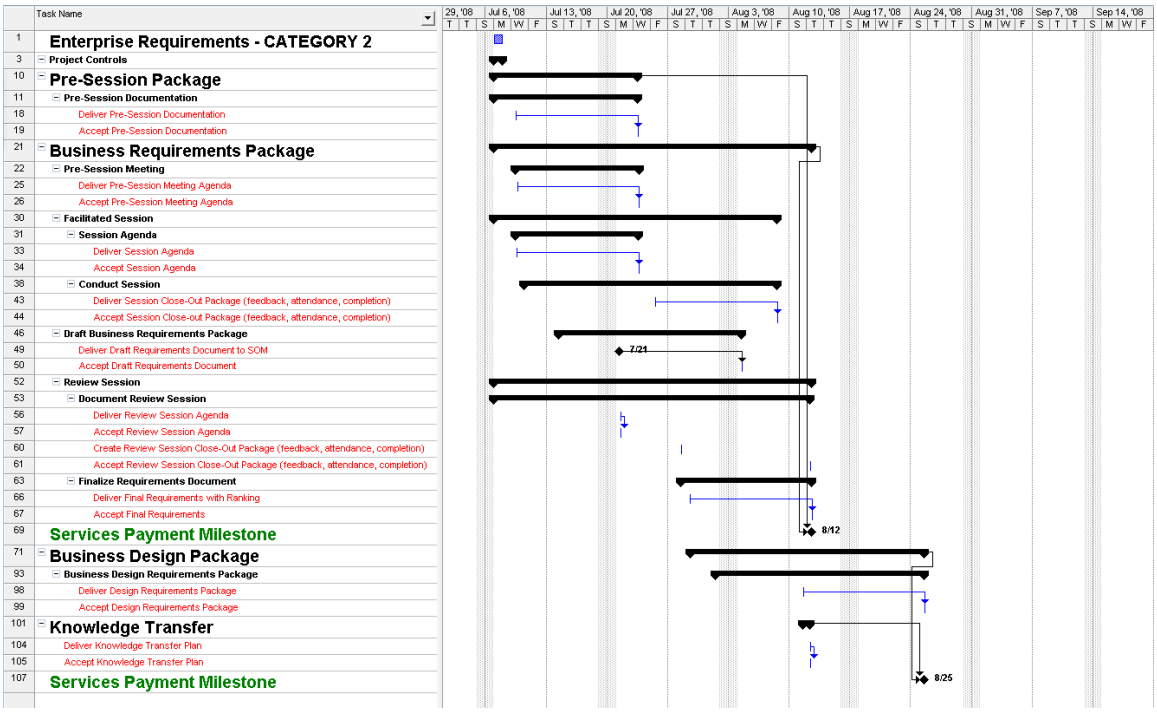
Deliverables - **RESERVED**

Article 1, Attachment E
Project Schedule

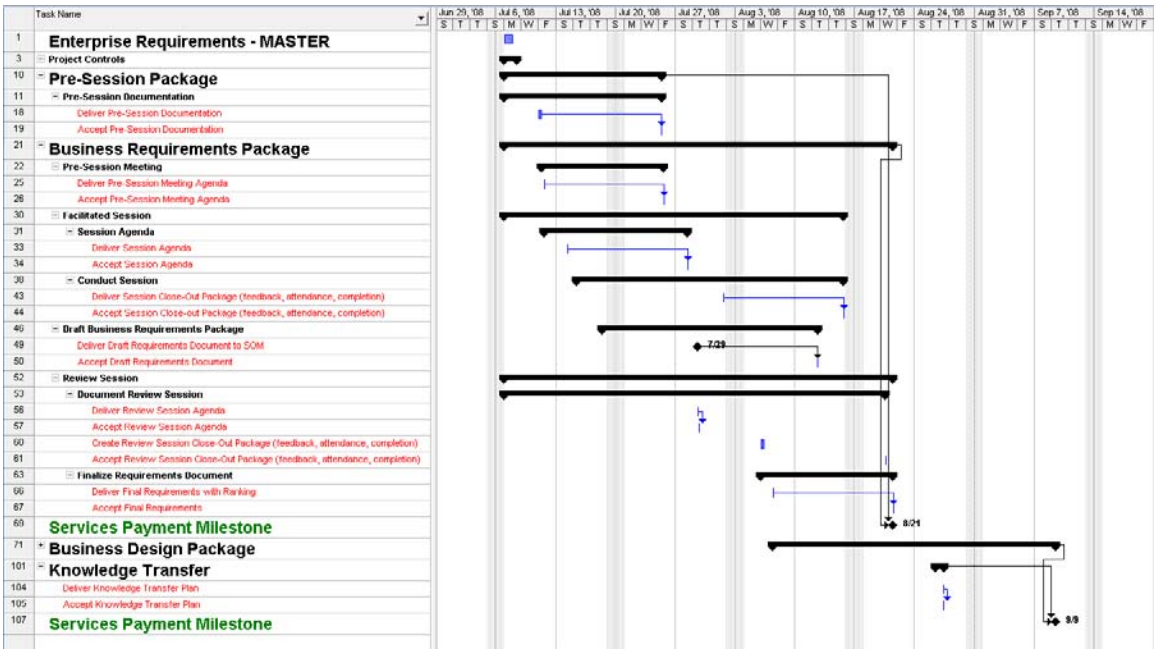
Category 1 Project Schedule



Category 2 Project Schedule



Category 3 Project Schedule



Article 2 – General Terms and Conditions

2.010 Contract Structure and Administration

2.011 Definitions

Capitalized terms used in this Contract (including its Exhibits) shall have the meanings given below, unless the context requires otherwise:

(a) "Days" means calendar days unless otherwise specified.
(b) "24x7x365" means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
(c) "Additional Service" means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. "Additional Service" does not include New Work.
(d) "Amendment Labor Rates" means the schedule of fully-loaded hourly labor rates attached as **Article 1, Attachment A**
(e) "Audit Period" has the meaning given in **Section 2.111**.
(f) "Business Day," whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
(g) "Incident" means any interruption in Services.
(h) "Business Critical" means any function identified in any Statement of Work as Business Critical.
(i) "Deliverable" means physical goods and/or commodities as required or identified by a Statement of Work
(j) "Key Personnel" means any Personnel designated in **Article 1, Section 1.201 and/or Attachment B,** as Key Personnel.
(k) "New Work" means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.
(l) "Services" means any function performed for the benefit of the State.
(m) "State Location" means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
(n) "Subcontractor" means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
(o) "Work in Process" means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

2.012 Attachments and Exhibits

All Attachments and/or Exhibits attached to any, and all Statement(s) of Work, attached to, or referencing this Contract, are incorporated in their entirety into, and form part of, this Contract.

2.013 Statements of Work

(a) The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract, or an amendment to this Contract (see 2.106). Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.
(b) Unless otherwise agreed by the parties, each Statement of Work (as defined in Article 1) will include, or incorporate by reference to the appropriate Contract Article 1 Attachment containing, the following information:
- a description of the Services to be performed by Contractor under the Statement of Work;

- a project schedule (including the commencement and completion dates for all tasks, subtasks (for all projects of sufficient duration and complexity to warrant sub task breakdown), and Deliverables;
- a list of the Deliverables to be provided, if any, including any particular specifications and acceptance criteria for such Deliverables, and the dates on which the Deliverables are scheduled to be completed and delivered to the State;
- all Deliverable price schedules and other charges associated with the Statement of Work, the overall fixed price for such Statement of Work and any other appropriate pricing and payment terms;
- a specification of Contractor's and the State's respective performance responsibilities with respect to the performance or completion of all tasks, subtasks and Deliverables;
- a listing of any Key Personnel of Contractor and/or its Subcontractors for that Statement of Work and any future Statements of Work;
- any other information or provisions the parties agree to include.

(c) Reserved.

(d) The initial Statements of Work, as of the Effective Date, are attached to this Contract.

2.014 Issuing Office

This Contract is issued by the Department of Management and Budget, Purchasing Operations and Department of Information Technology (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **Purchasing Operations is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within the office of Purchasing Operations for this Contract is:

Jacque Kuch
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
kuchj@michigan.gov
517-241-0239

2.015 Contract Compliance Inspector

Upon receipt at Purchasing Operations of the properly executed Contract, it is anticipated that the Director of DMB Purchasing Operations, in consultation with Department of Information Technology, will direct that the person named below, or any other person so designated, be authorized to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by Purchasing Operations**. The Contract Compliance Inspector for this Contract is:

Patty Bogard
Department of Information Technology
Constitution Hall
525 W. Allegan St
Lansing, MI 48913
Bogardp@michigan.gov
517-335-4051

2.016 Project Manager

The following individual will oversee the project:
Joel Storchan
Department of Information Technology
Bureau of Strategic Policy, Contract Office
Constitution Hall
525 W. Allegan St
Lansing, MI 48913

2.020 Contract Objectives/Scope/Background

2.021 Background

Refer to Section 1.002 Background

2.022 Purpose

Refer to Section 1.001 Project Request

2.023 Objectives and Scope

Refer to Section 1.104 Work and Deliverables

2.024 Interpretation

Sections 2.021 through 2.023 are intended to provide background and context for this Contract and are not intended to expand the scope of the obligations under this Contract or to alter the plain meaning of the terms and conditions of this Contract. However, to the extent the terms and conditions of this Contract are unclear or otherwise ambiguous, such terms and conditions are to be interpreted and construed in light of the provisions of this Section.

2.025 Form, Function and Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not the meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.030 Legal Effect and Term

2.031 Legal Effect

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.032 Contract Term

This Contract is for a period of three (3) years commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.033 Renewal(s)

This Contract may be renewed in writing by mutual agreement of the parties not less than thirty (30) days before its expiration. The Contract may be renewed for up to two (2) additional one (1) year

periods. Successful completion of negotiations surrounding the terms of the extension, will be a pre-requisite for the exercise of any option year.

2.040 Contractor Personnel

2.041 Contractor Personnel

(a) Personnel Qualifications. All persons assigned by Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

(b) Key Personnel

(i) In discharging its obligations under this Contract, Contractor shall provide the named Key Personnel on the terms indicated. **Appendix B** provides an organization chart showing the roles of certain Key Personnel, if any.

(ii) Key Personnel shall be dedicated as defined in **Appendix B** to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. Additionally, the State's request shall be based on legitimate, good-faith reasons. Proposed alternative for the individual denied, shall be fully qualified for the position.

(iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides thirty (30) days of shadowing unless parties agree to a different time period. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its rights under **Section 2.210**.

(c) Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the

State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.

(d) Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted in **Section 2.076** for a time as agreed to by the parties.

(e) Staffing Levels.

(i) All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and Contract administration support staff necessary for Contractor to perform its obligations hereunder.

(ii) Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.

(f) Personnel Turnover. The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.

(g) Location. All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.042 Contractor Identification

Contractor employees shall be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.043 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel, and,

as reasonably requested by the State, to provide to the State's agents and other contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with such requests for access.

2.044 Subcontracting by Contractor

(a) Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

(b) Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, office of Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time agreed upon by the parties.

(c) In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. . Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

(d) Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.040, 2.110, 2.150, 2.160, 2.171(c), 2.172(b), 2.180, 2.260, 2.276, 2.297** in all of its agreements with any Subcontractors.

(e) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.045 Contractor Responsibility for Personnel

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

2.050 State Standards

2.051 Existing Technology Standards

Please refer to Section 1.103 Environment

2.052 PM Methodology Standards

Please refer to Section 1.103 Environment

2.053 Adherence to Portal Technology Tools

The State has adopted the following tools for 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

Unless otherwise stated, Contractor must use the Portal Technology Tools to implement web content management and deployment efforts. 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 DIT, Enterprise Application Services Office, e-Michigan Web Development team.

Contractors that are compelled to use alternate tools must have received an exception from DIT, Enterprise Application Services Office, e-Michigan Web Development team, before this Contract is effective.

2.054 Acceptable Use Policy

Please refer to Section 1.103 Environment

2.060 Deliverables

2.061 Ordering

DIT will continue to oversee the use of this Contract by End Users. DIT may, in writing, delegate to agencies the authority to submit requests for certain services directly to the Contractor. DIT may also designate, in writing, some services as non-delegated and require DIT review and approval before agency acquisition. DIT will use Contractor provided management reports and periodic random agency audits to monitor and administer contract usage for delegated services.

2.062 Software - Reserved

2.063 Hardware - Reserved

2.064 Equipment to be New and Prohibited Products - Reserved

2.070 Performance

2.071 Performance, In General

The State engages Contractor to execute the Contract and perform the Services/provide the Deliverables, and Contractor undertakes to execute and complete the Contract in its entirety in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

2.072 Time of Performance

(a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.072(a)**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.

(c) If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations in accordance with specified Contract time periods, Contractor shall notify the State in a timely manner and shall use commercially reasonable efforts to perform its obligations in accordance with such Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.

2.073 Liquidated Damages - Reserved

2.074 Bankruptcy

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

To secure the State's progress payments before the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

2.075 Time is of the Essence

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

2.076 Service Level Agreements (SLAs) - Reserved

2.080 Delivery and Acceptance of Deliverables

2.081 Delivery of Deliverables - Reserved

2.082 Contractor System Testing - Reserved

2.083 Approval of Deliverables, In General - Reserved

2.084 Process for Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.085 Process for Approval of Custom Software Deliverables - Reserved

2.086 Final Acceptance - Reserved

2.090 Financial

2.091 Pricing

(a) Fixed Prices for Services/Deliverables

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates (**Article 1, Attachment A, Cost Table**). The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

(b) Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope, using the rates in **Article 1, Attachment A, Cost Table,** unless specifically identified in an applicable Statement of Work.

(c) Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

(d) Labor Rates

All time and material charges will be at the rates specified in **Article 1, Attachment A, Cost Table**.

2.092 Invoicing and Payment Procedures and Terms

(a) Invoicing and Payment – In General

(i) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment

and commodities to be provided, and the associated payment milestones and payment amounts.

(ii) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates specified in **Article 1, Attachment A, Cost Table**. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 2.094**, if applicable.

(iii) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.

(b) Taxes (See Section 2.305 and Article 3, Section 3.022-3.024 for additional)

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c) Out-of-Pocket Expenses

Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services/ providing the Deliverables (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. See http://www.mi.gov/dmb/0,1607,7-150-9141_13132---,00.html for current rates.

(d) Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

(e) Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

(f) Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.093 State Funding Obligation

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

2.094 Holdback - Reserved

2.095 Electronic Payment Availability

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).

2.100 Contract Management

2.101 Contract Management Responsibility

(a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with **Article 1, Attachment E** (Project Plan) is likely to delay the timely achievement of any Contract tasks.

(b) The Services/Deliverables will be provided by the Contractor either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.102 Problem and Contract Management Procedures

Problem Management and Contract Management procedures will be governed by the Contract and the applicable Statements of Work.

3.103 Reports and Meetings

(a) Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

(i) separately address Contractor's performance in each area of the Services;

(ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;

(iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;

(iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;

(v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;

(vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.

(vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.

(viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.

(ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State's request, Contractor shall prepare and circulate minutes promptly after a meeting.

2.104 System Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State's approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

2.105 Reserved

2.106 Change Requests

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the

requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) Change Requests

(i) State Requests

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a “Change”), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a “Change Request”).

(ii) Contractor Recommendations

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor’s proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(iv) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a “Contract Change Notice”).

(v) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, office of Purchasing Operations.

(vi) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects

to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

2.107 Management Tools

Contractor will use an automated tool for planning, monitoring and tracking the Contract's progress. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract: (i) staffing tables with names of personnel assigned to Contract tasks, (ii) project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.

2.110 Records and Inspections

2.111a Records and Inspections

(a) Inspection of Work Performed. The State's authorized representatives shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and at all reasonable times, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

(b) Examination of Records. Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

(c) Retention of Records. Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

(d) Audit Resolution. If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report, unless a shorter response time is specified in such report.

The Contractor and the State shall develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.

2.112 Errors

(a) If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten percent (10%), then the Contractor shall pay all of the reasonable costs of the audit.

2.120 State Responsibilities

2.121 State Performance Obligations

(a) Equipment and Other Resources. To facilitate Contractor's performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.

(b) Facilities. The State shall designate space as long as it is available and as provided in the Statement of Work, to house Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

(c) Return. Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

(d) Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

2.130 Security

2.131 Background Checks

The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case by case basis. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. Such investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC

Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.140 Reserved

2.150 Confidentiality

2.151 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.152 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

2.153 Protection of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

2.154 Exclusions

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

2.155 No Implied Rights

Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.156 Remedies

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

2.157 Security Breach Notification

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

2.158 Survival

The parties' respective obligations under this Section shall survive the termination or expiration of this Contract for any reason.

2.159 Destruction of Confidential Information

Promptly upon termination or cancellation of the Contract for any reason, Contractor shall certify to the State that Contractor has destroyed all State Confidential Information.

2.160 Proprietary Rights

Reserved

2.163 Rights in Data

(a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

(b) The State is and shall remain the owner of all State-specific data pursuant to the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State shall only use personally identifiable information as strictly necessary to utilize the Services and shall disclose such information only to its employees who have a strict need to know such information, except as provided by law. The State shall comply at all times with all laws and

regulations applicable to such personally identifiable information. Other material developed and provided to the State shall remain the State's sole and exclusive property.

2.164 Ownership of Materials

State and Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State.

2.165 Standard Software

If applicable and necessary, all Standard Software used in performing the Services shall be provided to the State under a separate license agreement between the State and the owner (or authorized licensor) of such software.

2.166 Pre-existing Materials for Custom Software Deliverables - Reserved

2.167 General Skills

Notwithstanding anything to the contrary in this Section, each party, its Subcontractors and their personnel shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing the Services, so long as it or they acquire and apply the foregoing without disclosure of any confidential or proprietary information of the other party.

2.170 Warranties And Representations

2.171 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It 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 licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) 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 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.

(e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) 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.

(h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP 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 change in the business, properties, financial condition, or results of operations of Contractor.

(m) All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, it true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

(n) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such contract.

2.172 Software Warranties - Reserved

2.175 Equipment Warranty - Reserved

2.176 Physical Media Warranty - Reserved

2.175a DISCLAIMER

THE FOREGOING EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.175b Standard Warranties

(a) Warranty of Merchantability - Reserved
(b) Warranty of fitness for a particular purpose - Reserved
(c) Warranty of title

Contractor shall convey good title in those Deliverables, whose transfer is right and lawful. All Deliverables provided by Contractor shall be delivered free from any security interest, lien, or

encumbrance. Deliverables shall be delivered free of any rightful claim of any third person of ownership, interest, lien or encumbrance.

2.176 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.

2.180 Insurance

2.181 Liability Insurance

(a) Liability Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverages provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.
See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Purchasing Operations, 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 coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Purchasing Operations, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked ☑ below:

☑ 1. Commercial General Liability with the following minimum coverage:
$2,000,000 General Aggregate Limit other than Products/Completed Operations
$2,000,000 Products/Completed Operations Aggregate Limit
$1,000,000 Personal & Advertising Injury Limit
$1,000,000 Each Occurrence Limit
$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor‘s business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ 3. Workers’ compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor’s domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees’ activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☑ 4. Employers liability insurance with the following minimum limits:
$100,000 each accident
$100,000 each employee by disease
$500,000 aggregate disease

☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars ($1,000,000.00) with a maximum deductible of fifty thousand dollars ($50,000.00).

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars ($3,000,000.00) each occurrence and three million dollars ($3,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

(b) Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the office of Purchasing Operations certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

2.190 Indemnification

2.191 Indemnification

(a) General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious

acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

(b) Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

(c) Employee Indemnification

Subject to section 2.201 of the Contract, in any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions. Notwithstanding the foregoing, Contractor has no obligation of indemnification hereunder where the basis for the claim are the acts or omissions of the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees or agents.

(d) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

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

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.192 Continuation of Indemnification Obligations

The Contractor's duty to indemnify pursuant to this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

2.193 Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

(a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.200 Limits of Liability and Excusable Failure

2.201 Limits of Liability

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or $200,000 (for low risk contracts – Select a higher amount for moderate to high risk contracts) which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of the Contract.

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

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

2.202 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; 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 commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than ten (10) Business 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/Deliverables from an alternate source, and the State shall not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

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/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and 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.

2.203 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or manmade disaster.

2.210 Termination/Cancellation by the State

The State may terminate 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:

2.211 Termination for Cause

(a) In the event that Contractor breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA as defined in **Section 2.076**), which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) days), 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 termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.

(b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

(c) In the event the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State shall pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

(d) In the event this Contract is terminated for cause pursuant to this Section, and it is determined, for any reason, that Contractor was not in breach of contract pursuant to the provisions of this section, that termination for cause shall be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in this Contract for a termination for convenience.

2.212 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

2.213 Non-Appropriation

(a) 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 Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise

made available, the State shall have the right to terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State shall give Contractor at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise made available, the State may, upon thirty (30) days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.

(c) In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.214 Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including 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 Contractor's business integrity.

2.215 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, § 5, and Civil Service Rule 7-1. 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.

2.216 Rights and Obligations Upon Termination

(a) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in Deliverables that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.217 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

2.218 Contractor Transition Responsibilities

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed ninety (90) days. These efforts shall include, but are not limited to, the following:

(a) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

(b) Information - The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

(d) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

(e) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified by **Article**

1, Attachment A, Cost Table. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.219 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

(a) Reconciling all accounts between the State and the Contractor;
(b) Completing any pending post-project reviews.

2.221 Termination by Contractor

2.221 Termination by Contractor

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with **Section 2.090**, or if the State breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 2.250** before any such termination.

2.230 Stop Work

2.231 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this **Section 2.230**. Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.210**.

2.232 Cancellation or Expiration of Stop Work Order

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.106.**

2.233 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under **Section 2.212**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.230**.

2.240 Reserved

2.250 Dispute Resolution

2.251 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work shall be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor shall submit a letter executed by Contractor's Contract Administrator or his designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the supporting data provided with such an affidavit are current and complete to Contractor's best knowledge and belief.

2.252 Informal Dispute Resolution

(a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:

(i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.

(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within sixty (60) calendar days, the Director of Purchasing Operations, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.

(b) This **Section 2.250** will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to **Section 2.253**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to the Contract.

2.253 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.252** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.254 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.210** and **2.220**, as the case may be.

2.260 Federal and State Contract Requirements

2.261 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq*., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq*., and any breach of this provision may be regarded as a material breach of the Contract.

2.262 Unfair Labor Practices

Pursuant to 1980 PA 278, MCL 423.231, *et seq*., the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.263 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html.

2.270 Litigation

2.271 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions thereto, to which Contractor (or, to the extent Contractor is aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor hereunder; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to the Contract Administrator within thirty (30) days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information

provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

(i) the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or

(ii) whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:

(A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and

(B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

(c) Contractor shall make the following notifications in writing:

(1) Within thirty (30) days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify Purchasing Operations.

(2) Contractor shall also notify the Purchasing Operations within thirty (30) days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor shall also notify Purchasing Operations within thirty (30) days whenever changes to company affiliations occur.

2.272 Governing Law

The Contract shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.273 Compliance with Laws

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services/Deliverables.

2.274 Jurisdiction

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.280 Environmental Provision

2.281 Environmental Provision - Reserved

2.290 General

2.291 Amendments

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties.

2.292 Assignment

(a) Neither party shall have the right to assign the Contract, or to assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

2.293 Entire Contract; Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to such subject matter and as additional terms and conditions on the purchase order shall apply as limited by **Section 2.061**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of **Sections 2.110 through 2.220** of the Contract, which may be modified or amended only by a formal Contract amendment.

2.294 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 the Contract.

2.295 Relationship of the Parties (Independent Contractor Relationship)

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of 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. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.296 Notices

(a) Any notice given to a party under the Contract 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.

State of Michigan
DMB-Purchasing Operations
Attention: Jacque Kuch
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

with a copy to:
State of Michigan
Department of Information Technology
Attention: Joel Storchan
Constitution Hall
525 W Allegan Ave.
Lansing, MI 48913

Contractor(s):
Analysts International
3252 University Drive, Suite 200
Auburn Hills, MI 48326

Either party may change its address where notices are to be sent by giving notice in accordance with this Section.

(b) Binding Commitments

Representatives of Contractor identified in **Article 1, Attachment B** shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

2.297 Media Releases and Contract Distribution

(a) Media Releases

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.

(b) Contract Distribution

Purchasing Operations shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.298 Reformation and 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.

2.299 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

2.300 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.

2.301 Survival

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.302 Covenant of Good Faith

Each party agrees that, in its dealings with the other party or in connection with the Contract, it shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.303 Permits

Contractor shall obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.304 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.

2.305 Taxes

Vendors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes defined in Section 3.022 for all persons involved in the resulting Contract.

The State may refuse to award a contract to any Vendor who has failed to pay any applicable State taxes. The State may refuse to accept Vendor's bid, if Vendor has any outstanding debt with the State. Prior to any award, the State will verify whether Vendor has any outstanding debt with the State.

2.306 Prevailing Wage

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe

benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.307 Call Center Disclosure - Reserved

2.308 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a leading edge on the competitive RFP.

2.310 Reserved

2.320 Extended Purchasing

2.321 MiDEAL

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: http://www.michigan.gov/doingbusiness/0,1607,7-146-6586-16656--,00.html. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment at the established State of Michigan contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

2.323 State Employee Purchases - Reserved

2.330 Federal Grant Requirements

2.332 Federal Grant Requirements

The following links contain certifications and terms which may be required for some purchases paid via Federal funds. They are included here to be utilized as required.

Lobbying Certifications are usually for agreements over $100,000. The debarment certification is required for all agreements. The last link is where you can go and search for debarred or suspended contractors.

http://straylight.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00001352----000-.html

http://www.archives.gov/federal_register/codification/executive_order/12549.html
http://www.archives.gov/federal_register/executive_orders/pdf/12869.pdf
http://www.epls.gov/epls/servlet/EPLSSearchMain/1

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE NO.5
To
CONTRACT NO. 071B8200236

Between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite A	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Mike Breen	(517) 241-7720	BreenM@michigan.gov
BUYER:	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	August 5, 2008	August 31, 2011	None
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ YES ☒ NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:		
OPTION EXERCISED: ☒ NO ☐ YES	EXPIRATION DATE REMAINS:	August 31, 2013
Effective immediately, this contract is hereby INCREASED by $906,000.00 per the attached Contractor letter. Please also note that the Buyer has been changed to Steve Motz and Contract Compliance Inspector has been changed to Mike Breen. **All other terms, conditions, specifications, and pricing remain the same.**		

Per vendor, agency and DTMB Procurement agreement and the approval of the State Administrative Board on October 16, 2012.	
VALUE/COST OF CHANGE NOTICE:	$906,000.00
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	$5,326,000.00

Lansing Office
3800 Heritage Drive
Suite A4
Okemos, MI 48864
517-347-7611
Fax: 517-347-7603

August 20, 2012

Diana Quintero & Cindy Turben
DTMB – ePMO
Lewis Cass Building
320 South Walnut – 1st Floor
Lansing, MI 48913

RE: Acceptance of Contract # 071B8200236 Amendment for BSP Facilitated Sessions for MDTMB

Analysts International appreciates the opportunity to help MDTMB with their current need for requirements gathering and RFP development assistance. As part of that, AIC is pleased to accept the additional funding for project requests anticipated for FY2013 and has the resources available to assist with the identified upcoming needs. This additional funding is accepted under the current terms and conditions of Contract #071B8200236.

If you have any questions or require any additional information, please give me a call at the number below.

Thank you,

_____ 08-20-2012
Darrell Swartz Date
Senior Account Executive
Analysts International
(517) 347-7611; dswartz@analysts.com

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE NO.4

To

CONTRACT NO. 071B8200236

Between

THE STATE OF MICHIGAN

And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Analysts International	Darrell Swartz	dswartz@analysts.com
3101 Technology Blvd, Suite A	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48910	(517) 336-1042	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Patty Bogard		
BUYER:	DTMB	Tammi Hart	(517) 335-4770	HartT3@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
	August 5, 2008	August 31, 2011	
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☐ YES ☒ NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:		
OPTION EXERCISED: ☐ NO ☒ YES	IF YES, NEW EXPIRATION DATE:	August 31, 2013
Effective immediately, this contract is hereby EXTENDED to August 31, 2013 and increased by $1,000,000.00. Please also note that the buyer has been changed to Tammi Hart. Per vendor, agency and DTMB Procurement agreement and the approval of the State Administrative Board on April 3, 2012.		
VALUE/COST OF CHANGE NOTICE:	$1,000,000.00	
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	$4,420,000.00	

CONTRACT #071B8200236

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET **July 20, 2011**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3101 Technology Blvd Suite A** **Lansing, MI 48910** **Email:** dswartz@analysts.com	TELEPHONE Darrell Swartz **517-336-1042** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 **Joe Kelly**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2012**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby EXTENDED to August 31, 2012 and INCERASED by $1,000,000.00. Please also note that the buyer has been CHANGED to Joe Kelly. All other terms, conditions, pricing and specifications remain the same.

Rates for fixed rate project are attached. All other pricing to remain the same.

AUTHORITY/REASON(S):

Per vendor and agency agreement, and the approval of the State Administrative Board on July 19, 2011.

INCREASE: $1,000,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $3,420,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

June 16, 2010

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3101 Technology Blvd Suite A** **Lansing, MI 48910** **Email:** dswartz@analysts.com	TELEPHONE Darrell Swartz **517-336-1042** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008**	To: **August 31, 2011**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Effective immediately, the following vendor is added to this contract as a subcontractor:

AMI Strategies
34705 West 12 Mile Road, Suite 101
Farmington Hills, MI 48331
Office: 248-957-4230
Mobile: 248-996-0007
Email: jsydlowski@amistrategies.com

AUTHORITY/REASON(S):

Per vendor request and Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $2,420,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

November 20, 2009

CHANGE NOTICE NO. 1 (REVISED)
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3101 Technology Blvd Suite A** **Lansing, MI 48910** **Email:** dswartz@analysts.com	TELEPHONE Darrell Swartz **517-336-1042** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008**	To: **August 31, 2011**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Per Executive Directive 2009-3, the vendor has offered the following price concessions to the State of Michigan:

Effective 10/26/2009 through 8/31/2011, the hourly rates for this contract are reduced as follows, for a total savings of $80,000.00:

Proposed Business Requirements Contract Rate Reductions – Time and Materials Table

Role	Current Rate	Proposed Rate	$Diff.	%Diff.
Project Manager	$115.00	$104.00	$11.00	9.57%
Business Analyst	$90.00	$81.00	$9.00	10.00%
Facilitator	$115.00	$104.00	$11.00	9.57%
QA Manager	$105.00	$90.00	$15.00	14.29%
Security Specialist	$140.00	$115.00	$25.00	17.86%
Tester	$75.00	$70.00	$5.00	6.67%

Technical Writer	**$75.00**	**$70.00**	**$5.00**	**6.67%**
Project Assistant	**$85.00**	**$75.00**	**$10.00**	**11.76%**
Sr. Consultant/Architect	**$140.00**	**$125.00**	**$15.00**	**10.71%**
Database Architect	**$110.00**	**$100.00**	**$10.00**	**9.09%**
Application Designer	**$110.00**	**$100.00**	**$10.00**	**9.09%**

Proposed Business Requirements Contract Rate Reductions

Fixed Price Category Table

Project Category	Current Cost	Proposed Cost	$Diff.	%Diff.
Cat 1	**$24,067.00**	**$21,746.00**	**$2,321.00**	**-9.64%**
Cat 2	**$45,016.00**	**$40,516.00**	**$4,500.00**	**-10.00%**
Cat 3	**$64,705.00**	**$57,874.00**	**$6,831.00**	**-10.56%**

DECREASE: $80,000.00

TOTAL REVISED CONTRACT VALUE: $2,420,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

October 28, 2009

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3252 University Drive, Suite 200** **Auburn Hills, MI 48326** **Email: msouders@analysts.com**	TELEPHONE Michael Souders **248-299-4220** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

NATURE OF CHANGE(S):

Per Executive Directive 2009-3, the vendor has offered the following price concessions to the State of Michigan:

Effective 10/26/2009 through 8/31/2011, the hourly rates for this contract are reduced as follows, for a total savings of $250,000.00:

Proposed Business Requirements Contract Rate Reductions – Time and Materials Table

Role	Current Rate	Proposed Rate	$Diff.	%Diff.
Project Manager	$115.00	$104.00	$11.00	9.57%
Business Analyst	$90.00	$81.00	$9.00	10.00%
Facilitator	$115.00	$104.00	$11.00	9.57%
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Proposed Business Requirements Contract Rate Reductions

Fixed Price Category Table

Project Category	Current Cost	Proposed Cost	$Diff.	%Diff.
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Cat 3	**$64,705.00**	**$57,874.00**	**$6,831.00**	**-10.56%**

DECREASE: $250,000.00

TOTAL REVISED CONTRACT VALUE: $2,250,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

August 6, 2008

NOTICE
OF
CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3252 University Drive, Suite 200** **Auburn Hills, MI 48326** **Email: msouders@analysts.com**	TELEPHONE Michael Souders **248-299-4220** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **Estimated Contract Value: $2,500,000.00**	

Estimated Contract Value: $2,500,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

CONTRACT NO. 071B8200236
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Analysts International** **3252 University Drive, Suite 200** **Auburn Hills, MI 48326** **Email: msouders@analysts.com**	TELEPHONE Michael Souders **248-299-4220** CONTRACTOR NUMBER/MAIL CODE **(2) 41-0905408 (003)** BUYER/CA (517) 241-0239 **Jacque Kuch**
Contract Compliance Inspector: Patty Bogard **Bureau of Strategic Policy (BSP) Facilitated Sessions for MDIT**	
CONTRACT PERIOD: From: **August 5, 2008** To: **August 31, 2011**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are those of ITB #071I8200159, this Contract Agreement and the vendor's quote dated June 4, 2008. 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.** **Estimated Contract Value: $2,500,000.00**	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I8200159. Orders for delivery 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.

FOR THE CONTRACTOR:	**FOR THE STATE:**
Analysts International Firm Name	
Authorized Agent Signature Michael Souders Authorized Agent (Print or Type)	Name/Title Greg Faremouth, IT Division Division

Date	Date

STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract Number: 071B8200236
Bureau of Strategic Policy (BSP) Facilitated Sessions

Buyer Name: Jacque Kuch
Telephone Number: 517-241-0239
E-Mail Address: kuchj@michigan.gov

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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (State), through the Michigan Department of Management & Budget (MDMB), with assistance of the Michigan Department of Information Technology (MDIT), Bureau of Strategic Policy (BSP), has issued this Request for Proposals (RFP) to obtain proposals from qualified firms to conduct and provide assistance and support for facilitated sessions to gather and document requirements for new information technology projects.

The State may, as an option, request the drafting of statements of work for a Request for Proposals to obtain the services required to complete the project defined by the business requirements sessions.

1.002 BACKGROUND

MDIT was created on October 14, 2001, by Executive Order 2001-3, in part to improve the management of information technology investments. Among other enumerated items, MDIT is leading state efforts to re-engineer the state's information technology infrastructure, and to coordinate development of a unified executive branch technology plan, with the goal of achieving the use of common technology enterprise use of common information technologies and providing consistent professional management of the state's Information Technology (IT) resources.

As part of its integrated functions, MDIT assists state agencies in obtaining resources to meet requests for technical assistance in gathering requirements for new IT projects. These requirements gathering sessions determine the business, technical and project management requirements for a new project.

Agency needs for assistance will vary in terms of the complexity and risks of a proposed project. MDIT's Risk Assessment methodology will be used by MDIT staff to calculate a score and assess the risk level for their project. These documents are included to provide more detail of the risk assessment process and the differences among the three categories for the contractor.

Information provided herein is intended solely to assist vendors in the preparation of proposals. To the best of the State's knowledge, the information provided is accurate. However, the State does not warrant such accuracy, and any variations subsequently determined will not be construed as a basis for invalidating the RFP. The State reserves the right to cancel this Request for Proposal (RFP), or any part of this RFP, at any time.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

This project consists of the following scope:

- **Business Requirements**
- **Knowledge Transfer**
- **Training, as an option**
- **Draft Statements of Work for Requests for Proposals, as an option**

The State seeks to have services begin after the award of the contract in 2008.

This contract will have a minimum term of three (3) years, with two (2) one-year extensions possible. Renewal of the contract will be at the sole discretion of the State and will be based on acceptable performance of the selected Contractor as determined by the State.

A more detailed description of the services (work) and deliverables sought for this project is provided in Article 1, Section 1.104, Work and Deliverables.

Sessions are authorized as needed via individual Statements of Work (SOW) to be submitted to the vendor. The vendor will provide a written price proposal based on the assigned risk category and will include the resources' names and the actual resumes for each resource proposed for the project. Upon review, acceptance and approval of the MDIT Project Manager, a Purchase Order release will be issued to the vendor for the project to begin.

1.102 OUT OF SCOPE

The scope of this agreement does not include:

- System development
- Developers
- Programmers

This contract does not cover any construction, testing or implementation tasks.

Purchase of hardware, software or other commodities is not within the scope of the contract.

1.103 ENVIRONMENT

The links below will provide information on the State's Enterprise IT policies, standards and procedures which includes security policy and procedures, IT strategic plan and the State Unified Information Technology Environment (SUITE).

Contractors are advised that the State has methods, policies, standards and guidelines that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and deliverables provided as a result of this RFP must comply with all applicable State IT policies and standards in effect at the time the services are provided. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT processes. It will be the responsibility of the State to deny the exception request or to seek a policy or standards exception.

Contractor is required to review all applicable links provided below.

Enterprise IT Policies, Standards and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html

IT Strategic Plan:
http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html

The State's Project Management Methodology (PMM) must be followed:
http://www.michigan.gov/dit/0,1607,7-139-18391_22016-58009--,00.html

Contractors must follow the State's Unified Information Technology Environment (SUITE) methodology: http://michigan.gov/suite

All software and hardware items identified by the Contractor must run on and be compatible with the MDIT Standard Information Technology Environment. Additionally, the State must be able to maintain software and other items identified as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by MDIT. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's Project Manager and MDIT must approve any tools, in writing, before use on any information technology project.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. Any changes must be approved, in writing, by the State's Project Manager and MDIT, before work may proceed based on the changed environment.

IT Security Policy and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html

The State's security environment includes:

- MDIT provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

Each request for technical assistance in developing requirements for MDIT and/or an agency will include a description of the MDIT/agency information technology environment involved in the project.

1.104 WORK AND DELIVERABLES

This section includes I. Services (work) To Be Provided and Deliverables, and II. Requirements for the successful completion of requests for services.

III. Services (work) To Be Provided and Deliverables

C. Baseline Business Requirements – Contractor will:

Facilitate requirements gathering sessions - The Contractor will work with MDIT/ the Agency requesting services to provide the requirements gathering session-conducting services to support varying project types.

The tables below outlines tasks that are representative (but not inclusive) of the work to be performed by the Contractor during requirements gathering and project analysis.

Tasks	Deliverable
1. Pre-Session Package	
▪ Provide a business analyst to provide shadowing and pre-work with the business owner to gather "seed" information to allow customization of the pre-session documentation and session agenda.	▪ Pre-session Documentation
▪ Prepare and participate in a pre-session meeting at which high-level project details will be gathered, session expectations set, session agenda developed, and the State business owner will be provided with required materials. The Contractor will schedule the meeting and provide the agenda.	▪ Pre-session meeting agenda.
2. Facilitated Session – Business Requirements Document Package	
▪ Facilitate information/requirements gathering session(s)* to capture business requirements, business processes, and technical considerations related to the designated project.	▪ Facilitate session(s), dependent on Project Risk Factor ▪ Requirements Session Agenda ▪ Session Attendance List ▪ Session Feedback
▪ Use information collected at the requirements gathering session to document business requirements, issues, business use cases and business problem resolution.	▪ Draft Business Requirements Document

Tasks	Deliverable
▪ Attend, and facilitate if needed, a meeting at which the draft of the Business Requirements Document is reviewed and requirements are ranked/prioritized. ▪ Facilitate review session(s) to discuss the draft document and determine the appropriate revisions. Attendees of the review session(s) will receive the external draft version of the Requirements Document Deliverable five (5) business days prior to the review session to allow time to read the provided materials and come to the review session prepared to discuss review comments.	▪ Facilitate Review Session ▪ Review Session Agenda ▪ Business Requirements Document – Requirements Ranking Section
▪ Update the draft Business Requirements Document with information from the review session to document, produce, and deliver a final Business Requirements Document. This document will contain the business and technical needs from the group's discussion and capture models, diagrams, and narratives, as needed, from the work and review sessions necessary for MDIT/agency Executive Review.	▪ Final Business Requirements Document ▪ Appendix to the Business Requirements Document
3. Business Design Requirements Package	
Create requirements package, to include: ▪ Detailed business design requirements document ▪ Technical assumptions and constraints ▪ Business use cases ▪ Security requirements ▪ ADA/usability requirements ▪ Preliminary requirements traceability matrix	▪ Business design requirements package ▪ Revised RFP Risk Management Plan, if required
4. Optional – Draft Statement of Work	
▪ Optional, at State's request: Draft Statement of Work for Request for Proposals for project	▪ Draft Statement of Work

*The Contractor's team will work with the MDIT/agency team to develop session schedules that best accommodate session attendees and the information being collected. Ideally, the session referenced above is meant to be one continuous session, over consecutive days, if needed, with the same participants, and same Contractor team facilitating. The State recognizes that circumstances may prevent one continuous session over consecutive days from being conducted. When considering information collection through shorter sessions with different groups of attendees, give thought to the value of improved project understanding and consensus gained by working with all stakeholders.

Deliverables

The Contractor's team will provide the following deliverables as part of this contract. The tasks and deliverables outlined in the tables above are covered within the following documents:

- **Pre-session meeting agenda** – This document covers who the primary stakeholders for the project are and provides an overview of the Initiation Process, instructions on scheduling the session, sample text for the session invitation, and a listing of the MDIT/agency business owner responsibilities.
- **Requirements Session Agenda** – This document covers the agenda items in the session, such as Project Introduction by the sponsor, Project Objectives, Business Issues, Current Business Process, Future Business Process, potential impacts and technical considerations.

- **Facilitate session(s), dependent on Project Type** – This deliverable includes information on conducting the session along with any notes, charts, or other documents produced as output of the session.
- **Attendance List** – This document is used to capture the attendees' names, titles, and contact information to be included in the Requirements Definition Document.
- **Session Feedback Forms –** This document captures the attendees' feedback for lessons learned and continuous improvement of the sessions.
- **Business Requirements Document –** This is the primary deliverable document from Requirements and provides a prioritized, consolidated view of the project's requirements and workflows associated with the project. Key items of this deliverable will include: Executive Summary, General Features, User Community, Business Processes (both current and proposed), Business Improvements, Use Case Scenarios, Project Impact, Organizational Data, Operations, Technical Considerations, Implementation Considerations, Assumptions, Risk, Glossary, and a listing of Prioritized Requirements Ranking.
- **Business Requirements Document – Business Process Section –** This section includes the Business Process Flow diagrams for both the current and proposed process(s) and the Business Use Cases.
- **Business Requirements Document – Business Process Improvement Section** – This section is used to describe the business improvements that could be gained from executing this project.
- **Business Requirements Document – Operations Section** – This section highlights the operational requirements specific to the agency(ies) and project.
- **Business Requirements Document – Parking Lot Section –** This section identifies areas that have not been completely detailed or clarified, along with who has been assigned to follow up on the item. The parking lot also identifies requirements, which have been analyzed and determined to be out of scope for the project.
- **Business Requirements Document – Requirements Ranking Section –** This section lists the Business priority and the rank as assigned by the review session participants.
- **Business Design Requirements Package –** This deliverable will include the following components: Detailed Business Design Requirements document, Technical Assumptions and Constraints, Business Use Cases, Security Requirements, ADA/Usability Requirements, Preliminary Requirements Traceability Matrix.
- **Review Session Agenda –** This document indicates the topics from the Business Requirements Document that will be covered in the review session.
- **Facilitated Session Acceptance Document –** This document provides approvals from both the MDIT/agency business owner and the MDIT/agency PMO manager on final acceptance of the required deliverables within this section.
- **Draft Statement of Work for Request for Proposals Template –** This document is used to solicit proposals from vendors to provide the requested services to complete the authorized project.

Acceptance Criteria
The acceptance criteria for Document Deliverables are listed in Section 1.501 - Criteria.

D. Knowledge Transfer –

1. The Contractor's team will transition project knowledge and information to MDIT/agency designated staff and/or contractors to continue efforts related to the project.
2. Contractor shall provide, as an option, services to continue to work with the MDIT and/or agency project team to remain on the project.
   e. This is a continuation of the analyst role, only, from the previous task and will not be required for all projects.

f. The State may request technical analysts to provide subject-matter expertise as needed for specific projects. The Contractor's team will provide these analysts as needed when requested/approved by the State.

Deliverable(s)
Knowledge Transfer Plan

Acceptance Criteria

E. Training - Contractor shall provide, as an option, training services.

3. Contractor may be requested to provide training to State staff on business requirements gathering processes, to include documenting requirements and managing requirements to ensure the project meets all identified requirements.

Deliverable(s)
Training Plan describing the training and including:

e. Training content
f. Time commitments

Acceptance Criteria
The acceptance criteria for Document Deliverables are listed in Section 1.501 - Criteria.

Training Deliverables acceptance criteria - State staff are properly trained and supplied with the proper tools and documentation to facilitate sessions and gather business requirements for new IT projects.

IV. Requirements

M. All work performed by the Contractor will be based on prior written authorization by the MDIT Program Manager.
N. All work and deliverables must adhere to MDIT project management standards and guidelines and the State's SUITE methodology.
O. All deliverables must use MDIT templates if available.
P. All deliverables must be accepted by MDIT/agency designated personnel.
Q. MDIT's Risk Assessment process will be used by MDIT staff to assign a risk level to all projects and define the category of the RFP Risk Management Plan
R. Contractor's project work will be defined by the risk level assigned:

1. Category 1 – Low Risk
2. Category 2 – Medium Risk
3. Category 3 – High Risk

F. Work effort for the facilitated sessions to be based on a pay per session basis. Refer to Section 1.104 Work & Deliverables and Appendices A & B & D for more details on the deliverables.

The table below gives an estimated number of projects and the median price of the projects based on the State of Michigan's fiscal year 2008 "Call for Projects" initiative. This will provide information for the contractor to have an understanding of the estimated number of projects and the estimated dollars associated for each category. Additional projects will be requested based on future "Call for Projects" initiatives during the time period of this contract.

Category	Estimated # of MDIT Projects	Estimated Median Price
Category 1	60	$300,000
Category 2	15	$1,700,000
Category 3	5	$10,000,000

Project Assumptions

5. Number of attendees participating in the sessions and total number of days of sessions will be limited to the following (requirements sessions will be able to be broken up into ½ day sessions, if requested):

Category Type	Participants in Session	Days of Requirements Sessions Available	Hours of Review Sessions Available
Category 1	1-10	1 day	3 hours
Category 2	1-15	2 days	5 hours
Category 3	1-20	3 days	6 hours

6. Contractor and the State will mutually agree upon project type placement into State designated categories to assure proper sizing of delivery effort.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

III. Contractor Staff

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

The Contractor will provide resumes for staff, including subcontractors, who will be assigned to the Contract, indicating the duties/responsibilities and qualifications of such personnel, and stating the amount of time each will be assigned to the project. The Contractor will commit that staff identified in its proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the State.

The Contractor will provide, and update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.

All Personnel may be subject to the State's approval process.

Contractor must identify the classifications to be assigned for the requested projects and provide a representative resume for each classification.

Contractor will work with the State to allow the State to provide at least a two-week notice on upcoming project needs for submittal, approval, and assignment of personnel.

Contractor has provided representative resumes for some key skills that will be required for the delivery of this project, including facilitators, business analysts, DBAs, and Application Designers (See Exhibit A ?).

Project Resources

The following resource roles are called for to complete tasks for each of the project categories:

Project Manager:

The PM manages project resources, schedules, issues and risks on a daily basis. The PM also reports project status as outlined in the communication plan including communication to the Business Owner and Project Sponsor(s). The PM works with the project team to provide deliverables on a timely basis. Additional responsibilities include:

- ◊ Management of the project scope throughout the project
- ◊ Development and management of the project team and allocating team members to the defined project tasks

- Provide knowledge transfer to participants on the project team
- Develops the project plan and schedule and manages adherence to them
- Day-to-day responsibility for running the internal operations of the project
- Works with the Business Owner to identify and resolve issues, and communicate progress to the management of the Enterprise
- Participate in project activities
- Coordinate activities of sub-teams
- Verify the project plan is adhered to
- Reports project progress status to the Business Owner & Project Sponsor per communication plan
- Coordinates the activities of team members, including managerial, operational, technological and facilities focuses

Business Analyst:
Serves as the communication bridge between non-technical business users and technical solution developers. The Senior Business Analyst has a depth of knowledge in business analysis processes including knowledge of methodology, tools, and techniques. The Business Analyst is responsible for analyzing the raw data gathered by the project team, applying the appropriate tools and techniques to create meaningful results. This individual is an active participant in aspects of department assessment, visioning, and reengineering. Additional responsibilities include:

- Collects data for use in analysis with appropriate tools and techniques
- Analyzes data using appropriate tools and techniques
- May facilitate non-executive level sessions
- Participates in developing the format for deliverables
- Drafts, reviews, edits and proofreads project deliverables
- Reports project progress status to the PM
- Provides training and coaching to other team members on the use of methodology, tools and techniques
- Guides the work of other team members, as required

Architect:
Gives direction on how the hardware and software is structured. How its components fit together, what protocols and interfaces are used for communication and cooperation among components, include human interaction. Although additional responsibilities may vary based on the specific project and technology involved in a given project, they may include:

- Lead conceptual and physical design efforts
- System Architecture
- Integration Architecture
- Manage rollout plans (installation, conversion, user testing support)
- Review technical components of the project
- Complete tasks identified in project plans
- Provide support as necessary for projects after delivery
- Assist with Requirements Management and Proposals

Application Designer:
Participate in or oversees a variety of analytical assignments that provide for the development, enhancement, and maintenance of application programs, application systems, and operating systems software within mainframe, network, and client server environments.

Data Architect:

The Project Data Architect leads the database design effort project. Their responsibilities include:

- ◊ Lead conceptual and physical database design efforts
- ◊ Review database design and architecture components of the project
- ◊ Manage database generation and database change as applicable
- ◊ Conduct code reviews of database load procedures guided by standards.
- ◊ Complete tasks identified in project plans
- ◊ Assist with Requirements Management and Proposals

G. The Contractor will identify a Single Point of Contact (SPOC)

The duties of the SPOC shall include, but not be limited to:

- Supporting the management of the Contract,
- Facilitating dispute resolution, and
- Advising the State of performance under the terms and conditions of the Contract.

The State reserves the right to require a change in the current SPOC if the assigned SPOC is not, in the opinion of the State, adequately serving the needs of the State.

For the role of Single Point of Contact for items including management, issue resolution, and contractual oversight, contractor identifies Darrell Swartz as the designated SPOC for this project.

Darrell Swartz
E-mail: dswartz@analysts.com
Phone: 517-336-1042

H. The Contractor will provide a project manager, to work closely with the designated personnel from the State to insure a smooth transition to the new system. The project manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project's budget

For the role of Lead Project Manager, contractor identifies Jeanette Clark.

Jeanette Clark
E-mail: jclark@analysts.com
Phone: 517-336-1026

I. On Site Work Requirements

3. Location of Work - The majority of the work assignments are in the Lansing, Michigan, area, although other work sites may be in the Detroit, Michigan, area, or other areas of the state of Michigan. For documentation creation, Contractor's personnel will utilize the Lansing or Auburn Hills offices to house their delivery staff to alleviate on-site coordination issues for short-term assignments. If requested, the Contractor's SPOC and Lead PM will work with the State to assist with specific requests for all work to be performed on-site.

2. Hours of Operation:

g. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.

h. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

i. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

3. Travel:

e. No travel or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.

f. Travel time will not be reimbursed.

6. Additional Security and Background Check Requirements:
Contractor must present certifications evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project.

Contractor is responsible for any costs associated with ensuring their staff meets all

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The State will provide the following resources for the Contractor's use on this project:

- Work space
- Access to telephone
- PC workstation
- Printer
- Access to copiers and fax machine

MDIT will provide appropriate facilities to conduct the facilitated sessions to include:

- Meeting-type facility
- Adequate space for 20 attendees
- Adequate space for a "U" seating arrangement
- White-board space in the front of the meeting room
- Wall space for session use of poster-size worksheets

Each project will have its own State project team to be identified in the request for services. It may include Executive Subject Matter Experts (SME's), project support, and a MDIT and Agency project manager.

Executive Subject Matter Experts

The Executive Subject Matter Experts representing the business units involved will provide the vision for the project. They will be available on an as needed basis. The Executive SME's will be empowered to:

- Resolve project issues in a timely manner

- Provide acceptance sign-off
- Ensure timely availability of State resources
- Make key decisions, as identified by the Contractor's team, within 48-hours of their expected decision date.

State Project Manager- (MDIT and Agency)
MDIT will provide a Project Manager for each IT project. MDIT will be responsible for the State's infrastructure and work together with the Contractor in identifying technical requirements.

The State's Project Manager will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors, if needed.
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverable/milestone
- Review and sign-off of timesheets and invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings.

The MDIT project manager, and any agency project manager, will be identified at the time when the Agency requests services under this contract.

MDIT shall provide a Program Manager for this Contract as a contact for all issues pertaining to the execution of services and deliverables under the contract. As of the effective date for contract commencement the MDIT Program Manager shall be:

Joel Storchan
Michigan Dept. of Information Technology
Bureau of Strategic Policy, Office of Contract Administration
Constitution Hall
Lansing, MI 48913
517-241-1369
storchanj@michigan.gov

MDIT shall provide a Contract Administrator whose duties shall include, but not be limited to, supporting the management of the Contract. As of the effective date for contract commencement, the MDIT Contract Administrator will be:

Patty Bogard
MDIT/Bureau of Strategic Policy, Office of Contract Administration
Constitution Hall
517-335-4051
bogardp@michigan.gov

1.203 OTHER ROLES AND RESPONSIBILITIES
None, unless identified in a specific request for services under this Contract.

1.3 PROJECT PLAN –

1.301 PROJECT PLAN MANAGEMENT

III. Preliminary Project Plan - Contractor will provide a sample Project Plan with the proposal, including necessary time frames and deliverables for the various stages of a project and the responsibilities and obligations of both the Contractor and the State. See Article 1, Attachment E for project schedules.

C. In particular, the sample Project Plan, to be followed for any specific request for services, will include a MS Project plan or equivalent, approved by MDIT, which shall include:

13. A description of the deliverables to be provided.

14. Target dates and critical paths for the deliverables.

15. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.

16. The labor, equipment, materials and supplies required to be provided by the State in meeting the target dates established in the sample Project Plan.

17. Internal milestones

18. Task durations

B. The sample Project Plan shall include the following deliverable/milestones for which payment shall be made.

3. Payment to the Contractor will be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the task. A milestone is defined as complete when all of the deliverables within the milestone have been completed.

G. Orientation Meeting

11. Upon ten (10) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract.

12. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor.

13. Contractor will provide at no charge to the State, a series of one hour “Road Shows” to be provided in Lansing as an overview of the process and benefits that the Facilitated Sessions approach can provide in writing more thorough RFPs and in turn, gaining more consistent responses from the vendor community.

14. Contractor will provide up to eight Road Show presentations, with up to ten attendees at each, as part of this offering.

15. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

H. Performance Review Meetings

7. The State will require the Contractor to attend monthly meetings, at a minimum, to review the Contractor’s performance under the Contract.

8. The meetings will be held Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor.

9. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

I. Project Control

5. The Contractor will carry out this project under the direction and control of MDIT and any agency identified in a specific request for services.

6. Within ten (10) working days of a request for services under the Contract, the Contractor will submit to the State project manager(s) for final approval a project plan for the project.

c. This project plan must include the following:

i. The Contractor’s project organizational structure.

ii. The Contractor’s staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.

iii. The project breakdown (work plan) showing sub-projects, activities and tasks, and resources required and allocated to each.

iv. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the work plan.

d. Upon approval of the Project Plan by the State, it will be marked as an Appendix and will be accepted by both parties as a part of the Contract and will be incorporated by reference. The State shall use the Project Plan as its tool for measurement of the performance of the Contractor.

5. The Contractor will manage the project in accordance with the PMBOK® (Project Management Body of Knowledge from the Project Management Institute), the state's Project Management Methodology (PMM) [Methodology is available at www.michigan.gov/projectmanagement], and the state's Software Engineering Methodology. (Methodology is available at www.michigan.gov/suite.)

a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:

i. Staffing tables with names of personnel assigned to Contract tasks.

ii. Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next ten (10) calendar days, updated semi-monthly).

iii. Updates must include actual time spent on each task and a revised estimate to complete.

iv. Graphs showing critical events, dependencies and decision points during the course of the Contract.

b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.302 REPORTS

The Contractor shall provide periodic high-level administrative reports to the State's Program Manager containing sufficient information to allow for the State's evaluation of the effectiveness of the program. Contractor shall provide a sample of a proposed periodic reporting format with its proposal.

Reporting formats must be submitted to the State's Project Manager for approval within ten (10) business days after the effective date of a specific request for services under the contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the request for services. Contractor project managers will communicate specific project information in a weekly status report. The Weekly Status Report details for this contract will include key information such as:

- Weekly Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Issues
  - Risks
  - Change controls
- Updated project plan to reflect progress to plan
- Review and discussion of schedule variances

On a weekly basis, Contractor will provide copies of project status reports and escalated issue reports, which will be distributed to the following:

- MDIT/Agency program manager
- Agency business owners
- Project documentation file

Contractor project managers will track hours expended for each task in the project schedule. A detailed report will be agreed on with the State to support the monthly invoices. This report will describe the work performed during the invoice period; the time spent on each task in the project schedule as well as the associated Statement of Work details.

1.4 Project Management

1.401 ISSUE MANAGEMENT

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Project Manager on an individual project and the State's Program Manager for all projects on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

Issue Management Process

- Identify project issues
- Document project issues using defined toolset/forms
- Record project issues clearly
- Assess each issue and determine the impact/severity of each issue on the project
- Assign a priority to each issue based on the associated project impact
- Review each issue and determine action plan
- Assign resources to action plan
- Execute and monitor action plan
- Escalate issues as defined
- Regularly report the status of each issue

A sample tracking of the process elements is found below. The Vendor's standard tool will represent issue in a grid versus table format in order to allow for issues to be sorted, grouped, filtered by owner, etc.

Issue	Identified Issue		
Impact	Defined the possible impact to project.		
Severity Level	Low, Med., High	**Priority**	Low, Med., High
Action Plan	Define steps for resolution including target completion date		
Resource	Name responsible party		
Status	Maintain a current status, frequency as agreed upon.		

Issues shall be escalated for resolution from level 1 through level 4, as defined below:

Level 1 – Business leads
Level 2 – Project Managers
Level 3 – Executive SME's
Level 4 – MDIT Program Manager for this contract

1.402 RISK MANAGEMENT

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project.

The Contractor will establish a risk management plan and process, including the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, monitoring of risk items, and periodic risk assessment reviews with the State.

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the contract. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

The Contractor shall provide the tool to track risks. The Contractor will work with the State and allow input into the prioritization of risks.

The Contractor is responsible for identification of risks for each phase of the project. Mitigating and/or eliminating assigned risks will be the responsibility of the Contractor. The State will assume the same responsibility for risks assigned to them.

Early identification allows for:

- Contractor and/or the State to decline projects where risks are excessive or disproportionate to potential project gain
- Establishing a risk management strategy including processes for identifying/monitoring the occurrence of risk and contingency plans to control/minimize the impact if the risk is realized
- The State to be aware of the potential for risk and understand their role in the risk management process
- Verify that the estimation process for resource allocation, task and effort distribution and hourly rate, are sufficient for delivery of the project timeline. This supports the risk management process and identification of a mitigation/contingency plan

The assessment will include the State's Risk Management Methodology as defined by the PMM and is intended to identify the project risks and the associated potential impact to the project. A Project Manager will be responsible for the continuous evaluation, control and mitigation of the identified risk. Moreover, the assessment will establish mitigation/contingency plans to minimize the impact of the risk if realized. The mitigation/contingency plan will define responsibilities of the project team and of outside resources including the Contractor's management and State personnel. It is important that the stakeholders understand the project risks, mitigation and contingency plans and are prepared to carry out their assigned responsibilities.

<u>Risk Assessment Methodology</u>

Contractor will follow a standard risk assessment methodology in the evaluation of its on-going projects. The depth at which a project is audited is a direct result of the quantity and quality of the associated project risks.

<u>Risk Identification: Actual vs. Potential</u>

This activity begins in the proposal/planning phase of the project with a preliminary risk assessment. The assessment is an on-going process throughout the management of a project. During this phase a document is created containing in part a table of risks, which is to be evaluated as more information is obtained. As requested by the State the evaluation will take place on a bi-weekly basis or as otherwise agreed to or as required by project. This methodology is intended to facilitate the control of risk throughout the project life cycle.

Analyze Risks: Probability, Impact, and Cost

The risks identified are evaluated against three variables; probability, impact and cost. The following items will be reviewed:

- Assign probability of the risk occurring
- Identify the associated impact to the project (cost, schedule and/or deliverables)
- Identify how the impact can be minimized
- Define a contingency plan for the anticipated impact

Risk Documentation

Contractor will work with the State to identify risk mitigation strategies and will review their effectiveness. Documentation of the risks include:

- Description of the risk
- Description of the consequences if the risk is realized
- Qualitative probability that the risk will be realized
- Strategy for avoiding, mitigating or accepting the risk
- A sample of the risk tracking process elements is found below

Risk	Identified Risk		
Effect of Risk	Possible Impact to project.		
Probability	Low, Med., High	**Impact**	Low, Med., High
Mitigation	Review availability of minimizing chance of occurrence or ramifications of risk.		

During Project Execution, additional risks may be identified. Any team member can identify a risk. This identification will be discussed at the Project Status Meeting and addressed appropriately.

This deliverable will be a formal project risk assessment. The risk assessment will be a living document, which will be adapted throughout the course of the project.

Ongoing Risk Monitoring

Each open risk will be reviewed at the Project Status Meeting. Changes in the status will be documented. For high impact risks, an action plan, including responsible resources, will be created for the risk if the risk is realized, or an agreement to accept a risk that cannot be mitigated.

Develop Risk Contingency Strategy

Develop a contingency plan for each risk, which has been identified. The contingency strategy should take into account the following items:

- Monitor warning flags
- Define what events could indicate the potential/occurrence of risk
- Differentiate between symptoms and problems
- Identify alternatives
- Prioritize alternatives based on impact level
- Create process flow and assign responsibility for each priority alternative
- Validate strategy against critical success factors of project (schedule, cost, and quality)
- Plan for effective communication to notify responsible participants
- Update the project plan accordingly
- Activate Contingency Strategy
    - Stakeholders or resources other than the project team may be required to participate in the contingency strategy. Make sure that everyone involved in the risk strategy knows and understands their role.

- Inform participants
- Early notification of skills required
- Close monitoring of progress and quality

Assess Effectiveness

- Update the project plan with any changes necessary
- Modify Contingency Strategy as required

1.403 CHANGE MANAGEMENT

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract.

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

The Contractor must employ change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State while the migration is underway.

The Contractor will employ the change control methodologies to justify changes in the processing environment, and to ensure those changes will not adversely affect performance or availability.

Change controls are evaluated based on the following set of criteria:

- ◊ Impact on any project delivery date
- ◊ Impact to project budget
- ◊ Potential changes to the project requirements
- ◊ Effects on the project resource plan
- ◊ Introduction of medium- or high-risk activities into the project

Priority also plays a role in the change management process. The following are priority classifications that are often applied to on-going projects:

- ◊ **Critical** – The change is unavoidable. The impact may only be minimized, unless action is taken.
- ◊ **High** – The change is necessary to support the business requirements.
- ◊ **Medium** – The change can be deferred, but offers significant business and technical advantage.
- ◊ **Low –** The change can easily be deferred and offers little business and technical advantage.

The key steps of the change management process are listed in the table below.

STEP	ACTION	RESPONSIBILITY / AGENT
1	Identify and Document Change Requests	Change-Request Initiator
2	Validate Change Requests – The Project Manager performs a key function such that requests are evaluated as they are entered and signaled by e-mail notification.	Project Manager

STEP	ACTION	RESPONSIBILITY / AGENT
3	Assign Change Request Owner - The Project Manager makes sure that the initial information is correct, makes an assignment for evaluation and may initiate additional communication depending upon the urgency and criticality of the change control.	Project Manager
4	Collect Change Request Details – The owner of the request follows a tailored process to make sure that all affected parties submit any estimates/impacts of the change control.	Change-Request Owner
5	Request Change Control Board (CCB) Review meeting.	Change-Request Owner
6	Convene CCB Review meeting.	Project Manager
7	Based on change impact thresh holds, obtain appropriate approvals.	Business Owner Project Manager
8	Once change approval has been received, a program change request must be completed and approved for any change that increases total project cost.	Business Owner Project Manager
9	Communicate CCB Decision and Closure – In addition to the benefit of controlling scope and accommodating change in a controlled fashion, a key aspect of change controls is the communications value they bring. The release owner is responsible for issuing a listing of approved change controls and unapproved change controls.	Project Manager
10	Close Change Request – The change control is closed in the Excel tracking tool that captures user identification, date and time stamp.	Project Manager

1.5 Acceptance

1.501 CRITERIA

DOCUMENT DELIVERABLES:

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Draft documents are not accepted as final deliverables.
3. The State will have ten (10) business days to review each deliverable, unless a specific request for assistance identifies another time period for review.
    a. The receipt date is not included in the review period.
    b. The State will provide the Contractor with a signed acceptance letter for accepted deliverables.
    c. If a deliverable is determined to be unacceptable, the State will identify the deficiencies in writing to the Contractor.
    d. The Contractor will have five (5) business days to correct identified deficiencies.
    e. This cycle will repeat until the deliverable is accepted by the State.

1.502 FINAL ACCEPTANCE
Final acceptance is expressly conditioned upon completion of all deliverables/milestones, completion of all tasks in the project plan(s) as approved, and the certification by the State that the Contractor has met the defined requirements.

Upon final delivery of the identified deliverables in Section 1.104, the Contractor's Lead Project Manager will provide the designated State Project Manager with an official project closure form. This form will outline the project, deliverables received, and verification from the State that all have been approved. If all deliverables are found to be acceptable, the State will sign the project closure form, which will officially close out the project and initiate final project invoicing. This form will be provided for review in the template package at the onset of the contract.

If any issues are identified throughout the project or at this point, the Contractor's Lead PM will work to rectify the identified issues and submit any missing or updated deliverables to the State for final verification and approval.

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT
Identify any assumptions Contractor has made developing its Cost Proposal.

Contractor must identify all information related, directly or indirectly, to the Contractor's proposed charges for services and deliverables including, but not limited to, costs, fees, prices, rates, bonuses, discounts, rebates, or the identification of free services, labor or materials.

The Cost Proposal is to be provided on a pay per session basis, using **Article 1, Attachment A**.

Upon contract execution, individual session requests will be submitted to the contractor. Requests will have been reviewed by MDIT staff and assigned a "risk category" using the State of Michigan's Risk Assessment Process and the Risk Management Plan. Final pricing for individual sessions may be negotiated.

If Contractor reduces its prices for any of the services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the State's MDIT Contract Administrator with the reduced prices within fifteen (15) Business Days.

Contractor agrees all the prices, terms, and benefits provided in this Contract are comparable to or better than the terms presently being offered by Contractor to any other governmental entity purchasing the same quantity under similar terms. If, during the term of this Contract, Contractor shall enter into contracts with any other governmental entity providing greater benefits or more favorable terms than those provided by this Contract, Contractor shall be obligated to provide the same to the State for subsequent purchases.

Payment / Invoices

Contractor will submit properly itemized invoices to MDIT – Procurement to the "BILL TO" address on the Purchase Order Release**.**

Invoices shall provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discounts.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

Facilitated Requirements Gathering (Article 1, Attachment A, Table 1)

- Payment is on a firm fixed price per project category and will not exceed the amount set forth in the approved proposal.
- The State will make payments based on a negotiated payment schedule as outlined in Article 1, Attachment A, Table 1.
- Each billing will consist of an invoice and progress report. The invoices will include the project name, deliverable(s), contract number, purchase order number, Contractor name, address, phone number, contract number, resource(s) name, and time frame.
- Optional services will be provided, as requested, on a Time and Materials approach using Article 1, Attachment A, Table 2

Time and Materials Table for As-Needed Support and Optional Services (Article 1, Attachment A, Table 2)

- Payment is on a time and material basis and will not exceed the rates set forth in the approved proposal.
- Invoices will be submitted monthly for actual hours worked
- The invoices will include the project name, deliverable(s), contract number, purchase order number, Contractor name, address, phone number, contract number, resource(s) name, and time frame
- Each invoice will have an attached timesheet, which has been reviewed and signed off by the MDIT Project Manager.

1.7 Additional Information Specific to this SOW

1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW

C. Directives

MDIT's Office of Enterprise Security follows federal security standards. A new requirement is effective February 1, 2008, reflected in the following language of the United States Office of Management and Budget policy memorandum M-07-11, “Implementation of Commonly Accepted Configurations for Windows Operating Systems”:

- The provider of information technology shall certify applications are fully functional and operate correctly as intended on systems using the Federal Desktop Core Configuration (FDCC). This includes Internet Explorer 7 configured to operate on Windows http://csrc.nist.gov/itsec/guidance_WinXP.htmlWindows XP and Vista (in Protected Mode on Vista). For the Windows XP settings, see: htmlhttp://csrc.nist.gov/itsec/guidance_vista.html, and for the Windows Vista settings, see: http://csrc.nist.gov/itsec/guidance_vista.html.
- The standard installation, operation, maintenance, update, and/or patching of software shall not alter the configuration settings from the approved FDCC configuration. The information technology should also use the Windows Installer Service for installation to the default “program files” directory and should be able to silently install and uninstall.
- Applications designed for normal end users shall run in the standard user context without elevated system administration privileges.

Article 1, Attachment A

Pricing -

TABLE 1:

Deliverables	Category 1 Projects	Category 2 Projects	Category 3 Projects
1. Pre-Session Package (refer to 1.104 – A, #1)	**$1,562.00**	**$3,774.00**	**$6,019.00**
1.01 List the number of proposed resources and the classifications to be used for each category. (Modify as needed)	1. Project Mgr 2. Business Analyst 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator
2. Facilitated Session -Business Requirements Document Package (refer to 1.104 – A, #2)	**$13,313.00**	**$22,607.00**	**$32,013.00**
2.01 List the number of proposed resources and the classifications to be used for each category. (Modify as needed)	1. Project Mgr 2. Business Analyst(2) 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator	1. Project Mgr 2. Business Analyst(2) 3. Facilitator
Deliverables Based Billing Point			
3. Business Design Requirements Package (refer to 1.104 – A, #3)	**$9,192.00**	**$18,635.00**	**$26,673.00**
3.01 List the number of proposed resources and the classifications to be used for each category. (Modify as needed)	1.Project Manager 2.Business Analyst(2) 3.Data Architect 4.Application Designer 5.Senior Consultant/Architect	1.Project Manager 2.Business Analyst(2) 3.Data Architect 4.Application Designer 5.Senior Consultant/Architect	1.Project Manager 2.Business Analyst(2) 3.Data Architect 4.Application Designer 5.Senior Consultant/Architect
Deliverables Based Billing Point			

Deliverables	Category 1 Projects	Category 2 Projects	Category 3 Projects
Maximum number of days allotted for facilitated sessions for each category.	Approximate duration of 25 business days and 1 day in facilitated session and 3 hours in review session	Approximate duration of 40 business days and 2 days in facilitated sessions and 5 hours review session	Approximate duration of 50 business days and 3 days in facilitated sessions 6 hours in review session
TOTAL: "Not to exceed" price (Add #1, #2 and #3 for each category)	**$24,067.00**	**$45,016.00**	**$64,705.00**

Table 1 continued for Optional services:

Deliverables	Category 1 Projects	Category 2 Projects	Category 3 Projects
4. Option – Draft SOW Use **Table 2** for resource rates (refer to 1.104 – A, #4)	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr
5. Option – Knowledge Transfer continuing services to project team Use **Table 2** for resource rates (refer to 1.104 – B)	Business Analyst - $90/hr Designer - $110/hr, Data Architect $110/hr, Senior Consultant/Architect - $140/hr	Business Analyst - $90/hr Designer - $110/hr, Data Architect $110/hr, Senior Consultant/Architect - $140/hr	Business Analyst - $90/hr Designer - $110/hr, Data Architect $110/hr, Senior Consultant/Architect - $140/hr
6. Option – Training & Documentation Use **Table 2** for resource rates (refer to 1.104 – C)	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr	Business Analyst - $90/hr Facilitator - $115/hr
7. Other costs not listed above			
COMMENTS:	Provide services as requested. Deliverable #3 includes basic knowledge transfer for project transition.	Provide services as requested. Deliverable #3 includes basic knowledge transfer for project transition.	Provide services as requested. Deliverable #3 includes basic knowledge transfer for project transition.

Table 2: Resource Rates for the deliverables and the optional services listed in Table 1.

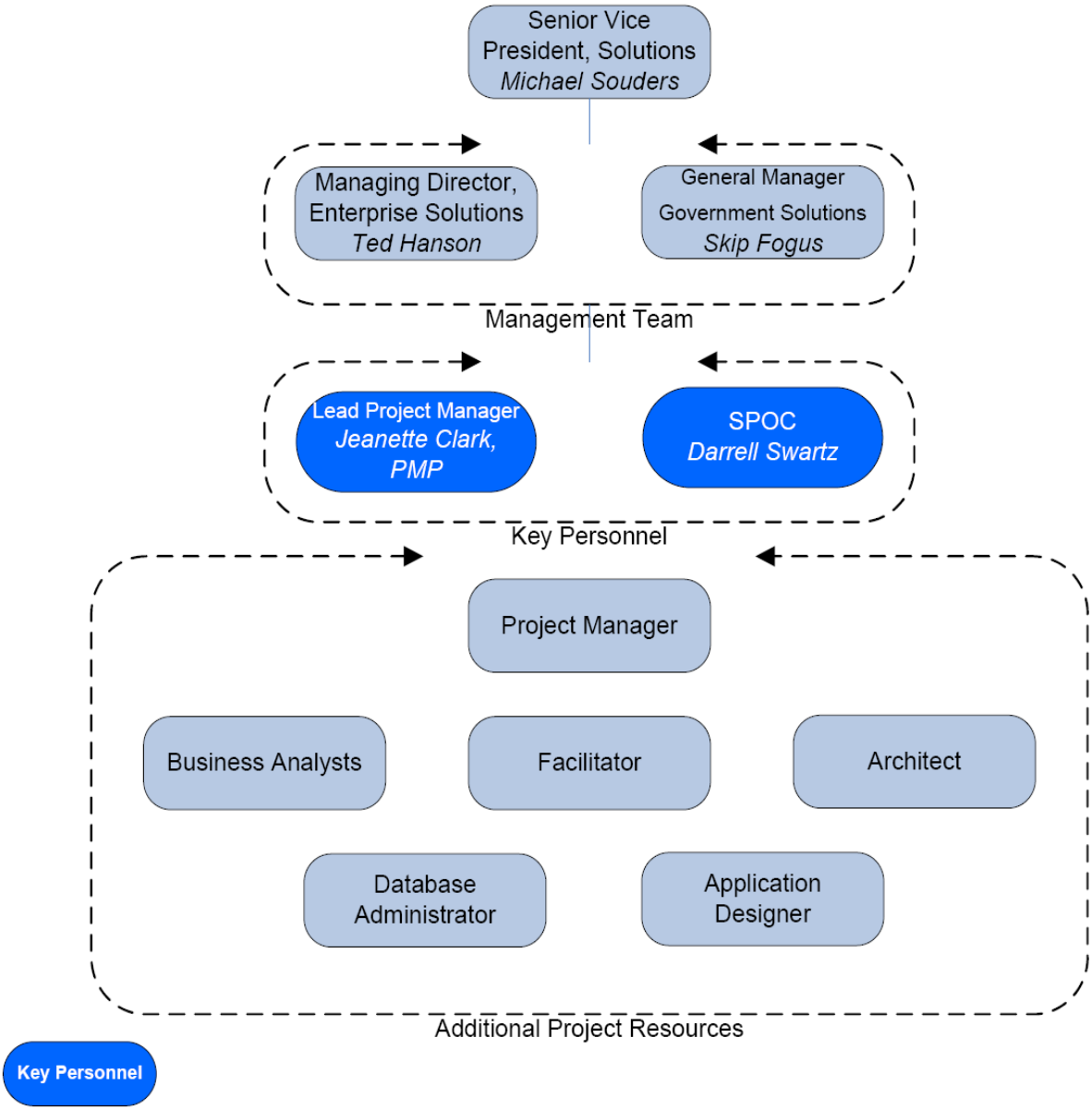
Classification	Resource rate (hourly)	Comments
23. Project Manager	$115.00	Responsible for project oversight and planning
24. Business Analysts	$90.00	Responsible for data collection, shadowing, and deliverable creation
25. Q/A Manager	$105.00	Responsible for on-going support throughout RFP process as requested
26. Security Specialist	$140.00	Will be utilized on higher risk projects for validation of security practices and items to be included within RFP
27. Testers	$75.00	Not currently utilized in creation of Table 1 deliverables but may available to the State as needed
28. Technical Writers	$75.00	Not currently utilized in creation of Table 1 deliverables but may available to the State as needed
29. Project Assistants	$85.00	Not currently utilized in creation of Table 1 deliverables but may available to the State as needed
Others: (List) below):		
30. Facilitator	$115.00	Responsible for session facilitation, documentation review and oversight, and knowledge transfer
31. Architect / Senior Consultant	$140.00	Responsible for consolidation of key metrics for executive management and/or assistance with creation of strategic direction
32. Database Architect	$110.00	Responsible for data model functional design creation within Table 1 deliverables
33. Application Designer	$110.00	Responsible for use case validation and RTM creation within Table 1 deliverables

Note: Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed. The State will utilize the fully loaded hourly rates detailed above for each staff that will be used as fixed rates for responses to separate statements of work for optional services.

The State will submit a Statement of Work to the vendor for the optional services requested and the Contractor will provide a written price proposal. Upon review and approval of the MDIT Project Manager, a Purchase Order release will be issued to the Contractor for the project to begin.

Article 1, Attachment B

Organizational Chart, including Key Personnel -



Article 1, Attachment C

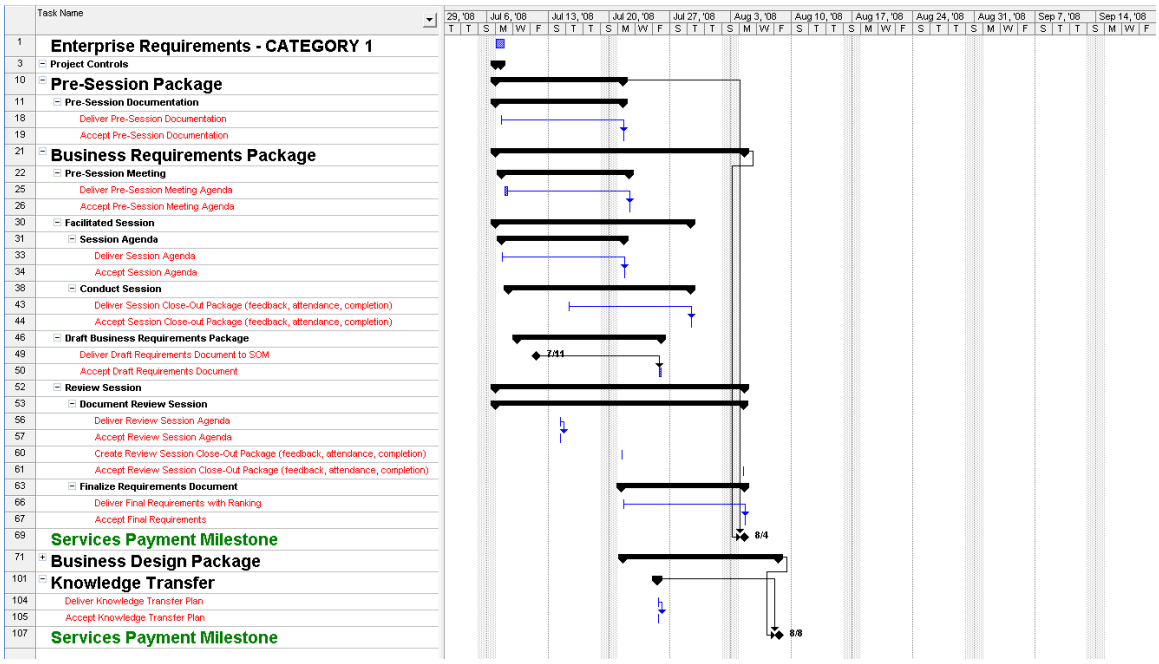
Labor Rates - **RESERVED**

Article 1, Attachment D

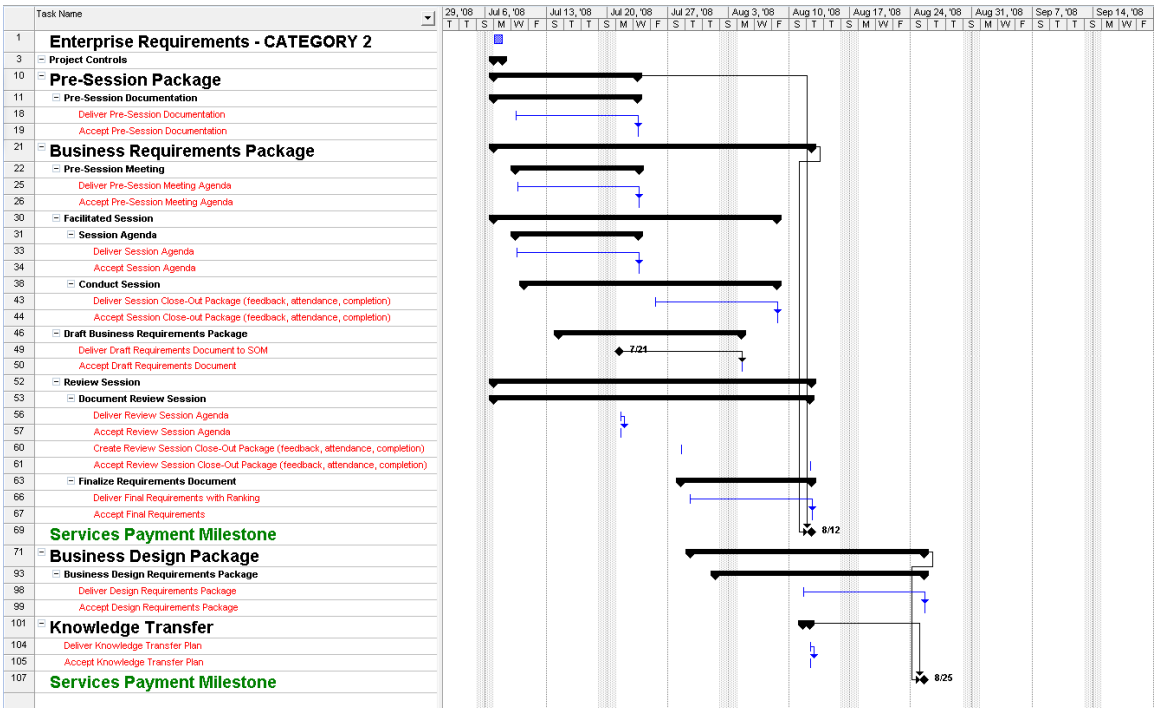
Deliverables - **RESERVED**

Article 1, Attachment E
Project Schedule

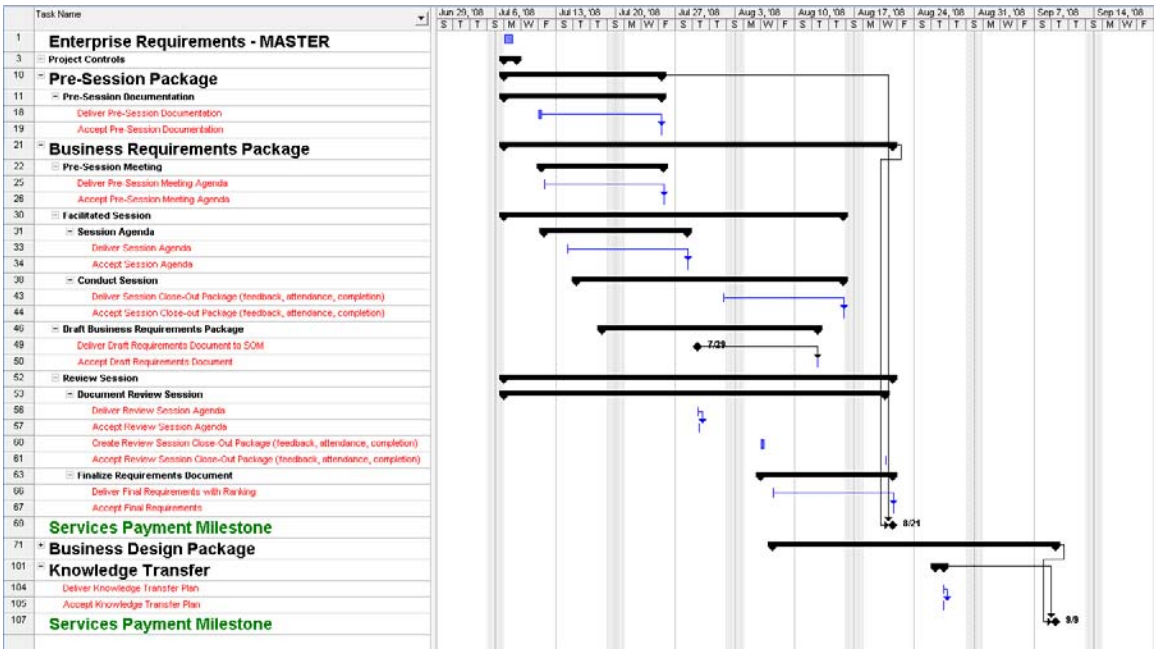
Category 1 Project Schedule



Category 2 Project Schedule



Category 3 Project Schedule



Article 2 – General Terms and Conditions

2.010 Contract Structure and Administration

2.011 Definitions

Capitalized terms used in this Contract (including its Exhibits) shall have the meanings given below, unless the context requires otherwise:

(a) "Days" means calendar days unless otherwise specified.
(b) "24x7x365" means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
(c) "Additional Service" means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. "Additional Service" does not include New Work.
(d) "Amendment Labor Rates" means the schedule of fully-loaded hourly labor rates attached as **Article 1, Attachment A**
(e) "Audit Period" has the meaning given in **Section 2.111**.
(f) "Business Day," whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
(g) "Incident" means any interruption in Services.
(h) "Business Critical" means any function identified in any Statement of Work as Business Critical.
(i) "Deliverable" means physical goods and/or commodities as required or identified by a Statement of Work
(j) "Key Personnel" means any Personnel designated in **Article 1, Section 1.201 and/or Attachment B,** as Key Personnel.
(k) "New Work" means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.
(l) "Services" means any function performed for the benefit of the State.
(m) "State Location" means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
(n) "Subcontractor" means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
(o) "Work in Process" means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

2.012 Attachments and Exhibits

All Attachments and/or Exhibits attached to any, and all Statement(s) of Work, attached to, or referencing this Contract, are incorporated in their entirety into, and form part of, this Contract.

2.013 Statements of Work

(a) The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract, or an amendment to this Contract (see 2.106). Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.
(b) Unless otherwise agreed by the parties, each Statement of Work (as defined in Article 1) will include, or incorporate by reference to the appropriate Contract Article 1 Attachment containing, the following information:
- a description of the Services to be performed by Contractor under the Statement of Work;
- a project schedule (including the commencement and completion dates for all tasks, subtasks (for all projects of sufficient duration and complexity to warrant sub task breakdown), and Deliverables;

- a list of the Deliverables to be provided, if any, including any particular specifications and acceptance criteria for such Deliverables, and the dates on which the Deliverables are scheduled to be completed and delivered to the State;
- all Deliverable price schedules and other charges associated with the Statement of Work, the overall fixed price for such Statement of Work and any other appropriate pricing and payment terms;
- a specification of Contractor's and the State's respective performance responsibilities with respect to the performance or completion of all tasks, subtasks and Deliverables;
- a listing of any Key Personnel of Contractor and/or its Subcontractors for that Statement of Work and any future Statements of Work;
- any other information or provisions the parties agree to include.

(c) Reserved.

(d) The initial Statements of Work, as of the Effective Date, are attached to this Contract.

2.014 Issuing Office

This Contract is issued by the Department of Management and Budget, Purchasing Operations and Department of Information Technology (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **Purchasing Operations is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within the office of Purchasing Operations for this Contract is:

Jacque Kuch
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
kuchj@michigan.gov
517-241-0239

2.015 Contract Compliance Inspector

Upon receipt at Purchasing Operations of the properly executed Contract, it is anticipated that the Director of DMB Purchasing Operations, in consultation with Department of Information Technology, will direct that the person named below, or any other person so designated, be authorized to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by Purchasing Operations**. The Contract Compliance Inspector for this Contract is:

Patty Bogard
Department of Information Technology
Constitution Hall
525 W. Allegan St
Lansing, MI 48913
Bogardp@michigan.gov
517-335-4051

2.016 Project Manager
The following individual will oversee the project:
Joel Storchan
Department of Information Technology
Bureau of Strategic Policy, Contract Office
Constitution Hall
525 W. Allegan St
Lansing, MI 48913

2.020 Contract Objectives/Scope/Background

2.021 Background
Refer to Section 1.002 Background

2.022 Purpose
Refer to Section 1.001 Project Request

2.023 Objectives and Scope
Refer to Section 1.104 Work and Deliverables

2.024 Interpretation
Sections 2.021 through 2.023 are intended to provide background and context for this Contract and are not intended to expand the scope of the obligations under this Contract or to alter the plain meaning of the terms and conditions of this Contract. However, to the extent the terms and conditions of this Contract are unclear or otherwise ambiguous, such terms and conditions are to be interpreted and construed in light of the provisions of this Section.

2.025 Form, Function and Utility
If the Contract is for use of more than one State agency and if the Deliverable/Service does not the meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.030 Legal Effect and Term

2.031 Legal Effect
Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.032 Contract Term
This Contract is for a period of three (3) years commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.
2.033 Renewal(s)

This Contract may be renewed in writing by mutual agreement of the parties not less than thirty (30) days before its expiration. The Contract may be renewed for up to two (2) additional one (1) year periods. Successful completion of negotiations surrounding the terms of the extension, will be a pre-requisite for the exercise of any option year.

2.040 Contractor Personnel

2.041 Contractor Personnel

(a) Personnel Qualifications. All persons assigned by Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

(b) Key Personnel

(i) In discharging its obligations under this Contract, Contractor shall provide the named Key Personnel on the terms indicated. **Appendix B** provides an organization chart showing the roles of certain Key Personnel, if any.

(ii) Key Personnel shall be dedicated as defined in **Appendix B** to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. Additionally, the State's request shall be based on legitimate, good-faith reasons. Proposed alternative for the individual denied, shall be fully qualified for the position.

(iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides thirty (30) days of shadowing unless parties agree to a different time period. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its rights under **Section 2.210**.

(c) Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.

(d) Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request.

Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted in **Section 2.076** for a time as agreed to by the parties.

(e) Staffing Levels.

(i) All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and Contract administration support staff necessary for Contractor to perform its obligations hereunder.

(ii) Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.

(f) Personnel Turnover. The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.

(g) Location. All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.042 Contractor Identification

Contractor employees shall be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.043 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel, and, as reasonably requested by the State, to provide to the State's agents and other contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with such requests for access.

2.044 Subcontracting by Contractor

(a) Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to

all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

(b) Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, office of Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time agreed upon by the parties.

(c) In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. . Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

(d) Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.040, 2.110, 2.150, 2.160, 2.171(c), 2.172(b), 2.180, 2.260, 2.276, 2.297** in all of its agreements with any Subcontractors.

(e) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.045 Contractor Responsibility for Personnel

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

2.050 State Standards

2.051 Existing Technology Standards

Please refer to Section 1.103 Environment

2.052 PM Methodology Standards

Please refer to Section 1.103 Environment

2.053 Adherence to Portal Technology Tools

The State has adopted the following tools for 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

Unless otherwise stated, Contractor must use the Portal Technology Tools to implement web content management and deployment efforts. 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 DIT, Enterprise Application Services Office, e-Michigan Web Development team.

Contractors that are compelled to use alternate tools must have received an exception from DIT, Enterprise Application Services Office, e-Michigan Web Development team, before this Contract is effective.

2.054 Acceptable Use Policy

Please refer to Section 1.103 Environment

2.060 Deliverables

2.061 Ordering

DIT will continue to oversee the use of this Contract by End Users. DIT may, in writing, delegate to agencies the authority to submit requests for certain services directly to the Contractor. DIT may also designate, in writing, some services as non-delegated and require DIT review and approval before agency acquisition. DIT will use Contractor provided management reports and periodic random agency audits to monitor and administer contract usage for delegated services.

2.062 Software - Reserved

2.063 Hardware - Reserved

2.064 Equipment to be New and Prohibited Products - Reserved

2.070 Performance

2.071 Performance, In General

The State engages Contractor to execute the Contract and perform the Services/provide the Deliverables, and Contractor undertakes to execute and complete the Contract in its entirety in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

2.072 Time of Performance

(a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.072(a)**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.

(c) If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations in accordance with specified Contract time periods, Contractor shall notify the State in a timely manner and shall use commercially reasonable efforts to perform its obligations in accordance with such Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.

2.073 Liquidated Damages - Reserved

2.074 Bankruptcy

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

To secure the State's progress payments before the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

2.075 Time is of the Essence

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

2.076 Service Level Agreements (SLAs) - Reserved

2.080 Delivery and Acceptance of Deliverables

2.081 Delivery of Deliverables - Reserved

2.082 Contractor System Testing - Reserved

2.083 Approval of Deliverables, In General - Reserved

2.084 Process for Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.085 Process for Approval of Custom Software Deliverables - Reserved

2.086 Final Acceptance - Reserved

2.090 Financial

2.091 Pricing

(a) Fixed Prices for Services/Deliverables

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates (**Article 1, Attachment A, Cost Table**). The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

(b) Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope, using the rates in **Article 1, Attachment A, Cost Table,** unless specifically identified in an applicable Statement of Work.

(c) Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

(d) Labor Rates

All time and material charges will be at the rates specified in **Article 1, Attachment A, Cost Table**.

2.092 Invoicing and Payment Procedures and Terms

(a) Invoicing and Payment – In General

(i) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(ii) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates specified in **Article 1, Attachment A, Cost Table**. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 2.094**, if applicable.

(iii) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.

(b) Taxes (See Section 2.305 and Article 3, Section 3.022-3.024 for additional)

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c) Out-of-Pocket Expenses

Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services/ providing the Deliverables (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. See http://www.mi.gov/dmb/0,1607,7-150-9141_13132---,00.html for current rates.

(d) Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

(e) Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

(f) Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.093 State Funding Obligation

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

2.094 Holdback - Reserved

2.095 Electronic Payment Availability

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).

2.100 Contract Management

2.101 Contract Management Responsibility

(a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with **Article 1, Attachment E** (Project Plan) is likely to delay the timely achievement of any Contract tasks.

(b) The Services/Deliverables will be provided by the Contractor either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.102 Problem and Contract Management Procedures

Problem Management and Contract Management procedures will be governed by the Contract and the applicable Statements of Work.

4.103 Reports and Meetings

(a) Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

(i) separately address Contractor's performance in each area of the Services;

(ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;

(iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;

(iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;

(v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;

(vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.

(vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.

(viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.

(ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State's request, Contractor shall prepare and circulate minutes promptly after a meeting.

2.104 System Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State's approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

2.105 Reserved

2.106 Change Requests

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) Change Requests

(i) State Requests

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a “Change”), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a “Change Request”).

(ii) Contractor Recommendations

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor’s proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(iv) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a “Contract Change Notice”).

(v) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, office of Purchasing Operations.

(vi) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

2.107 Management Tools

Contractor will use an automated tool for planning, monitoring and tracking the Contract’s progress. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract: (i) staffing tables

with names of personnel assigned to Contract tasks, (ii) project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.

2.110 Records and Inspections

2.111a Records and Inspections

(a) Inspection of Work Performed. The State's authorized representatives shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and at all reasonable times, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

(b) Examination of Records. Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

(c) Retention of Records. Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

(d) Audit Resolution. If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report, unless a shorter response time is specified in such report. The Contractor and the State shall develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.

2.112 Errors

(a) If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten percent (10%), then the Contractor shall pay all of the reasonable costs of the audit.

2.120 State Responsibilities

2.121 State Performance Obligations

(a) Equipment and Other Resources. To facilitate Contractor's performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.

(b) Facilities. The State shall designate space as long as it is available and as provided in the Statement of Work, to house Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

(c) Return. Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

(d) Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

2.130 Security

2.131 Background Checks

The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case by case basis. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. Such investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.140 Reserved

2.150 Confidentiality

2.151 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.152 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

2.153 Protection of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

2.154 Exclusions

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

2.155 No Implied Rights

Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.156 Remedies

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

2.157 Security Breach Notification

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

2.158 Survival

The parties' respective obligations under this Section shall survive the termination or expiration of this Contract for any reason.

2.159 Destruction of Confidential Information

Promptly upon termination or cancellation of the Contract for any reason, Contractor shall certify to the State that Contractor has destroyed all State Confidential Information.

2.160 Proprietary Rights

Reserved

2.163 Rights in Data

(a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

(b) The State is and shall remain the owner of all State-specific data pursuant to the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State shall only use personally identifiable information as strictly necessary to utilize the Services and shall disclose such information only to its employees who have a strict need to know such information, except as provided by law. The State shall comply at all times with all laws and regulations applicable to such personally identifiable information. Other material developed and provided to the State shall remain the State's sole and exclusive property.

2.164 Ownership of Materials

State and Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State.

2.165 Standard Software

If applicable and necessary, all Standard Software used in performing the Services shall be provided to the State under a separate license agreement between the State and the owner (or authorized licensor) of such software.

2.166 Pre-existing Materials for Custom Software Deliverables - Reserved

2.167 General Skills

Notwithstanding anything to the contrary in this Section, each party, its Subcontractors and their personnel shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing the Services, so long as it or they acquire and apply the foregoing without disclosure of any confidential or proprietary information of the other party.

2.170 Warranties And Representations

2.171 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It 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 licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) 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 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.

(e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) 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.

(h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP 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 change in the business, properties, financial condition, or results of operations of Contractor.

(m) All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, it true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

(n) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such contract.

2.172 Software Warranties - Reserved

2.177 Equipment Warranty - Reserved

2.178 Physical Media Warranty - Reserved

2.175a DISCLAIMER

THE FOREGOING EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.175b Standard Warranties

(a) Warranty of Merchantability - Reserved
(b) Warranty of fitness for a particular purpose - Reserved
(c) Warranty of title

Contractor shall convey good title in those Deliverables, whose transfer is right and lawful. All Deliverables provided by Contractor shall be delivered free from any security interest, lien, or encumbrance. Deliverables shall be delivered free of any rightful claim of any third person of ownership, interest, lien or encumbrance.

2.176 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.

2.180 Insurance

2.181 Liability Insurance

(a) Liability Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverages provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.
See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Purchasing Operations, 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 coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Purchasing Operations, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked ☑ below:

☑ 1. Commercial General Liability with the following minimum coverage:
$2,000,000 General Aggregate Limit other than Products/Completed Operations
$2,000,000 Products/Completed Operations Aggregate Limit
$1,000,000 Personal & Advertising Injury Limit
$1,000,000 Each Occurrence Limit
$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor‘s business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ 3. Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☑ 4. Employers liability insurance with the following minimum limits:
$100,000 each accident
$100,000 each employee by disease
$500,000 aggregate disease

☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars ($1,000,000.00) with a maximum deductible of fifty thousand dollars ($50,000.00).

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars ($3,000,000.00) each occurrence and three million dollars ($3,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

(b) Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance

coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the office of Purchasing Operations certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

2.190 Indemnification

2.191 Indemnification

(a) General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

(b) Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

(c) Employee Indemnification

Subject to section 2.201 of the Contract, in any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions. Notwithstanding the foregoing, Contractor has no obligation of indemnification hereunder where the basis for the claim are the acts or omissions of the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees or agents.

(d) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties)

incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

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

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.192 Continuation of Indemnification Obligations

The Contractor's duty to indemnify pursuant to this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

2.193 Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

(a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State

Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.200 Limits of Liability and Excusable Failure

2.201 Limits of Liability

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or $200,000 (for low risk contracts – Select a higher amount for moderate to high risk contracts) which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of the Contract.

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

2.202 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; 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 commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than ten (10) Business 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/Deliverables from an

alternate source, and the State shall not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

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/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and 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.

2.203 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or manmade disaster.

2.210 Termination/Cancellation by the State

The State may terminate 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:

2.211 Termination for Cause

(a) In the event that Contractor breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA as defined in **Section 2.076**), which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) days), 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 termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.

(b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

(c) In the event the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State shall pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

(d) In the event this Contract is terminated for cause pursuant to this Section, and it is determined, for any reason, that Contractor was not in breach of contract pursuant to the provisions of this section, that termination for cause shall be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in this Contract for a termination for convenience.

2.212 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

2.213 Non-Appropriation

(a) 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 Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State shall give Contractor at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise made available, the State may, upon thirty (30) days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.

(c) In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.214 Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including 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 Contractor's business integrity.

2.215 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, § 5, and Civil Service Rule 7-1. 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.

2.216 Rights and Obligations Upon Termination

(a) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in Deliverables that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.217 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

2.218 Contractor Transition Responsibilities

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed ninety (90) days. These efforts shall include, but are not limited to, the following:

(a) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

(b) Information - The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver

to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

(d) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

(e) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified by **Article 1, Attachment A, Cost Table**. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.219 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

(a) Reconciling all accounts between the State and the Contractor;
(b) Completing any pending post-project reviews.

2.222 Termination by Contractor

2.221 Termination by Contractor

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with **Section 2.090**, or if the State breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 2.250** before any such termination.

2.230 Stop Work

2.231 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this **Section 2.230**. Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.210**.

2.232 Cancellation or Expiration of Stop Work Order

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal

submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.106.**

2.233 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under **Section 2.212**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.230**.

2.240 Reserved

2.250 Dispute Resolution

2.251 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work shall be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor shall submit a letter executed by Contractor's Contract Administrator or his designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the supporting data provided with such an affidavit are current and complete to Contractor's best knowledge and belief.

2.252 Informal Dispute Resolution

(a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:

(i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.

(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within sixty (60) calendar days, the Director of Purchasing Operations, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.

(b) This **Section 2.250** will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to **Section 2.253**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to the Contract.

2.253 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.252** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.254 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.210** and **2.220**, as the case may be.

2.260 Federal and State Contract Requirements

2.261 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq*., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq*., and any breach of this provision may be regarded as a material breach of the Contract.

2.262 Unfair Labor Practices

Pursuant to 1980 PA 278, MCL 423.231, *et seq*., the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.263 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html.

2.270 Litigation

2.271 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions thereto, to which Contractor (or, to the extent Contractor is aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor hereunder; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be

disclosed in a written statement to the Contract Administrator within thirty (30) days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

(i) the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or

(ii) whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:

(A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and

(B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

(c) Contractor shall make the following notifications in writing:

(1) Within thirty (30) days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify Purchasing Operations.

(2) Contractor shall also notify the Purchasing Operations within thirty (30) days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor shall also notify Purchasing Operations within thirty (30) days whenever changes to company affiliations occur.

2.272 Governing Law

The Contract shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.273 Compliance with Laws

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services/Deliverables.

2.274 Jurisdiction

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.280 Environmental Provision

2.281 Environmental Provision - Reserved

2.290 General

2.291 Amendments

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties.

2.292 Assignment

(a) Neither party shall have the right to assign the Contract, or to assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

2.293 Entire Contract; Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to such subject matter and as additional terms and conditions on the purchase order shall apply as limited by **Section 2.061**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of **Sections 2.110 through 2.220** of the Contract, which may be modified or amended only by a formal Contract amendment.

2.294 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 the Contract.

2.295 Relationship of the Parties (Independent Contractor Relationship)

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of 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. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.296 Notices

(a) Any notice given to a party under the Contract 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.

State of Michigan
DMB-Purchasing Operations
Attention: Jacque Kuch
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

with a copy to:
State of Michigan
Department of Information Technology
Attention: Joel Storchan
Constitution Hall
525 W Allegan Ave.
Lansing, MI 48913

Contractor(s):
Analysts International
3252 University Drive, Suite 200
Auburn Hills, MI 48326

Either party may change its address where notices are to be sent by giving notice in accordance with this Section.

(b) Binding Commitments

Representatives of Contractor identified in **Article 1, Attachment B** shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

2.297 Media Releases and Contract Distribution

(a) Media Releases

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.

(b) Contract Distribution

Purchasing Operations shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.298 Reformation and 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.

2.299 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

2.300 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.

2.301 Survival

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.302 Covenant of Good Faith

Each party agrees that, in its dealings with the other party or in connection with the Contract, it shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.303 Permits

Contractor shall obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.304 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.

2.305 Taxes

Vendors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes defined in Section 3.022 for all persons involved in the resulting Contract.

The State may refuse to award a contract to any Vendor who has failed to pay any applicable State taxes. The State may refuse to accept Vendor's bid, if Vendor has any outstanding debt with the State. Prior to any award, the State will verify whether Vendor has any outstanding debt with the State.

2.306 Prevailing Wage

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.307 Call Center Disclosure - Reserved

2.308 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a leading edge on the competitive RFP.

2.310 Reserved

2.320 Extended Purchasing

2.321 MiDEAL

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: http://www.michigan.gov/doingbusiness/0,1607,7-146-6586-16656--,00.html. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment at the established State of Michigan contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

2.324 State Employee Purchases - Reserved

2.330 Federal Grant Requirements

2.333 Federal Grant Requirements

The following links contain certifications and terms which may be required for some purchases paid via Federal funds. They are included here to be utilized as required.

Lobbying Certifications are usually for agreements over $100,000. The debarment certification is required for all agreements. The last link is where you can go and search for debarred or suspended contractors.

http://straylight.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00001352----000-.html
http://www.archives.gov/federal_register/codification/executive_order/12549.html
http://www.archives.gov/federal_register/executive_orders/pdf/12869.pdf
http://www.epls.gov/epls/servlet/EPLSSearchMain/1