



CONTRACT #071B8200270

3Form No. DMB 234A (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Failure to deliver in accordance with Contract
terms and conditions and this notice may be considered
in default of Contract

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

September 1, 2010

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B8200270
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: Brian.Dumont@dewpoint.com	TELEPHONE (517) 282-3987 Brian Dumont
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
CONTRACT COMPLIANCE INSPECTOR: Barb Suska (517) 335-4067 Michigan Intelligence Operations Center (MIOC) Criminal and Analytical Solution	
CONTRACT PERIOD: From: September 3, 2008 To: September 2, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **INCREASED** by \$473,488.00. This includes \$498,588.00 for implementation of Phase 1 of the optional Law Enforcement Analysts (LEA) which includes software, consulting services, maintenance and training. Additionally, the following cost tables from Attachment A have been updated per the attached; Summary Cost Table, Table 2, Table 2a, and Table 2b. The Pricing for Table 2B has been **REDUCED** by \$25,100 due to a change in support level. All other terms, conditions, specifications and pricing remain the same.

AUTHORITY/REASON(S):

Per Contractor and State Agreement and Administrative Board Approval on 6/30/2010.

INCREASE: \$473,488.00 (\$498,588.00 - \$25,100)**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$3,111,432.00**



FOR THE VENDOR:

Dewpoint, Inc.

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Name/Title

Division

Date



LEA for Michigan State Police					
	Software, Services,	Maintenance			
Software Components, Services, Training, and Maintenance – For Pilot and Phases 1, 2 and 3	& Training Fees	1st year	2nd year	3rd year	4th year
Pilot Phase					
Pilot Phase PO Issued – August, 2009					
Law Enforcement Analyst (LEA), for 100 users	\$110,000				
- includes additional data adapter for Oracle and one additional copy of developer studio		First Year Maint \$0 – Pilot Phase Only	Due 1 Sep 2010	Due 1 Sep 2011	Due 1 Sep 2012
Consulting	\$94,250				
Total Pilot Phase Implementation (maintenance included for the 1 st year)	\$204,250	\$0	\$22,000	\$22,000	\$23,100
Phase 1 - Upgrade to full LEA license and maintenance					
Phase 1 PO Issued – September 2010					
Law Enforcement Analyst (LEA), Level 1: 250 MSP Sworn Officers	\$110,000	\$22,000			
Additional Adapter	\$11,000	\$2,200			
Consulting	\$353,388		Due 1 Sep 2011	Due 1 Sep 2012	Due 1 Sep 2013
Training					
Total Phase 1 Implementation (software, consulting services, and training)	\$474,388	\$24,200	\$24,200*	\$24,200*	\$24,200*
*Please note that years two, three and four maintenance will need to be added through a contract change					
Phase 2					
Law Enforcement Analyst (LEA), Level 1: 251 to 1000 MSP Sworn Officers	\$105,000.00	\$21,000.00			
Additional Software for Law Enforcement Analyst (LEA), Level 1: <1,000 MSP Sworn Officers	\$50,255.00	\$10,051.00			
InfoAssist - 10 Users					
Developer Studio - one additional user					
Relational Adapter - one adapter of choice					
Non-Relational Adapter - one adapter of choice					
Consulting (not-to-exceed price that will be adjusted in response to a SOW)	\$195,000				
Training	\$11,500				
Total Phase 2 Implementation (software, consulting services, and training)	\$361,755.00	\$31,051	\$31,051	\$31,051	\$32,604



Pricing Notes:

Software Pricing is valid for 5 years from date of contract effective date.

Pricing limited to a single Windows Server, Unix or Linux machine (any size).

** Annual \$25,000 per year maintenance fee per WebFOCUS reporting server

Additional Data Adapters may be needed for Phase 2 and Phase 3. Pricing for additional components on Options Tab.

Additional Developer Licenses may be needed for Phase 2 and Phase 3. Pricing for additional components on Options Tab.

Hardware not included.



Article 1, Attachment A

Cost Tables

Please Note: Travel expenses will NOT be reimbursed by the State under this contract. All pricing and hourly rates provided shall be fully loaded.

Summary Cost Table: Total 5 Years Solution

Breakdown Provided In	Cost Categories	Cost (\$)	Comments
Table 1	Total Services (One-time) Cost for Phases 1,2,3,4 (Completed on PO 084N820422)	\$599,668	RiverGlass Software Payment Schedule has been created in response to the 60 day "Quick Win" implementation proposed by the Dewpoint team.
	Total RiverGlass Software Cost (Payment will be made according to the Payment Schedule below)	\$900,000	
Table 2	Five Years Recurring Cost: Maintenance and Updates Phase 5	\$649,925	
Table 2a	User Help Desk Support 12hx7d Monday through Sunday EST	\$50,000	
Table 2b	Technical Help Desk Support 12hx7d	\$49,900	
Table 3	Reserved Bank of Hours Estimated Cost	\$92,000	
Total 5 Years Solution Cost		\$ 2,341,493	

RiverGlass Software Payment Schedule

A) \$450,000 will be invoiced and paid by the State upon physical delivery and signed receipt of the RiverGlass Recon Software. The Dewpoint Project Management team will provide a Stage-Gate review for sign off on this deliverable.

B1) If a suitable hosting environment **is not** provided by the State within 60 days following the final hardware configuration agreement between the State and the Contractor, the State agrees to be invoiced for **\$50,000** to be attributed to the RiverGlass Recon Software.

This would leave a remaining final pmt of **\$400,000** to be invoiced upon successful implementation and testing of the RiverGlass Recon Software. The Dewpoint Project Management team will provide a Stage-Gate review for sign off on this deliverable.

B2) If a suitable hosting environment **is** provided by the State within 60 days following the final hardware configuration agreement and upon successful implementation and testing of the RiverGlass Recon Software between the State and the Contractor, the State agrees to be invoiced and pay the remaining **\$450,000**. The Dewpoint Project Management team will provide a Stage-Gate review for sign off on this deliverable.



TABLE 2
Recurring Cost: Updates and Maintenance

Cost Categories	Software Cost (\$)	Comments
Application software update cost and Maintenance (Includes licensing and updates each year)		Dates for Billing: First Year: No charge Second Year: No charge Third Year: 1/7/2012-1/6/2013 Fourth Year: 1/7/2013-1/6/2014 Fifth Year: 1/7/2014-1/6/2015 Sixth Year: 1/7/2015-1/6/2016 Seventh Year: 1/7/2016-1/6/2017 Eighth Year: 1/7/2017-1/6/2018 Ninth Year: 1/7/2018-1/6/2019 Tenth Year: 1/7/2019-1/6/2020
1. * First Year	No Charge	
2. Second Year	No Charge	
3. Third Year	\$215,011	
4. Fourth Year	\$216,291	
5. Fifth Year	\$218,623	
6. Sixth Year	\$245,531	
7. Seventh Year	\$247,432	
8. Eighth Year	\$249,410	
9. Ninth Year	\$251,466	
10. Tenth Year	\$253,604	
Total Five Years Recurring Cost: Updates, Maintenance and Support	\$649,925	
Optional Five Years Recurring Cost: Updates, Maintenance and Support (Years 6-10)	\$1,247,443	

*Year 1 shall commence on the first day following Performance and Reliability Evaluation (PARE), acceptance, and formal written acceptance by the State for a particular phase or software component.

For the optional maintenance period beginning in year six from the initial effective date, and for each year thereafter, RiverGlass reserves the right to adjust the annual maintenance and support services contract fees by the rate amount up to but not to exceed the published inflation index. The increase, if any, shall be based upon the most recent published price index for the Gross Domestic Product (GDP), a broad measure of inflation for the economy as a whole, as determined by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA), most recently published ninety days prior to the expiration of the applicable maintenance period agreement. RiverGlass shall provide written notice of any applicable adjustment within forty-five days prior to the end of the term or anniversary of the maintenance agreement.

Table 2a: User Help Desk Support

User help Desk Support shall consist of questions and information for the end user to better understand and utilize the analytical solution provided by the contractor.

No	Cost Category	12 x 7	Comments
	First Year	\$10,000	
	Second Year	\$10,000	
	Third Year	\$10,000	
	Fourth Year	\$10,000	
	Fifth Year	\$10,000	
	Total User Help Desk Support Cos (Years 1-5)	\$50,000	



The State of Michigan reserves the right to extend User Help Desk Support for years 6-10. Dewpoint will have the ability to provide pricing for support years beyond year 5. The State also reserves the right to seek alternate options (after the end of Year 1) on User Help Desk Support from Dewpoint should the call volume not warrant continuing with Crusecom Technology Consultant support.

Note to Contractor:

The State has identified its intent to request user help desk support for 12 hours x 7 days per week for the time 7:00 a.m. to 7:00 p.m. Eastern Standard Time.

The State also desires the ability to consider additional options in the event the need arises during the contract period for different support levels.

Table 2b: Technical Help Desk Support

Technical Help Desk Support shall consist of providing technical support to MDIT staff for software/hardware configuration for high and medium severity problems / outages.

No	Cost Category	12 x 7	Comments
	First Year 8/1/09-7/31/10	\$9,980	This reflects a reduction of \$25,100 over the original negotiated price.
	Second Year 8/1/10-7/31/11	\$9,980	
	Third Year 8/1/11 – 7/31/12	\$9,980	
	Fourth Year 8/1/12 – 7/31/13	\$9,980	
	Fifth Year 8/1/13 – 7/31/14	\$9,980	
	Total Technical Help Desk Support Cost (years 1-5)	\$49,900	

The State of Michigan reserves the right to extend Technical Help Desk Support for years 6-10. Dewpoint will have the ability to provide pricing for support years beyond year 5.

Note to Contractor:

The State has identified its intent to request technical help desk support for 24 hours x 7 days per week, Eastern Standard Time. However, the State would like the ability to consider additional options in the event the need arises during the contract period that different support levels may be needed.



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

April 19, 2010

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B8200270
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: Brian.Dumont@dewpoint.com	TELEPHONE (517) 282-3987 Brian Dumont
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
CONTRACT COMPLIANCE INSPECTOR: Barb Suska (517) 335-4067 Michigan Intelligence Operations Center (MIOC) Criminal and Analytical Solution	
CONTRACT PERIOD: From: September 3, 2008 To: September 2, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT**NATURE OF CHANGE(S):**

Effective immediately, the single point of contact is changed from Jennifer Kwapis to Brian Dumont. All other terms, conditions, specifications and pricing remain the same.

Brian Dumont
E-mail: Brian.Dumont@dewpoint.com
Telephone: (517) 282-3987
1921 East Miller Road, Suite B
Lansing, MI 48911

AUTHORITY/REASON(S):

Per Vendor request

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$2,637,944.00



CONTRACT #071B8200270

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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 17, 2009

CHANGE NOTICE NO. 1 (REVISED)
TO
CONTRACT NO. 071B8200270
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 921 E. Miller Road, Suite B Lansing, MI 48910 Email: jenniferkwapis@dewpoint.com	TELEPHONE (248) 396-2896 Jennifer Kwapis CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 Steve Motz
CONTRACT COMPLIANCE INSPECTOR: Barb Suska (517) 335-4067 Michigan Intelligence Operations Center (MIOC) Criminal and Analytical Solution	
CONTRACT PERIOD: From: September 3, 2008 To: September 2, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby **INCREASED** by \$271,350.00 for option Law Enforcement Analysts (LEA) software and implementation services to provide the Michigan State Police (MSP) and local law enforcement agencies with a dashboard reporting tool. A detailed statement of work and pricing is attached. This contract is now available to MiDeal Members and other state agencies and departments. The help desk has been changed and now requires a level 3 user help desk from 7am to 7pm, 7 days a week, 52 weeks per year. All other terms, conditions, specifications and pricing remain the same.

AUTHORITY/REASON(S):

Per Contractor and MDIT agreement and Administrative Board approval on 8/4/2009

INCREASE: \$271,350.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,637,944.00

Law Enforcement Analytics Draft Proposal



Michigan State Police



April 17, 2009

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Executive Summary

The Law Enforcement Analytics (LEA) solution is a customizable off the shelf software (COTS) solution to assist law enforcement and public safety agencies to access, analyze, and interpret their data. LEA is a proven framework that has been successfully implemented for other law enforcement agencies, including Richmond Virginia, Houston Texas and Lansing Michigan. Other law enforcement customers that have implemented substantial applications include New York City, Missouri State Highway Patrol, and the Pennsylvania State Police.

Information Builders Law Enforcement Analytics (LEA) provides the following functionality:

- Management Key Performance Indicator (KPI) Dashboards and Web-based incident reporting to support proactive, intelligence-led policing operations. The LEA framework supports agency-specific customization required to deal with unique requirements.
- LEA allows direct access to data assets regardless of data format (for example: Oracle and SQL Server for MSP Phase One). The technical platform on which LEA is delivered can support today's specific data requirements and future requirements.
- LEA can be fully integrated into an ESRI solution.
- LEA enables one enterprise view of all structured and unstructured data in an intuitive, Google-like interface. The ability to find information without knowing exactly what or where it is has the potential to enhance the agency's responsiveness and insight into their data resources.
- Predictive analytics and data mining provide the ability to allocate resources based on sophisticated crime modeling. Based on a variety of internal and external factors, this model predicts which patrol areas are most likely to experience crime.
- The LEA framework can be made available to provide crime statistic reporting to the public.

In the Dewpoint Criminal and Analytical Solution proposal that was awarded a contract by MSP in 2008, Dewpoint included the optional use of LEA as a reporting dashboard for the MIOC or MSP at large. Although not funded upon contract award, the Michigan State Police and Michigan Department of Information Technology have requested to exercise the contract item and have LEA functionality implemented in a phased approach. The phases of the LEA implementation will be further defined in this document.

Solution Overview

Public safety organizations, like Michigan State Police, are faced with limited budgets and personnel, increased service demands, and staggering increases in available information. New tools and different approaches that exploit the available resources are required to effectively handle this increased demand for services. The challenge is then to collect and efficiently deliver timely information to those who need it, in a format they can use, to make actionable decisions.

To accomplish this goal, LEA has been designed to integrate data from multiple sources, such as CAD, RMS, criminal history, and incident reports to then produce meaningful reports. The LEA dashboards provide secure, role-based access and meaningful reports in an easy-to-navigate interface for users spanning the criminal justice enterprise. These reports range from ad hoc reporting of incidents and individuals oriented to officers and detectives on the front line, to powerful analytical tools oriented to analysts, and dashboards providing Key Performance Indicators (KPIs) for managers.

LEA provides a way for users to create their own reports, share and save them, schedule them for distribution, or even have them automatically generate alerts on user defined criteria. LEA provides the mechanism for the agency to spot previously unknown trends or relationships, identify repeat or potential offenders, to locate hot spots as they move around, know what crimes are happening where and when and identify the victims, suspects and witnesses.

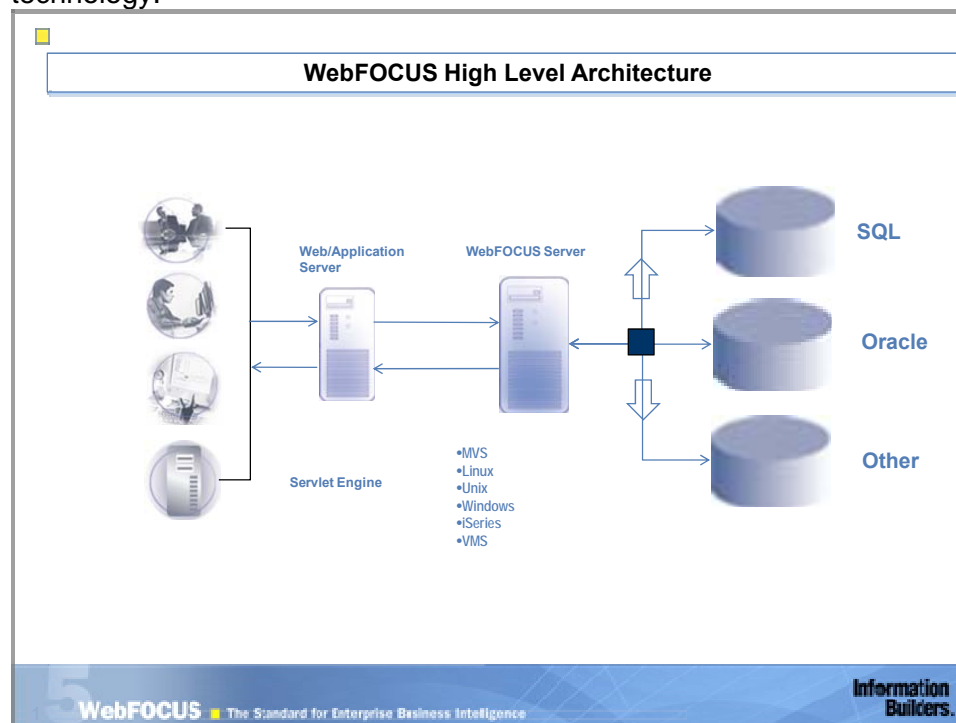
The LEA system will provide the following benefits to Michigan State Police:

- Provide a common operational picture for users at all levels within the agency.
- Key Performance Indicator (KPI) management dashboards and web-based reports designed around incident reporting for force deployment.
- Ability for the entire police command structure to monitor operations on real-time or near real time.
- Leverage existing infrastructure to preserve MSP's investment.
- One entirely web-based platform with an open, distributable architecture.
- Open architecture supports flexibility to change platforms or data points as the need arises.
- Dynamically consolidate existing and future data sources.
- A comprehensive integration of criminal justice information based upon national standards and U.S. Department of Justice requirements.
- Proven and successful solution demonstrated by law enforcement agencies across the country.
- Local Michigan offices for both Dewpoint and Information Builders are staffed with project managers, systems engineers, consultants, account managers and trainers to support the Michigan State Police.

The Dewpoint Team has developed a multi phased deployment strategy which provides the State of Michigan Department of Information Technology and Michigan State Police a scalable extensible solution which can be rolled out progressively to users and incorporate additional data sources as discrete projects.

Technical Solution

The Pilot Phase: LEA will include Dashboard, web reporting, and data access (adapter) technology.



LEA will provide the following technical benefits to Michigan State Police:

- **Ease Of Use**
 - Easy to use graphical user interface for users of all skill levels (novice, power users, and developers).
 - Easy to use reporting templates for the majority of users, so that more questions can be resolved without resorting to power users or developers.
 - End users require little to no training, as templates are designed to be self-service.
- **Speed of Deployment**
 - Functionality that allows for a rapid deployment time, such as:
 - Rapid Application Development which is a fully integrated development environment that allows for composition of reports, compound documents, rich web applications, and provisions for extensible mashup applications (such as Google and Flex).
 - Power users have tools within LEA for rapid composition of reports and graphs in numerous output formats that can then be saved, shared, and distributed as needed.
 - End users, both inside and outside of the firewall, can perform sophisticated analysis of data through easy to use reporting templates that can be quickly deployed by developers.
 - IT can leverage the existing infrastructure to build a sophisticated reporting environment.
 - Ability to read existing data sources.

- Ease of Integration
 - Integration technology is based on open standards based architecture, as well as an open application programming interface (API) for ease of integration into existing web-based applications and portals.
 - As new technologies evolve, we will support and adopt those technologies so that your solution can grow as technology changes.
 - New data sources can be added quickly with our plug and play adapters that are maintained and supported by Information Builders.
- Ease of Customization
 - Fully customizable to fit seamlessly into the organization.
 - Ability to personalize views so that users can see information that is important to them.
- Deployment To The Masses
 - We have the largest number of business intelligence applications deployed outside of organizations' firewalls.
 - LEA is designed to be 'public' friendly.
- Leverage Existing Infrastructure
 - Technical components are fully distributable across different platforms and use commonly used technologies that MSP already has in place.
 - Report from operational sources. LEA can interrogate over 300 different data structures and is extremely successful when deployed into high availability, high transaction environments. We do not require a data warehouse, mart, or other store (such as a cube) to provide sophisticated analytics, but can leverage one if that is required.
 - Pure thin client
 - Web-based architecture. We will leverage your existing web architecture (web server/application server) and run as a standard web application within that infrastructure.
 - Leverage technology within your environment that users are comfortable with. Reports can be output to Excel, Adobe, and PowerPoint. Ability to generate rich internet applications and mash-ups using Adobe Flex and Google.
- Low Maintenance Requirements
 - Some of our largest deployments are serviced and maintained by very few IT staff members.
- Superior Scalability
 - Native Data Adapters. More efficient than generic ODBC, our adapters take advantage of database-specific SQL extensions and optimization techniques, resulting in more efficient queries and subsequently faster response times.
 - Non-Persistent Connection. Results in efficient utilization of resources across the infrastructure.
 - Multi-threading.
 - Multi-tier configurations. Fully distributable architecture.
 - Can be deployed on over 35 different platforms.
 - Clustered servers and load management.
 - Failover capability ensures 24x7x365 availability when required.

Statement of Work **Deliverables**

Pilot Phase – Dashboard and Reporting

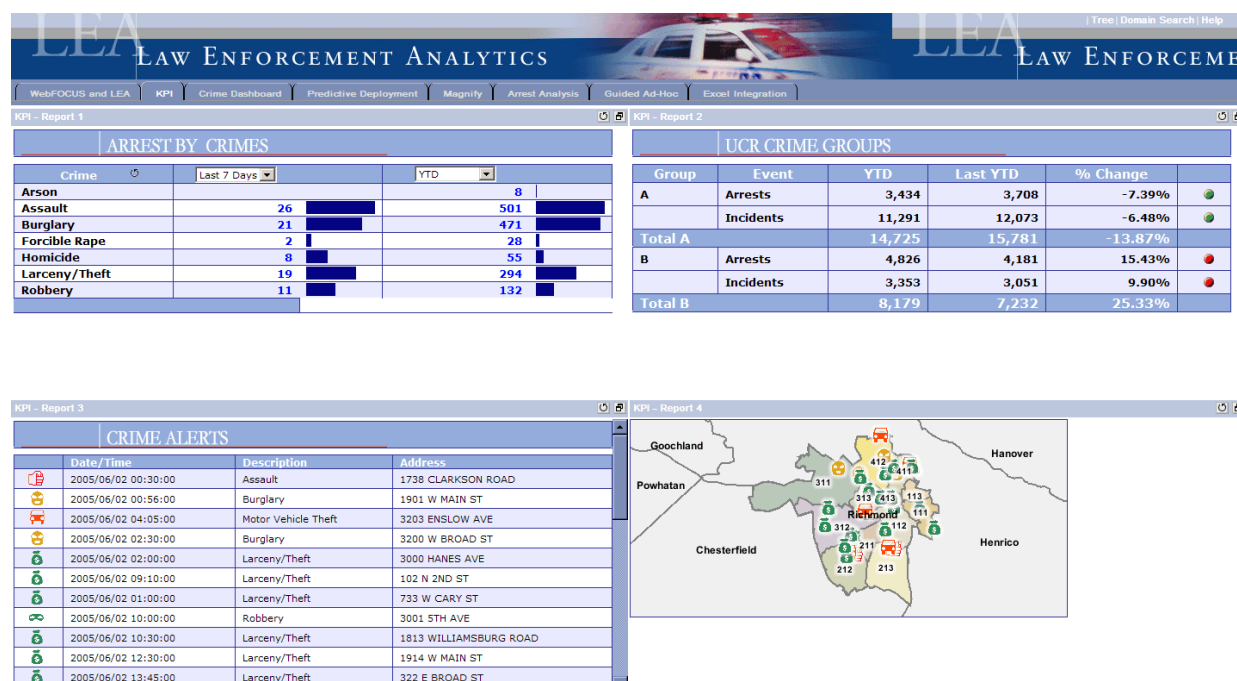
LEA will provide KPI management dashboard (s) and web-based reports designed around incident reporting for force deployment. From an executive dashboard the entire police command structure throughout MSP can monitor operations on a daily basis. Activity can be analyzed by person, offense, or property through set parameterized reports. From the dashboard, users can drill into more detail. For example, further reporting may allow the user to see the number of incidents by precinct. By drilling down even further, increasing levels of detail about the group of incidents, trends and patterns can be spotted. Hot spots, trends, officer activity, workload, response times, and event types by location can then be analyzed.

Dewpoint and Information Builders will work with MSP to determine their specific KPI's as well as how many dashboards (depending on roles and security) are appropriate.

The reporting environment will also allow users to create their own reports, share and save them, schedule them, or even have them automatically generate alerts on user defined criteria. High-Level Pilot Phase Deliverables include:

- Key Performance Indicators (KPI) dashboard views for different end users two (2) dashboard views, based on user role and security. For example, one user may have the ability to have a district view, with the ability to drill down within a district where there are boundaries between districts. Another user may have a different view where they can see district and statewide information.
 - Capability for a novice user to get information easily with little or no training.
 - Ability to drill down into summary and detailed reports.
 - Providing a minimum number of mouse clicks to get information.
 - Integration into two relational (Oracle and/or SQL) data sources.
 - Data retrieval will be transparent to the dashboard end user.
- Four (4) Reporting Templates for Crime Analysts that can spawn additional reports.
- Ability to incorporate a scrolling alert to be added to the dashboard.
 - For example, amber alerts.

LEA Dashboard Example



Flexible Reporting Template Example

Pennsylvania Uniform Crime Reporting System

Home | Reports | Download | Help | Links

Arrest | Arson | Hate | Homicide | Offender | Offense | Property | Victim

Monthly Summary Arson Reports

Report Name
Arson Offenses Reported

Level of Detail
Year: 2000
Month: January

☒ Selected Month
☐ YTD
☐ Both

☐ Display in Microsoft EXCEL Format

Pick a Geographic Area or State Police

☒ Statewide
☐ Region
☐ Metro Area
☐ College
☐ County
☐ Jurisdiction
☐ Troop
☐ Station

Central CHSR
Allen-Beth-Easton MSA
ALBRIGHT COLL
ADAMS
Select a County First
A - GREENSBURG PSP HDQ.
Select a Troop First

Submit

Phase 1 – Move to a production environment with up to 1000 sworn officer users

As the pilot project moves into Phase One, the test/development environment will move into production for a larger user population. Information Builders will work with this new user community to provide the following high-level Phase One deliverables:

- Continue to build Key Performance Indicators (KPI) dashboard views for different end users (additional dashboard views), based on user role and security.
- Integration into an additional relational (Oracle and/or SQL) data sources. Additional Reporting Templates for Crime Analysts that can result in additional reports.

Phase 2 – Expanded Reporting, Increased Analytics Functionality and Additional Data Source Access

The pilot and first phase will provide analytics from the dashboard views and the report templates. The second phase will leverage and build off of the Pilot Phase and Phase One. This phase will address the user community which may have different needs for reporting. For

example, MSP will probably want to provide simple ad hoc reporting to officers and detectives who do not want to learn a tool, but need information easily. LEA will also provide more powerful analytical tools for the crime analysts. We would also envision that MSP would like to add additional data sources to the LEA Framework at this point.

Phase 3 – Analytics Geo-coded for Display on Dashboard, Predictive Analytics and Search.

For Phase Three, the LEA solution will fully integrate with the ESRI mapping software. This ability allows LEA to show the combination of mapping and geospatial capabilities to provide analysts with powerful insight into patterns and trends that are not obvious from traditional case-by-case review. Hot spots, trends, officer activity, workload, response times, and event types by location can be seen.

We will also incorporate the Predictive Analytics functionality at this time. Predictive analytics and data mining allow the ability to allocate resources based on sophisticated crime modeling. Based on a variety of internal and external factors, this model predicts which areas are most likely to experience crime.

We will also enable the Search functionality. LEA enables one enterprise view of all structured and unstructured data in an intuitive, Google-like interface. The ability to find information without knowing exactly what or where it is has the potential to enhance the agency's responsiveness and insight into their data resources.

Pilot Phase - Project Plan/Schedule

High-Level Project Plan:

Dewpoint anticipates an overall project duration of 2 months to implement the Pilot Phase.

The engagement will follow the standard Dewpoint Delivery Model and adhere to State SEM and SUITE methodologies.

Requirements and Design

- Validate scope of effort with MSP.
- Facilitate JAD Sessions to determine the business requirements as well as the source data, measures and dimensions.
- Solution Architecture planning. Develop the architecture for implementing
- Dashboards and integration to the relational data stores such as Officer Daily, UCR and CRASH systems implementation planning. Work with MSP to develop a project plan for rolling out the Project task and activities to meet MSP's timelines and deliverables.
- Determine the suitability of the client's data and the steps necessary to use it.
- Confirm requirements for two dashboard views and four standard and custom report templates.
- Outline the Technical Specifications for the dashboard views and report templates or reporting objects. This includes mapping between the source and the report elements.
- Data definition and Mapping

Solution Development

- Development of the integration points using the iWay adapters and Service Manager software.
- Development from Technical Specifications of Dashboards and report templates or objects (defined in Step 1) from the following:
 - Dashboard Views.
 - Standard Reports.

- A minimum of one report from the above list will be OLAP enabled.
- At least one reporting object will incorporate a parameter selection facility in order to provide an ad hoc view of the data.
- Mentoring. Assisting the MSP staff in the use of the IB software within the MSP environment.

Integration Testing through Deployment

- System Integration.
- Unit-testing of report templates and objects.
- User Acceptance testing.
- Knowledge transfer and turnover for operation support of system.
- Testing. Assisting the MSP team with the unit and system testing of software components.
- Production Rollout. Assisting the MSP team in moving the software components to their production environment.

Organizational Responsibilities

In order to ensure a successful project, it is important that both organizations identify and accept certain responsibilities.

Dewpoint Responsibilities

- Dewpoint is responsible for all ensuring all tasks within this proposal are completed.

Client Responsibilities

- Michigan Department of Information Technology will provide timely and complete access to existing resources, systems, and documentation needed to successfully complete this project.
- Michigan Department of Information Technology will provide adequate workspace for each of the consultants.
- Michigan Department of Information Technology will appoint a project representative as well as any other relevant personnel to work with Dewpoint. The Michigan Department of Information Technology project representative will be the single point of contact for all Dewpoint team members.

Assumptions

- Work will not start until a purchase order is issued.
- MSP will have the ESRI software licensed and installed.
- WebFOCUS Security will be implemented.
- LEA will be deployed behind the existing MICJIN portal. However, Dewpoint and Information builders welcome a discussion on possibly replacing the MiCJIN portal with LEA at a later date.
- Dewpoint and Information Builders will work with MSP to prioritize activities and mentor the MSP team.

Pricing

The following pricing for this project is based on Dewpoint's understanding of the scope contained in this proposal. Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project.

Changes will not be effective without written agreement and approval by Dewpoint and Michigan Department of Information Technology/Michigan State Police

LEA for Michigan State Police

Software Components, Services, Training, and Maintenance – For Pilot and Phases 1, 2 and 3	Software, Services, & Training Fees	Maintenance 1st year	2nd year	3rd year	4th year
Pilot Phase					
Law Enforcement Analyst (LEA), for 100 users	\$110,000				
- includes additional data adapter for Oracle and one additional copy of developer studio					
Consulting	\$94,250				
Total Pilot Phase Implementation (maintenance included for the 1 st year)	\$204,250	\$0	\$22,000	\$22,000	\$23,100
Phase 1 - Upgrade to full LEA license and maintenance					
Law Enforcement Analyst (LEA), Level 1: <1,000 MSP Sworn Officers	\$215,000				
Consulting	\$40,750				
Training	\$11,500				
Total Phase 1 Implementation (software, consulting services, and training)	\$267,250.00	\$43,000	\$61,750	\$61,750	\$64,838
Phase 2					
Additional Software for Law Enforcement Analyst (LEA), Level 1: <1,000 MSP Sworn Officers	\$50,255.00				
InfoAssist - 10 Users					
Developer Studio - one additional user					
Relational Adapter - one adapter of choice					
Non-Relational Adapter - one adapter of choice					
Consulting (not-to-exceed price that will be adjusted in response to a SOW)	\$195,000				
Training	\$11,500				
Total Phase 2 Implementation (software, consulting services, and training)	\$256,755.00	\$53,051	\$71,801	\$71,801	\$75,392
Phase 3					
Additional Software Law Enforcement Analyst (LEA), Level 1: <1,000 MSP Sworn Officers					
iWay Adapter for ArcGIS Geo-spacial database, per instance	\$15,000				
WebFOCUS Rstat - Comprehensive Library for Statistical Modeling and Predictive Analytics**					
Consulting (not-to-exceed price that will be adjusted n response to a SOW)	\$485,000				
Training	\$23,000				
Total Phase 3 Implementation (software, consulting services, and training)	\$523,000	\$81,051	\$99,801	\$99,801	\$104,791
Total for Pilot and Phases 1, 2, and 3	\$1,251,255.00				
Upgrade fee and increase in maintenance to expand usage beyond 1,000 sworn officers					
Upgrade to 1,000-4,999 MSP Sworn Officers	\$121,250	\$24,250			
Upgrade to Unlimited Sworn Officers within internal MSP and Public Portal for Unknown Users	\$252,000	\$50,400			
WebFOCUS Portal - Unlimited Users					
InfoAssist - Unlimited Users					
Additional Law Enforcement Agencies - LEA Run - Time Only Instance					
Law Enforcement Analyst (LEA), Level 1: <1,000 Sworn Officers	\$154,375.00	\$30,875			
Law Enforcement Analyst (LEA), Level 2: 1,000-4,999 Sworn Officers	\$215,000.00	\$43,000			
Law Enforcement Analyst (LEA), Level 3: +5,000 Sworn Officers	\$267,500.00	\$53,500			

Assumption: State of MI/MSP will host LEA application

Additional Law Enforcement Agencies

Law Enforcement Analyst (LEA), Level 1: <1,000 Sworn Officers	\$325,000.00	\$65,000
Law Enforcement Analyst (LEA), Level 2: 1,000-4,999 Sworn Officers	\$430,000.00	\$86,000
Law Enforcement Analyst (LEA), Level 3: +5,000 Sworn Officers	\$535,000.00	\$107,000
Assumption: Individual Agency will host LEA application		

Information Builder Services

Ongoing Daily Rates	Daily Rates
Senior Consultant - WebFOCUS	\$1,500
System Engineer	\$1,720
Architect	\$2,000
Project Team Lead	\$1,600

Pricing Notes:

Software Pricing is valid for 5 years from date of contract effective date.
Pricing limited to a single Windows Server, Unix or Linux machine (any size).
** Annual \$25,000 per year maintenance fee per WebFOCUS reporting server
Additional Data Adapters may be needed for Phase 2 and Phase 3. Pricing for additional components on Options Tab.
Additional Developer Licenses may be needed for Phase 2 and Phase 3. Pricing for additional components on Options Tab.
Hardware not included.

State of Michigan/MSP - Additional Software Components

	Software License Fee	Maintenance Services (24x7)
Software - Additional Components		
WebFOCUS Developer Studio, 1 copy	\$3,450	\$690
WebFOCUS Portal (Unlimited Users)	\$105,000	\$21,000
WebFOCUS InfoAssist		
10 Users	\$9,500	\$1,900
50 Users	\$24,000	\$4,800
100 Users	\$30,000	\$6,000
Unlimited Users	\$42,000	\$8,400
WebFOCUS Performance Management Framework		
50 users	\$55,000	\$11,000

100 users	\$100,000	\$20,000
Visual Discovery 25 users	\$25,000	\$5,000
WebFOCUS Reporting ProServer	\$118,965	\$23,793
WebFOCUS Relational Adapter	\$11,265	\$2,253
WebFOCUS Non-Relational Adapter	\$22,590	\$4,518
WebFOCUS Application Systems Query Adapters (SAP, PeopleSoft, JDE)	\$31,260	\$6,252
WebFOCUS Web Services Adapter	\$22,590	\$4,518
WebFOCUS Resource Governor	\$14,490	\$2,898
WebFOCUS Active Reports	\$25,545	\$5,109
WebFOCUS Maintain Standard	\$51,375	\$10,275
WebFOCUS Quick Data	\$20,430	\$4,086
WebFOCUS Flex Enable	\$20,430	\$4,086
iWay Information Exchange Foundation Component	\$180,000	\$36,000
WebFOCUS Open Portal Services	\$10,000	\$2,000
WebFOCUS eLearning Package	\$15,000	\$3,000
WebFOCUS Rstat - Comprehensive Library for Statistical Modeling and Predictive Analytics**		\$25,000

Pricing Notes:

Software Pricing is valid for 5 years from date of contract effective date.

Pricing limited to a single Windows Server, Unix or Linux 4 core machine. Software pricing will increase 50% for each additional 2 cores.

Test/Development environment cost is 50% of production environment.

** Annual \$25,000 per year maintenance fee per WebFOCUS reporting server

Hardware not included.

Accepted by:
For Dewpoint, Inc.:

For MDIT/MSP:

Printed Name: Jennifer Kwapis
Date: _____

Printed Name: Deb McClung
Date: _____

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

August 10, 2009

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B8200270
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 921 E. Miller Road, Suite B Lansing, MI 48910 Email: jenniferkwapis@dewpoint.com	TELEPHONE (248) 396-2896 Jennifer Kwapis
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
CONTRACT COMPLIANCE INSPECTOR: Barb Suska (517) 335-4067 Michigan Intelligence Operations Center (MIOC) Criminal and Analytical Solution	
CONTRACT PERIOD: From: September 3, 2008 To: September 2, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby **INCREASED** by \$271,350.00 for option Law Enforcement Analysts (LEA) software and implementation services to provide the Michigan State Police (MSP) and local law enforcement agencies with a dashboard reporting tool. A detailed statement of work and pricing is attached. This contract is now available to MiDeal Members. All other terms, conditions, specifications and pricing remain the same.

AUTHORITY/REASON(S):

Per Contractor and MDIT agreement and Administrative Board approval on 8/4/2009

INCREASE: \$271,350.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,637,944.00

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

September 5, 2008

**NOTICE
 OF
 CONTRACT NO. 071B8200270
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 921 E. Miller Road, Suite B Lansing, MI 48910 Email: jenniferkwapis@dewpoint.com	TELEPHONE (248) 396-2896 Jennifer Kwapis CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 Steve Motz
CONTRACT COMPLIANCE INSPECTOR: Barb Suska (517) 335-4067 Michigan Intelligence Operations Center (MIOC) Criminal and Analytical Solution	
CONTRACT PERIOD: From: September 3, 2008 To: September 2, 2013	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

TOTAL ESTIMATED CONTRACT VALUE: \$2,366,594.00

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

CONTRACT NO. 071B8200270
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (248) 396-2896 Jennifer Kwapis
Dewpoint, Inc. 921 E. Miller Road, Suite B Lansing, MI jennifer.kwapis@dewpoint.com		CONTRACTOR NUMBER/MAIL CODE (2) 383300595
		BUYER/CA (517) 241-3215 Steve Motz, Buyer
Contract Compliance Inspector: Barb Suska (517) 335-4067 Michigan Intelligence Operations Center (MIOC) Criminal and Analytical Solution		
CONTRACT PERIOD: From: September 3, 2008 To: September 2, 2013		
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 RFP No. 071I8200122, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.		
Current Authorized Spend Limit: \$ 2,366,594.00		

FOR THE CONTRACTOR:

Dewpoint, Inc.
Firm Name

Authorized Agent Signature
Patti Howland, VP Operations
Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature
Greg Faremouth, Division Director
Name/Title
IT Division, Purchasing Operations
Division

Date



STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Request for Proposal No. **071B8200270**
(Michigan Intelligence Operations Center Criminal and Analytical Solution)

Buyer Name: Steve Motz
Telephone Number: 517-241-3215
E-Mail Address: motzs@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 (DMB), with assistance of the Michigan Department of Information Technology (MDIT), has entered into this contract to provide the Criminal and Analytical Solution (CAS) for use in the Michigan Intelligence Operations Center (MIOC) for Homeland Security.

Services shall begin in September 2008. Implementation of the CAS must be completed no later than April 2009.

1.002 BACKGROUND

The role of the Michigan Department of State Police (MSP) is to provide general law enforcement services to the citizens of the State of Michigan. MSP also has the unique responsibility for the development and coordination of state-level programs, technologies, and specialized services that enhance enforcement and emergency response capabilities for the entire public safety community. Accordingly, given the events of September 11, 2001, MSP is working closely with the Department of Homeland Security to establish the MIOC for Homeland Security in East Lansing, Michigan with an operational node in the Detroit area. It is required that all MIOC personnel, regardless of physical location, have full access to MIOC software solutions.

The MIOC for Homeland Security is designed to serve multi-agency policing needs. The MIOC for Homeland Security will provide information to patrol officers, detectives, management, and other participating personnel and agencies on specific criminals, crime groups, and criminal activity. The MIOC for Homeland Security will support anti-terrorism and other crime-specific objectives by collecting and disseminating information to a number of communities of interest (COLs'). The 100 MIOC personnel will search numerous databases to gather and analyze information. The MIOC for Homeland Security will also generate intelligence products of its own, providing overviews of terrorist or other crime groups, analysis of trends, and other items of intelligence for dissemination to participating agencies. The MIOC for Homeland Security will combine the latest computer technologies and policing techniques for information sharing and analysis for all potentially relevant, homeland security data and information, leading to proper interpretation, assessment, and preventative actions.

The MIOC for Homeland Security environment is comprised of integrated teams consisting of sworn and analytical personnel from participating local, state and federal agencies who are assigned to specific terrorism/crime categories. The MIOC for Homeland Security is physically divided into three separate areas, an intake/watch area, an intelligence analysis area, and a federal classified area.

Intake/Watch Command Area

The MSP Operations Section serves as the Intake/Watch area for the MIOC for Homeland Security. It is the central location for all information entering the Center and is a 24/7 operation. Approximately 14 MSP enlisted and civilian personnel are responsible for the ongoing functions in this area. This unit also houses, or provides space, for an additional 12 individuals from various state and/or local agencies. Personnel identified by these agencies will serve as the direct liaison between the MIOC for Homeland Security and their home agency, or region, to provide information to address agency or community concerns.

The MSP Operations staff has the responsibility for activating emergency operations personnel and specialized MSP teams for emergency response. As part of the Intake/Watch center responsibilities, personnel are responsible for receiving and routing telephone inquiries, managing information requests and inquiries, and information input to the intelligence and tip-tool applications. Using various technologies or mediums, Intake/Watch personnel are responsible for monitoring all sources of media, and homeland security resources



for immediate and timely identification of incidents. Information received, is evaluated and triaged, with immediate notification if necessary, to appropriate MIOC personnel and/or pre-identified homeland security partners.

Intelligence Analysis Area

The primary function of this area is to conduct intelligence-based assessment of criminal threats within Michigan's borders, including domestic and international terrorism. All personnel assigned to this area possess the necessary security clearance and include analysts and detectives from state, local and federal agencies. This area will eventually host more than 50 enlisted and civilian personnel who will have access to all MIOC for Homeland Security applications.

The Intelligence Analysis area provides support for both strategic and tactical analysis for domestic and international terrorism, smuggling, narcotics, infrastructure protection, and organized crime. Personnel are responsible for researching, studying and publishing analytical results for long-range planning of MIOC for Homeland Security operations and intelligence investigative objectives. In addition, they provide tactical support and analysis with/for ongoing intelligence and investigative objectives of the operational squads assigned to the MIOC for Homeland Security and other law enforcement task forces or investigative bureaus. Other areas of criminal activity are included as priorities and are adjusted as new or emerging criminal or terrorist threats are identified.

Classified Open Storage Area

This area provides the secure location for the receipt, analysis and transmission of classified information. Federal agencies and/or MIOC for Homeland Security personnel with top secret clearance levels have access to receive, store, and discuss classified information to provide coordinated collaboration among state, local and federal law enforcement and homeland security agencies. This space can seat up to nine people and includes a secured conference room with secure video conferencing capabilities. Information shared within this area follows pre-established U.S Department Of Defense (DOD) and Federal Bureau of Investigation (FBI) rules for the sharing of classified information. Personnel in this area will only have access to their federal and secured home agency applications.

This Contract is for the Criminal and Analytical Solution (CAS). The CAS will only be used by MIOC for Homeland Security personnel located within a fusion center or on a limited external basis.

The CAS will be used to facilitate intelligence activities conducted by MIOC personnel, that leverages state-of-the-art web crawling technologies, database search technologies, and decision algorithms to identify and push data to MIOC personnel that is pertinent to their investigative activities. The CAS must be able to identify new content as it appears on the internet or with selected databases and notify the MIOC personnel that new data of relevance is available.

The MIOC for Homeland Security CAS must interface to the State's Next Generation LEIN (NGL) system. NGL's primary function is to manage and facilitate the entire law enforcement information exchange process between MSP, Secretary of State (SOS), Department of Corrections (DOC), National Crime Information Center (NCIC), the International Justice & Public Safety Information Sharing Network (NLETS), approximately 145 computer interface agencies and over 500 LEIN single user interfaces. As appropriate, the CAS must also interface to the state's I-SERVICES Gateway. I-SERVICES provide name query capability, with date of birth, race, and sex as options to narrow the search) to over 35 criminal justice record management systems throughout the State of Michigan using a single query. Users of I-SERVICES can have query responses delivered to their desktops or their portable wireless devices.

The CAS must also have an interface to the Michigan Criminal Justice Information Network (MiCJIN) portal for user authentication. The MiCJIN Portal is compatible with both eDirectory and Active Directory LDAP directory structures, utilizing industry standard SAML 2.0. Another interface will be with Pen-Link, which is a



commercially available telephone toll analysis software used by the State. The CAS must also interface with I2 Analyst Notebook and ArcGIS, both of which are commercially available and used as an analytical and mapping tool respectively.

The CAS must be compliant with emerging standards in the criminal justice arena such as the National Information Exchange Model (NIEM), <http://www.niem.gov> and the Information Sharing Environment Implementation Plan (ISE), www.ise.gov/docs/reports/ise-impplan-200611.pdf.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

Scope of Work and Deliverables

Contractor must provide the following services for the complete and successful implementation of the CAS and the functionality required for MIOC for Homeland Security operations:

- Verification and validation of business requirements with MSP and MDIT Agency Services personnel in accordance with business operations, 28 CFR Part 23, and the relevant sections from the Michigan Compiled Laws (MCL). Refer to the following link for details on MCL: [http://www.legislature.mi.gov/\(S\(0jphz555b1p2h245v5j50i55\)\)/mileg.aspx?page=getObject&objectName=mcl-752-1](http://www.legislature.mi.gov/(S(0jphz555b1p2h245v5j50i55))/mileg.aspx?page=getObject&objectName=mcl-752-1)
- Conduct a gap analysis between the vendor's product and the existing MSP/DIT requirements
- Provide a Gap Analysis document from verification and validation of business requirements
- Development of a systems architecture document
- Verify and validate technical specifications as developed by the CAS for servers, desktops, and peripherals
- Services to implement the software, including configuration, customization, modification, interfaces, and integration and testing.
- Interfacing the CAS to the MiCJIN portal, the Next Generation LEIN (NGL) system, the I-SERVICES Gateway, RISS-Intel database, Pen Link, ESRI ArcGIS and I2 Analyst Notebook.
- Application testing and integrated testing with the MiCJIN portal, the Next Generation LEIN (NGL) system, the I-SERVICES Gateway, RISS-Intel database, Pen Link, ESRI ArcGIS and I2 Analyst Notebook.
- Procurement of software
- Installation of all associated software
- Transition of business operations to the new software
- Document software configuration management methodology
- Train MIOC users, DIT MIOC support staff, and technical staff in use and operation of the CAS
- Provide "Train the trainer" training for MSP training personnel
- Provide training documentation and training materials
- Provide knowledge transfer to State as identified through the project
- Provide system documentation to include user and technical manuals
- Help Desk and Technical support for the duration of the contract
- Maintenance, beginning two years from system implementation, of all software procured under this Contract
- Annual support and administration of the environment
- Transition of support and administration of the environment to DIT
- Hardware requirements for the CAS.

The State intends to have a suitable hosting environment for the CAS fully operational 60 days after the final hardware configuration has been determined and agreed to by the State and the Contractor. The contractor's project plan has proposed a timeframe of 60 days to have the hosting environment fully operational. If the 60



day timeframe is exceeded, the State will allow the contractor to adjust the project plan accordingly. Upon suitable hosting environment being fully operational, the Contractor can begin onsite installation and configuration of the CAS.

Subsequent annual maintenance payments that result from this procurement will begin no sooner than 2 years after final system implementation.

Contract Term:

The contract will have a maximum term of five (5) years, with two (2), two (2) -year options to extend. Renewal of the Contract will be at the sole discretion of the State.

The State reserves the right to request additional extensions for future enhancements and maintenance for the useful life of the software.

1.102 OUT OF SCOPE

The following are out of the scope for this contract:

- Equipment and application development services for any system(s) other than those specifically addressed within this contract
- Installation of any MIOC related hardware i.e. desktops, and peripherals
- Hosting of the Criminal and Analytical Solution

1.103 ENVIRONMENT

The Contractor's solution must be integrated effectively into the State of Michigan's current technical environment and must continue to do so as this environment evolves. The links below 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).

The State has methods, policies, standards and procedures that have been developed over the years. The Contractor's services and products for this solution must conform to State IT policies and standards.

Enterprise IT Policies, Standards and Procedures:

<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>

All software and hardware provided 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 produced 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.

Enterprise 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)

Where software is being converted from an existing package, or a client-server application is being purchased, the security mechanism must be approved in writing by the State's Project Manager and MDIT's Office of Enterprise Security.

State and Agency Rules

1. Contractor shall follow State/Agency policies for computer and Internet usage and will be required to sign any agreements, as required of the State's own employees:
 - a. PC Acceptable Use Policy at http://www.michigan.gov/documents/PCAcceptableUsePolicy1460_1_72034_7.pdf
 - b. Authentication Requirement for Access to Networks, Systems, Computers, Databases, and Applications at http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf
 - c. Authorization Prerequisite for Access to Protected Data Resources at http://www.michigan.gov/documents/dmb/1350.20_184600_7.pdf
 - d. Access Control Criteria for Right to Use Automated Information Resources at http://michigan.gov/documents/Policy_1350_157471_7.40_Access_Control_Final_PDF.pdf
 - e. Secure Disposal of Installed and Removable Digital Media at http://michigan.gov/documents/Policy_1350_157496_7.90_media_disposal_Final_PDF.pdf
 - f. Michigan State Government Network Security Policy at http://www.michigan.gov/documents/141017_36297_7.pdf
 - g. Enterprise Administration.

IT Strategic Plan:

<http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html>

The State Unified Information Technology Environment (SUITE):

Includes standards for project management, systems engineering, and associated forms and templates – must be followed: <http://www.michigan.gov/suite>

A description of the Contractors architecture, technology standards, and programming environment is provided as Technical Overview in **Article 1, Attachment F**.

The State of Michigan Enterprise Architecture Solution Assessment completed by the Contractor is provided as **Article 1, Attachment H**.

The State reserves the right to purchase from other State contract vehicles any hardware/equipment and/or software identified as needed to complete the services identified in this contract.

1.104 WORK AND DELIVERABLES

The Contractor must provide deliverables, services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in this contract.

**I. Requirements**

1. Contract must provide a commercial-off-the-shelf (COTS) product that must adhere to the General, Technical, and Functional requirements for the CAS as provided in **Article 1, Attachment G**.

II. Service Levels – The following service levels have been established for the CAS:

1. System performance and response times as set forth in the Technical Requirements. See Article 1, Attachment G.
2. Once operational, all high severity problems, as defined in Article 1, Section 1.104 (VI) (17) shall be resolved within 2 hours from the time the problem was first reported to Contractor.
3. The CAS applications shall be accessible by users no less than 99.9% of the time based on a schedule of twenty-four (24) hours, seven (7) days per week. Scheduled maintenance not included.
4. The Contractor must provide telephone and e-mail technical support on a 24X7 basis.
5. The Contractor shall provide VPN technical support on a 24X7.

III. Delivery Conditions - The following delivery conditions have been established for this contract:

1. The State and Contractor shall agree on a schedule of events regarding the delivery of required services and products to achieve the State's project plan.
2. All items shall be bid Free On Board (FOB) destination to the location specified in the Purchase Order.
 - a. The term FOB destination shall mean delivered and accepted at the identified agency destination receiving site and with all charges for transportation and unloading paid by the Contractor. These charges are built into the price of each item.
 - b. "Accepted" means delivered as specified in a Purchase Order for purchase of the equipment. Mere acknowledgement by State personnel of the delivery or receipt of the equipment shall not be deemed or construed as accepted.
3. All deliveries shall be "Inside Deliveries."
4. The Contractor will pay title and risk of loss or damage charges.

IV. Training - see **Attachment G, General Solution Requirements, Training (7-00 to 7-10)** for the training requirements that have been established for this contract.**V. Documentation** – see **Attachment G, General Solution Requirements, Documentation (9-00 to 9-11)** for the documentation requirements that have been established for this contract.**VI. Maintenance and Support** – see **Attachment G, General Solution Requirements, Maintenance and Support (11-00 to 11- 30)****VII. Modification to Meet New Requirements**

During the Contract period, if changes occur in federal or state systems standards which require modifications to hardware, software or components, such changes will be accepted through procedures outlined in Change Management Requests, Section 1.403.

VIII. Warranties – see **Attachment G, General Solution Requirements, Warranties (10-00 to 10- 08)****IX. State and Agency Rules** – see **Article 1, Section 1.103 Environment****X. Security and Confidentiality**

1. The MSP and MDIT shall retain administration of data access security, including application security (granting of access, resetting of passwords, definition of password syntax rules, monitoring of access violation reports, etc.)
2. The MSP and MDIT shall administer all user security profiles.



3. The Contractor shall be responsible for the function of security software implementation and maintenance if the changes implemented under this Contract warrant a change from the current system.
4. Confidentiality of Data and Information
 - a. All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State.
 - b. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity to obtain reasonable protection for such information in connection with such disclosure.
5. Remedies for Breach of Confidentiality
 - a. The Contractor acknowledges that a breach of its confidentiality obligations as set forth in this Contract shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches.

XI. Services to be Provided

The following is a list of major tasks the Contractor must provide for the project. The Contractor is not constrained from recommending additional tasks based on experience with similar engagements, to better accomplish the stated objectives of the contract.

1. **Project Management Methodology** - The services being provided must use the State's Project Management Methodology and are identified as phases or milestones with associated tasks/activities and deliverables.

Dewpoint utilizes a project management methodology which is highly aligned to PMI standards and follows very closely with the State of Michigan Project Management Methodology. The project plan developed in cooperation with MSP and DIT will be the result of para-metrics from previous implementations of this COTS solution and will be broken into phases with each deliverable assigned to a specific resource and tracked by date within the project critical path. A preliminary project plan has been included as Attachment E of the contract.

2. **Project Plan** – see Section 1.301

The Contractor agrees that the approved project plan shall become incorporated as part of the Contract and Scope of Services.

- i. The project plan will serve as the State's measurement tool, outlining all tasks, their delivery dates, together with testing periods and implementation dates.



1. Each of the agreed upon tasks will become a Deliverable subject to the liquidated damages; specifically identified in **Article 2 Section 2.073**.

3. Requirements Validation – The Contractor shall:

- a. Follow the PMM/SUITE methodology to validate requirements with MSP and MDIT Agency Services.
- b. Ensure requirements meet federal, state and industry standards.
- c. Clarify any unclear or ambiguous requirements which could have an impact on system design or implementation. The requirements validation activities must include, but are not limited to:
 - Review and analysis of current system
 - System application and database requirements
 - Network WAN, LAN, and telecommunications requirements
 - Hardware and operating system requirements and technical specifications

The standard Dewpoint Project Delivery Methodology includes a discovery phase during the beginning of a project. During Discovery, project staff locate, catalog and document existing requirements from varied sources including project RFP, project charter, standards documents and other sources of existing client subject matter expertise. The consolidated requirements are then presented to client experts to be reviewed and expanded on. The reviews consist of individual interviews as well as group sessions. The final requirements are validated against project scope, standards and outside constraints. Completed requirements are entered into the projects requirement traceability matrix and tracked throughout the project to ensure they are delivered.

4. Installation and Testing

- a. The Contractor shall work with State personnel to conduct testing of all software components as well as to conduct system testing.
- b. The Contractor shall first test all components and once proper operation has been achieved will turn the system over to the State for additional testing prior to the system entering production.
- c. Once both parties have agreed, in writing, that the system is ready for production, the system will be placed into production.
- d. The Contractor, in cooperation with the State, shall monitor the operation closely and shall fix any problems related to improper operation within two (2) days of their identification unless otherwise agreed to by the State.
- e. The design specification shall act as the document that describes proper operation.
- f. The Contractor shall test the system to ensure that the requirements are satisfied.
- g. The Contractor shall correct all test errors, implement corrections, and re-execute tests in their entirety until the requirements are met to the State's satisfaction.
- h. The Contractor shall request the State's project manager approval of the content and completeness of the test scripts.
- i. During testing, the State and the Contractor shall work together to measure response times and system performance.

Installation will not begin until testing is complete. Each requirement is tested to ensure that all components operate properly. The State will be invited to participate in the testing process to gain a firsthand understanding of system operation as well as to validate the testing. Upon successful completion of testing, the State of Michigan will be presented with documentation of the test plans and test cases used to validate the operation of the system. When both the State of Michigan project manager and the Dewpoint project manager have agreed in writing the system is production ready, the system will be moved to production per the configurable items list generated during design.



5. Acceptance – see Article 1, Section 1.501

6. Deliverables

- a. Work for any deliverable shall not begin for this project until both parties have agreed to and signed off on written documentation which describes the final deliverable and shown acceptance of its terms.
 - i. Work shall not begin on any deliverable until the State has provided the appropriate approvals, in writing to the Contractor.
 - ii. The sign off process will be initiated by the Contractor and submitted to the State.
 - iii. The State will have the ability to require any changes to the document and request resubmission of the document.
- b. Payments to the Contractor will be made upon the completion and acceptance of each phase, not to exceed contractual costs of the phase.
- c. A phase is defined as complete when all of the deliverables within the phase have been accepted by MSP MIOC IT Project Manager, MDIT Agency Services, and MSP Project Office.
- d. The following table identifies the milestones, deliverables, and roles for the State and Contractor for each phase of this contract.

The contractor will utilize its project delivery methodology in combination with the State of Michigan Suite methodology to manage the phases of the project. Work will not begin on deliverables until the deliverable and acceptance criteria are established and agreed to. The Stage Gate review will be utilized to ensure the deliverable has met the acceptance criteria. The State of Michigan will be provided the opportunity during the Stage Gate review to request modification to deliverables to satisfy acceptance criteria. Phases will be clearly defined by the project plan and the phase will be considered complete when all activity and deliverables within a phase are complete.

Task	Description of Tasks	Contractor Role/ (Deliverable)	State Role
Phase 1 Initiation	Milestones	Deliverables	
Preparation	Work planning and scheduling,	Initial project plan	Provide appropriate reviews and approvals
	Clarification of roles and responsibilities	Project management guidelines	Coordinate State resources needed
	Project report formats and frequency established	Project management guidelines	Provide appropriate reviews and approvals
	Control systems development	Project standards and controls	Define project standards and controls required by the State
	Work environment preparation	Validate to meet requirements	Provide work area
	Assess Project Risks	Issue resolution procedures Risk Management Plan	Provide appropriate reviews and approvals
	Project team planning	Provide appropriate documentation for State approval when required.	Provide appropriate reviews and approvals



Task	Description of Tasks	Contractor Role/ (Deliverable)	State Role
Technical Environment Preparation	Determine system requirements	Technical standards Security standards Technical procedures	Schedule State staff required Ensure resources available as needed Adopt standards and procedures required
Readiness Assessment and Project Kickoff	Assess the State's readiness to proceed with the project, identifying gaps	Readiness assessment Pre-project checklist	Review the readiness assessment and pre-project checklist
	Conduct kickoff meeting	Project kickoff	Schedule and attend meetings
Stage Exit Review	Conduct Stage Exit Review Meeting	Prepare Stage Exit Sign off documentation (DIT-0189)	Attend meetings Review Deliverables from Phase 1 Provide approval
Phase 2 Design	Milestones	Deliverables	Acceptance Criteria
System Design	System Design	Software and hardware (if applicable) procurement and delivery	Software and hardware (if applicable) procured, delivered, and installed.
		System Security Design Document	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		Interface Specification document	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		Functional Specification/Design document	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		Development Plan to communicate development and customization activities and points requiring customer interaction and user acceptance.	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		Training Plan	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office



Task	Description of Tasks	Contractor Role/ (Deliverable)	State Role
Software Orientation	Introduce the processes of the software application to State stakeholders	Overview session agendas Overview session notes	Ensure appropriate staff attend session. Review State current business functions and processes.
Business Process Review	Conduct detailed business process reviews for each of the business areas in the software and functionality to be implemented,	Business process agendas	Coordinate attendance of required State staff Provide access to the State's system Provide documents as required.
	Collect the data needed for implementation	Business process session notes	Provide adequate staff to assist as requested by Contractor Provide review as needed
Initial Configuration	Develop initial State configuration Make key configuration enhancements more closely resembling the production environment	Initial configuration document	Review configuration document and verify accuracy
Fit Analysis	Structured walk through of application features to map product to State's needs;	Module fit session agendas Module approach papers	Provide resources and access required
	Clarify interface and file transfer requirements; Identify issues and prepare plans to address.	Module configuration documents	Review and verify the deliverables
State Configuration	Configure software and/or equipment based on the State's unique business requirements. Define user training and documentation requirements.	Initial prototype system configuration.	Assist with population of configuration. Review and verify accuracy of document
Module prototyping and testing	Setup tables	Module business process templates	Assist in population of tables
	Update system configuration document	Conduct acceptance test of prototype's module business process	Identify business process issues and suggestions for resolution
	Create business test scenarios	Finalized module business process test scripts	Participate in testing
	Execute business test scenarios and adapt system to resolve discrepancies	Executed/accepted business process test scripts	Assist with resolution of issues
Stage Exit Review	Conduct Stage Exit Review Meeting	Prepare Stage Exit Sign off documentation (DIT-0189)	Attend meetings Review Deliverables from Phase 2 Provide approval



Task	Description of Tasks	Contractor Role/ (Deliverable)	State Role
Phase 3 Development	Milestones	Deliverables	Acceptance Criteria
Planning	Generate the necessary planning documents to ensure all development activities have been properly planned	User Acceptance Test and PARE Plan	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		Pilot Plan	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		Data Migration Plan	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		User Documentation	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		System Administrator Documentation	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		User Training Materials	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		System Administrator Training Materials	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
		Deployment and Operations Guide	Reviewed and approved by SOM MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office
Interface design and development	Work with the State to design and develop interfaces identified in Fit Analysis	Interfaces	Provide resources to identify and test
		Develop, design, verify design of interface	Test interface
		Program and install interface	Verify each unit-tested interface meets requirements



Task	Description of Tasks	Contractor Role/ (Deliverable)	State Role
Queries and Reports design and development	Assist State in developing and applying skills necessary to use the system once implementation complete	Provide detailed information identifying available reports and assist the state with developing and applying skills to use the system	Provide resources and access
	Develop and test reports	Custom report development Assist with development of reports Program and install reports	Test reports
Security definition and setup	Prior to production, setup security as identified by State. Implement and test	Security template	Provide resources and access
Modification Development	If any additional modifications are requested by the State, subject to approved change order, design and develop modifications	Modification work as contracted	Provide resources and access Review and verify design
		Program and install modifications	Test modifications Verify each unit-tested modification meets requirements
End user training development	Develop training manuals to reflect that client's final requirements for using the module.	Baseline training manual templates Assist in the development of training manuals.	Reviewed and approved by SOM MSP MIOC IT Project Manager, and MSP Project Office
	Update the training manuals to reflect the system as configured for the State.	Tailored training manual templates Training plan	Establish appropriate training sessions and agenda. Provide and schedule training rooms
Stage Exit Review	Conduct Stage Exit Review Meeting	Prepare Stage Exit Sign off documentation (DIT-0189)	Attend meetings Review Deliverables from Phase 3 Provide approval
Phase 4 Implementation	Milestones	Deliverables	Acceptance Criteria
	Implementation		
		User and System Administrator Training to perform user and system administrator training	Users have a working knowledge and are prepared to leverage the application to complete daily tasks.



Task	Description of Tasks	Contractor Role/ (Deliverable)	State Role
		User Acceptance and PARE Testing to facilitate User Acceptance Training	Test results meet and/or exceed criteria outlined in User Acceptance Test and PARE Plans.
		Facilitate and Support Pilot Testing Support Plan to address alternative methods for providing user and administrator support.	SOM (MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office) confirms that System continues to meet and/or exceed criteria outlined in User Acceptance Test and PARE Plans.
		Deployment and installation of application and hardware (if applicable).	System deployed successfully to all named SOM users.
		Data Conversion/Migration.	SOM (MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office) confirms that legacy data has been completely and accurately migrated according to Data Migration Plan
		Facilitate and support Final Testing	SOM (MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office) confirms that System continues to meet and/or exceed criteria outlined in User Acceptance Test and PARE Plans.
		System Support and Maintenance to provide ongoing support and maintenance of solution	SOM (MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office) confirms that Support Plan implemented per approved Support Plan.
		Backup and Recovery Plan. Prescriptive guidance regarding proper system backup and recovery methodologies	Backup and Recovery Plan reviewed and approved by SOM (MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office).



Task	Description of Tasks	Contractor Role/ (Deliverable)	State Role
		Post Project Analysis. Review engagement, outlining opportunities for improving ongoing communication and support	Post Project Analysis Document has been reviewed and approved by SOM (MSP MIOC IT Project Manager, MDIT AGENCY SERVICES, and MSP Project Office).
Build stage and production environments	Create the stage and production environments.	Stage – production planning meeting	Provide resources and access needed
		Completed stage – production planning meeting	Develop, populate, modify stage environment.
	Define and establish security, Convert Data		Setup security
		Perform full conversion testing in stage environment	Validate conversions
Stage preparation and testing	Perform a dress rehearsal of the production environment prior to live date of the system, running parallel process cycles to be validated against the production systems.	Stage- production planning meeting agenda	Provide resources and access as required
		Completed stage – production planning meeting	
	Conduct system and acceptance testing	System Test Scripts	Develop user acceptance test criteria
		Acceptance test scripts	Validate conversions
			Perform user acceptance test
			Conduct parallels
		Perform full conversion testing and system test	Validate
		Initial train the trainer sessions	Staged system signoff.
Conduct user training	Provide train the trainer training	Initial train the trainer sessions	Identify State trainers to attend
		MIOC User training sessions	Conduct end user training
	Provide end user training	User training sessions	Attend sessions
	Provide training to technical staff	Technical training sessions	Attend sessions
Migration	Coordinate tasks for cutover	Production setup plan	Validate the production environment
		Migration task list	
		Populated production database	
		Create and populate the production environment	
Production	Define production date	Provide recommended date	Schedule date



Task	Description of Tasks	Contractor Role/ (Deliverable)	State Role
	Deployment	Assign resources	Assign resources Production system signoff
Stage Exit Review	Conduct Stage Exit Review Meeting	Prepare Stage Exit Sign off documentation (DIT-0189)	Attend meetings Review Deliverables from Phase 4 Provide approval
Phase 5 Post Implementation	Costs covered by maintenance		
Post Production Support	Provide maintenance and support.	Provide support to project team as required	Provide support to user community
	Resolve issues and problems as detected.	Resolve issues/problems	Resolve system and process issues and provide user community with updated procedures.
	Revise procedures as needed and communicate updated procedures to the user community.	Revise/update procedures and report as required..	Communicate project team decisions to user community.
	Provide help desk support 7am EST to 7pm EST Monday through Sunday, 7 days per week x 52 weeks per year.	Provide support to users and MIOC staff	Maintain issues log to be resolved with Contractor
	Provide Technical help desk support 24 hours x 7 days per week x 52 weeks per year.	Provide support to SOM business and technical staff.	Maintain issues log to be resolved with Contractor
Stage Exit Review	Conduct Stage Exit Review Meeting	Prepare Stage Exit Sign off documentation (DIT-0189)	Attend meetings Review Deliverables from Phase 5 Provide approval

Training Approach

Dewpoint/RiverGlass will provide modular training aimed at providing the end user with a general understanding of the product, its purpose and its usability through application overview and detailed hands on application use. The training is split into multiple components that encompass the training needs of the end-user, technical user and system administrator.

The RiverGlass Recon Introduction and Overview provides the end user with a high-level understanding of the RiverGlass Product, its intended use and its overall functionality. At the end of this training segment, the user should have a good understanding of the intended role of the Recon product as well as a good understanding of the basic operation of the tool.

The RiverGlass Recon Application Training provides more in depth instruction related to the use of the product. In this training segment, advanced features of the product will be discussed and demonstrated. The focus of this training element is to allow the end user to experience hands on product use and interaction.

Crossflo will provide hands on training just prior to the start of the actual mapping tasks. This way the participants have a foundation for understanding what they are doing. This is an iterative process tailored to the implementation. Crossflo refers to this as JIT-JET (short for just-in-time, just-enough-training).



SysAdmin training, is formally done at the conclusion of the CDX install and project engagement to transition the formal duties between project and operational staff.

The proposed training will be conducted on-site at the MIOC facilities and will consist of multiple classroom sessions to accommodate the necessary resources to be trained.

State Responsibilities

- SoM will provide hardware, infrastructure software, middle ware required to have servers productional
- SoM will provide for backup solutions with RiverGlass, Crossflo and Dewpoint input
- All products listed in this Contract are commercial software products licensed for use by the client.
- Dewpoint will be using the issue support services of Crusecom. It is Dewpoint's intention to train Crusecom staff partially with materials generated for the State of Michigan. Crusecom will be allowed to participate in onsite training activities in an observing role.
- The State will make available JDBC Type 4 drivers as required to enable access and querying of the applicable data assets
- Task orders for additional services and/or orders for option hours that require RiverGlass or Crossflo resources to travel will include a minimum of 40 hours of consecutive effort.
- The State is responsible for the procurement or provisioning of any hardware or network components. The State will provide a computing platform which meets or exceeds the recommended requirements provided by Dewpoint as identified in this contract.
- The State will make available personnel knowledgeable in the server environment and network environment to assist the Dewpoint team should the need arise.
- The State will ensure that network connectivity and access is provided to enable Crossflo CDX Server connection and querying of applicable data assets, including VPN Firewall access to enable remote connectivity and access to the appropriate network and data assets to allow Crossflo to complete mapping and CDX software configuration tasks remotely.
- The State of Michigan Department of Information Technology will assign database analyst resources to the project team to share in data mapping project tasks. Resources should be discussed with the Dewpoint Project Management team and identified during Phase 1.
- The State will provide a dedicated network and database user accounts with sufficient privileges to allow Crossflo to access and execute queries against the specified database schema instances to enable data extraction of applicable data.
- If the State does not elect maintenance for years 3, 4, or 5, at that time RiverGlass, and Crossflo will end the software escrow account. In addition, if the state falls behind in implementing software version updates by more than one major update release, RiverGlass and Crossflo will no longer maintain those older versions in Escrow.
- Any changes requested by the State to either the requirements, design, or system architecture after MDIT and MSP managers have provided stage-gate sign off shall require a formal change request.
- The State will ensure that Memorandums of Agreement (MOA) and/or Memorandum of Understanding (MOU) documents are prepared and approved by participating agencies as required to authorize access and use of their respective data sources in support of the MIOC project.
- The State will coordinate and arrange for cooperative support from data source application vendors consistent with the proposed architecture solution.
- The State will make arrangements for Dewpoint to be provided database schema, entity-relationship diagrams, and information exchange information as required to facilitate the mapping process for each specified data source.



- The State of Michigan will designate a single-point-of contact (SPOC) for project task review and signoff of project deliverables.

7. RESERVED

8. Interfaces

- a. The CAS must interface with the following:
 - MiCJIN Portal – for user authentication
 - NGL – for LEIN Queries and message logging
 - I-SERVICES – for access to local records management systems (RMSs).
 - RISS-Intel Database
 - Pen-Link – Commercially available Telephone Toll and Analysis Software
 - ESRI ArcGIS - Commercially available mapping software.
 - I2 Analyst Notebook- Commercially available charting tool.Detailed interface specifications were provided during the bid process. This information is confidential due to security reasons.
- b. The State will utilize the fully loaded hourly rates provided in Article 1, Attachment A, Table 3 as not to exceed rates for future responses to mutually agreed upon statements of work surrounding the following interfaces:
 - MCIS - Michigan Criminal Intelligence System
 - OMNI – Offender Management Network Information database currently in use at Michigan Department of Corrections.
 - NICB – National Insurance Crime Bureau
 - EPIC – El Paso Intelligence Center
 - HSIN – Homeland Security Information Network
 - ViCAP – The FBI's Violent Criminal Apprehension Program
 - NVPS - National Virtual Pointer System
 - NDPIX - National Drug Pointer Index System
- c. Although not included as part of this contract, the State plans to build interfaces in the future as funding becomes available to the following State of Michigan Agencies/applications:
 - MDHS – Michigan Department of Health and Safety applications
 - DLEG – Michigan Department of Labor and Economic Growth applications
 - MSP – Michigan Department of State Police Applications
 - Firearms
 - Sex Motivated Crimes (SMC)
 - Lab Reporting (LCMS)
 - MDHS – Michigan Department of Health and Public Safety
 - Vital Records
 - ER Surveillance
 - Pharmaceutical Sales
 - Lab Reporting
 - SOS – Michigan Department of Secretary of State
 - Michigan's Attorney General's Office
 - Michigan Department of Treasury



1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

Location of Work

1. The work is to be performed, completed, and managed at the following locations:
 - a. Michigan State Police Headquarters, East Lansing, Michigan
 - b. Michigan Department of Information Technology-DCO Lansing, Michigan
 - c. Southeast Michigan location--TBD
 - d. Contractor's offsite location as agreed upon by the State of Michigan.
2. For work performed at State facilities, the State will provide work space which will include the following:
 - a. Work space
 - b. Desk
 - c. Telephone
 - d. Printer
 - e. Access to copiers and fax machines
 - f. Parking at MSP Headquarters, East Lansing, Michigan.

NOTE: Payment for parking at locations other than MSP Headquarters, East Lansing, Michigan will be at the contractor's expense.

Travel:

1. No travel expenses will be reimbursed by the State under this contract. This includes travel costs related to training provided to the State by Contractor.
2. Travel time will not be reimbursed.

Hours of Operation:

1. Normal State working Hours are 8:00 a.m. to 5:00 p.m., Monday through Friday, EST with work performed as necessary after those hours to meet project deadlines.
2. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State does not pay for overtime.
3. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

Background Check:

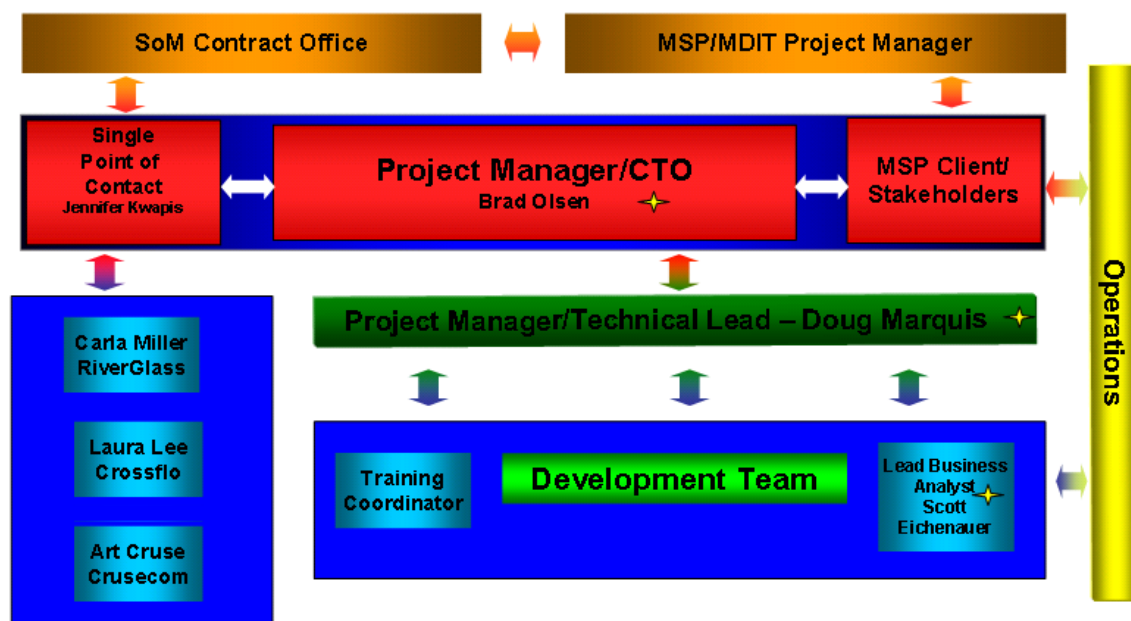
Contractor must present certifications evidencing satisfactory Michigan State Police background checks (ICHAT) and drug tests for all staff identified for assignment to this project. In addition, Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Fingerprints, if required by the project. The Contractor is responsible for any and all costs associated with ensuring their staff meets all requirements.

Contractors Organizational Chart:

All of the Contractor Staffing resources will be accountable to the Dewpoint Project Manager and the RiverGlass Technical Lead.

The following organizational chart outlines the MIOC CAS solution team.

★ = Denotes Key Role



**Contractors Project Team:**

The Contractor will commit that staff identified in the contract will actually perform the assigned work. Any staff substitution must have the prior written approval of the State.

Contractor Key Personnel:**Project Manager / Chief Technologist (*KEY PERSONNEL)**

Name: Brad Olsen

Vendor: Dewpoint (prime)

% of Time Allocated to Project: 25%

The Contractors project manager will 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 project manager must be approved by MSP. The Contractor's project manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities as identified in the final contract.
- 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

Brad Olsen will be the CTO and high-level project manager. Brad brings a wealth of information on the State's infrastructure and technical environment to this project. His recent assignment as Project Manager for the Server Backup Services project for DIT has given him an insider's perspective to the State's systems as well as their processes. Brad's knowledge of the technical and business environment makes him a valuable asset to this team.

Brad Olsen will be the Sr. Project Manager also serving as the Chief Technologist on this project providing subject matter expertise and technical direction. In addition to this role, he will be providing project management oversight and support. This will be on a limited basis to ensure the deliverables are managed appropriately. Brad has extensive experience in the State of Michigan and will leverage his knowledge of the technical environment, processes and procedures to provide the project team and the State of Michigan overall consistency for the project. Brad will work closely with our client contacts to monitor the progress of our work and our employees' performance. He will also work directly with our customers to proactively identify and resolve any potential areas of concern within the project.

Brad Olsen will be responsible for the project resources assigned to the project. He will monitor their daily activities and will be the single point of contact for all project inquiries.

Technical Lead (*KEY PERSONNEL)

Name: Doug Marquis, Vice President of Engineering



Vendor: RiverGlass (Subcontractor)
% of Time Allocated to Project: 50%

Doug Marquis will be assigned as the Technical Lead. He has intimate knowledge of the proposed solution and has been working with technology organizations for over 15 years. Mr. Marquis has over fifteen years of experience leading technology organizations. He has expertise in creating and managing high performance teams focused on business results. He has a demonstrated track record of defining, architecting and delivering complex products/systems that meet business and customer needs. Mr. Marquis' oversight and expertise will ensure that the technical solution fits MSPs needs.

Doug Marquis will be the Technical Lead/Project Manager overseeing the delivery for the technical solution. He will make sure that the technical attributes of each partner are fully integrated into the overall project plan and are being delivered on schedule.

Business Analyst Lead (*KEY PERSONNEL)

Name: Scott Eichenauer, Vice President
Vendor: RiverGlass (Subcontractor)
% of Time Allocated to Project: 50%

Scott will serve as the Lead Business Analyst (BA) on the project overseeing the implementation effort.

Scott is the Vice President of Professional Services at RiverGlass, where he leads the business relationship and software implementation process to successfully deploy RiverGlass solutions at customer sites. He is responsible for and has been managing the implementation and deployment of RiverGlass technology at the State Terrorism Intelligence Center (STIC) of the Illinois State Police, the Iowa Dept. of Public Safety, as well as commercial projects. This includes working with them to develop CONOPS and to design, develop and implement data sharing across the multiple data sources from numerous Federal Interagency, State, Local Governments and Non Government Organizations., e.g. data sources from the State of Illinois, the State of Iowa, and WestLaw (third party commercial information provider). Our non key resources will provide business analyst, software and training support.

Contractor Non-Key Personnel:

Single Point of Contact (SPOC)

Name: Jennifer Kwapis
Vendor: Dewpoint (prime)

The Contractor will identify a single point of contact (SPOC). The duties of the SPOC shall include, but not be limited to:

1. Supporting the management of the Contract
2. Facilitating dispute resolution
3. 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.

The SPOC shall be subject to the State's interview and approval. This interview will be on-site at MSP or at a location agreed upon. Any costs for travel will be at the expense of the Contractor.

Project Manager – Non-Key



Name: Amber Glaza
Vendor: Dewpoint (prime)
% of Time Allocated to Project: 80%

Amber Glaza will assist Brad with the project management role. She will be responsible for supervising the daily work of the staff that has been assigned to the project. As Project Manager, Amber is responsible for reporting weekly status to Dewpoint management and Brad. During that time any potential issues with the project (including staff performance) is discussed and appropriate corrective action plans are created and the project manager is held accountable at the next meeting. Ms. Glaza will utilize Brad Olsen, followed by Mr. Dumont as the escalation points for any delivery issues that need management and executive level involvement from Dewpoint.

Project Manager – Non-Key

Name: Audra Cumberworth
Vendor: Dewpoint (prime)
% of Time Allocated to Project: 20%

Audra Cumberworth will assist Amber and Brad with the strategic level project management tasks and consulting efforts. She will bring her knowledge of the State and of this solution to bear in the overall consistency and success of the project. Audra will ensure that SUITE and the State's PMM practices are implemented and applied to the project. She will also ensure the delivery team is adhering to the deliverables and terms as outlined in the contract.

Business Analyst – Non-Key

Name: Samer Nasser
Vendor: Dewpoint (prime)
% of Time Allocated to Project: 100%

Senior Software Developer – Non-Key

Name: Tom Redman
Vendor: RiverGlass (subcontractor)
% of Time Allocated to Project: 75%

Training Coordinator / Infrastructure Design – Non-Key

Name: Wendy Stoner
Vendor: (subcontractor)
% of Time Allocated to Project: 100%

Technical Help Desk Support Lead – Non-Key

Name: Art Cruse, President
Vendor: Crusecom (subcontractor)

Delivery Team Corporate Oversight – Non-Key

Name: Brian Dumont, VP of Professional Services
Vendor: Dewpoint (prime)

Client Relationship Team Members

Jennifer Kwapis – Dewpoint (prime)
Brian Buck – RiverGlass (subcontractor)
Carla Miller – RiverGlass (subcontractor)
Laura Lee – Crossflo (subcontractor)

Art Cruse – Crusecom (subcontractor)



1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The State project team will consist of a Steering Committee, Subject Matter Experts (SMEs), Project Support Personnel, a Project Manager from MSP, and a Technical Lead from MDIT Agency Services. MSP is the sponsoring agency and will chair the Steering Committee. MDIT Agency Services Technical Lead will be responsible for the State's infrastructure and will work together with the Contractor in determining the system configuration requirements.

The project steering committee will provide the following services:

- Approve the project schedule
- Authorize modifications for scope, resources, and budget of the project
- Ensure senior management commitment to the project
- Act as a final arbiter on proposed changes that significantly affect the business interests of the State

Subject Matter Experts

The Subject Matter Experts representing the business units involved will provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis.

The SME's will be empowered to:

- Resolve project issues in a timely manner
- Review project plan, status, and issues
- Resolve deviations from project plan
- Provide acceptance sign-off
- Utilize change control procedures
- Ensure timely availability of State resources
- Make key implementation decisions, as identified by the Contractor's project manager, within 48-hours of their expected decision date.

Name	Agency/Division	Title
Deb McClung	MDIT	Department Manager
Gordon Mayes	MDIT	IT Manager
David Roach	MDIT	IT Manager
D/F/Lt. Mary Pekrul	MSP / MIOC	MIOC Commander
F/Lt. Charles Loader	MSP / MIOC	MIOC Operations Cmdr.
Julie Kluytman	MSP / MIOC	Department Analysts
Angie Yankowski	MSP / MIOC	Department Analysts
Sue Taylor	MSP / MIOC	Department Analysts
John Rojeski	MSP / CJIC	I-Services Project Manager

State Project Manager- (MDIT and Agency)

State will provide a Project Manager(s). MDIT will be responsible for the State's infrastructure and work together with the Contractor in determining the system configuration.

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
- 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.

In addition, the following State personnel may be required at stages of the project. The Contractor's Project Manager will make every effort to provide the State with advance notice of when those services may be required.

- Systems Analyst
- Application Administrator
- User Implementation Coordinator
- Network Administrator
- Database administrator

The MDIT is responsible for the administration of the services within the contract. MSP shall assign a Project Manager as a contact for all issues pertaining to the execution of services under the contract. As of the effective date for contract commencement the MSP Project Manager shall be:

Dale Peet
MSP MIOC IT Project Manager
Michigan Department of State Police
714 S. Harrison Road
East Lansing, MI 48823
Phone: 517-336-6663
E-mail: Peetd@michigan.gov

As of the effective date for contract commencement the MDIT Contract Administrator shall be:

Barbara J. Suska
Contract Administrator
Michigan Department of Information Technology
Constitution Hall 1st Floor North Tower
525 W. Allegan Street
Lansing, MI 48913

The Department of Management & Budget (DMB), Purchasing Operations, serves as the State's Purchasing Operations Buyer. As of the effective date for contract commencement the DMB Purchasing Operations Buyer shall be:

Steve Motz
Purchasing Operations Buyer
Michigan Department of Management & Budget
Purchasing Operations
Mason Bldg, 2nd Floor
530 W. Allegan Street
Lansing, MI 48913



1.203 OTHER ROLES AND RESPONSIBILITIES - RESERVED

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

A. Preliminary Project Plan

Contractor has provided a Preliminary Project Plan with the proposal for evaluation purposes, including necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

1. In particular, the Preliminary Project Plan will include a MS Project plan or equivalent (check the SUITE/PMM standard):
 - a. A description of the deliverables to be provided under this contract.
 - b. Target dates and critical paths for the deliverables.
 - c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
 - d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
 - e. Internal milestones
 - f. Task durations
2. The Preliminary Project Plan shall include the following deliverable/milestones for which payment shall be made.
 - a. Payment to the Contractor will be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed.
 - b. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2, Section 2.073

Note: A Final Project Plan will be required as stated in Article 1, Section 1.301 (D) Project Control.

Dewpoint is proposing simultaneous configuration and implementation of the RiverGlass solution in order to meet the State's requested delivery deadline. Each component will be implemented in accordance with the SoM SUITE methodology in parallel along their own critical path. Dependencies between the modules will be identified during the project foundation phase and dependencies are linked between the plans and tracked during the course of the project.

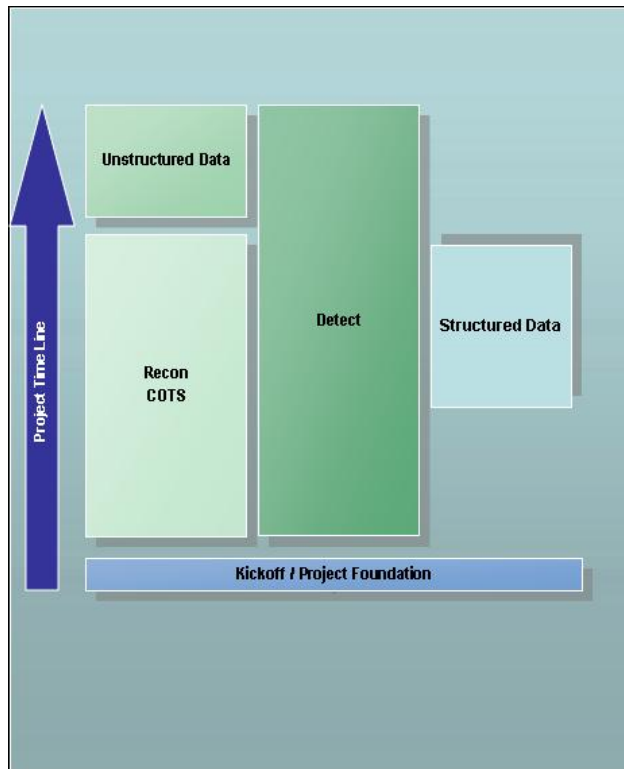


Figure 1 Concurrent Implementation Speeds Delivery Time

Contractor has provided a comprehensive preliminary project plan including time frames and deliverables for all stages of the project. Within the project plan the roles, responsibilities, effort and specific tasks have been defined.

This includes an MS Project Plan following the State (SUITE) model.

Included in the project plan as well is a description of all deliverables identified in the contract. The primary deliverables identified are:

- Overall Project Management Methodology and framework for the project.
- Requirements Definition
- Installation of the RiverGlass and Crossflo software
- Design of the Solution
- Integration Development and accompanying documentation for configuration, testing, user documentation and technical documentation to support the solution in production.
- Integration Test Plan and completion of the testing and quality assurance to provide acceptance of the solution functionality and performance
- Deployment planning and preparation for production
- Execution of the Deployment Plan and acceptance of the deployment checklist

B. Orientation Meeting

1. Within (5) business 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. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.



C. 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 in 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.

D. Project Control

1. The Contractor will carry out this project under the direction and control of the MSP MIOC IT Project Manager, MDIT Technical Lead, and MSP Project Office.
2. Within thirty (30) working days of the execution of the Contract, the Contractor will submit to the State project manager(s) a work plan for final approval.
 - a. This work plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and 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 identified in the contract. 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.
3. The Contractor will manage the project in accordance with State Unified Information Technology Environment (SUITE) methodology which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>.
 - a. Contractor will use an automated tool for planning, monitoring, and tracking progress and the level of effort of any Contractor personnel spent performing Services under the Contract.
 - b. Contractor shall use automated project management tools, as reasonably necessary, in order to perform the cited Services, which shall include, through the end of the Contract, 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 sixty (60) 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.
 - c. Contractor must use Microsoft Project.

1.302 REPORTS

Reporting formats must be submitted to the State's Project Manager for approval within (10) business days after the execution of 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 contract.

Minimum reports to be furnished by the Contractor. Contractor may include additional reports or propose options/grouping of reports as listed below.



- Monthly Project status (due 5th of each month)
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Action Item status
- Issues
- Change Control
- Repair status
- Maintenance Activity

RiverGlass facilitates report creation and dissemination. The RiverGlass product allows for traditional copy and paste behavior from all text based forms and will allow for XML or image based files to be exported and saved to local or network file systems. RiverGlass software also provides a complete set of Web Service API's that can be used to create custom reports or integrate with an existing reporting package.

If the State of Michigan does not have an existing ad hoc reporting package and one is needed outside of the extensive RiverGlass capability. Dewpoint has arranged to have Information Builders LEA Tool available at additional cost. Information Builders has assembled a customizable off-the-shelf (COTS) software solution to assist law enforcement and public safety agencies access, analyze, and understand their data. The package, the Law Enforcement Analyst (LEA) Suite, includes Web-based incident reporting, KPI management dashboards, and interactive-mapping capabilities, as well as predictive analytics and data mining to spot trends about future outcomes.

1.4 Project Management

Dewpoint will provide management of the project following the SUITE methodology including: MS Project for planning, monitoring and tracking the project effort and status of completion. Dewpoint will use the Standard PMM templates to interface with the State team to optimize interoperability in communication and process.

http://www.michigan.gov/documents/Public_Forms_Index_159235_7.html

The Dewpoint Project Methodology includes:

- Monthly status reports –
- Periodic updated project reports from MS project
- Summary of accomplishments
- Deliverable status
- Schedule status
- Action Item status
- Issues Management Log
- Change Control
- Repair status
- Maintenance activity

Project Plan Management Overview

At Dewpoint, Project Management is a discipline. We apply principles, concepts, tools and techniques to improve project performance and organizational effectiveness. We believe Project Management adds value by improving the probability of delivering consistently successful projects.

Dewpoint's Project Management approach and methods closely adhere to PMI standards and address the



triple constraint of scope, time and resources. Although we embrace the PM framework set forth by the Project Management Institute's PMBOK, we also realize that effective Project Managers need to be flexible and adaptable to be effective, and that projects in different environments and of different types require variations on the basic Project Management principles.

Project Management Activities

Project Management activities will begin with project initiation where the Project Manager will meet with the project sponsor to review the project charter, contractual responsibilities and lines of authority, confirm project scope and identify any project constraints and assumptions.

The Project Manager will be responsible for executing the project plan. Tasks to be included are managing project communications, issues and risks, reviewing deliverables in progress. The Project Manager will also be responsible for conducting regularly scheduled project status meetings and providing status reports to the client sponsor.

The Project Manager will conduct project control tasks such as monitoring performance metrics and identifying and reporting deviations from the project plan. The Project Manager will work with the client sponsor to implement corrective action and/or invoke the Scope Change Management process as necessary.

During the close-out of each project phase the Project Manager will be responsible for administering the Stage Gate Review Process, obtaining verification and sign-off on results, and administering appropriate close-out documents.

In the project close-out phase, the Project Manager will also conduct a Lessons Learned session, and will provide comprehensive Issues, Risks and Change Logs as part of the close-out documentation set.

Project Quality Assurance

Dewpoint provides Quality Assurance by employing a process specifically designed to understand, set, and manage expectations of the stakeholders.

This process involves a Project Readiness Review conducted at the onset of each project, and Stage-Gate Reviews implemented at the completion of each project phase.

The Readiness Review consists of a review of the deliverables contracted, agreement on the presentation of the deliverables, and an overview of the requirements necessary to be completed to ensure project success. The Project Manager is responsible for coordinating and facilitating the meeting with the client sponsor. Requirements identified as needing to be completed to ensure project success will be added as tasks in the project schedule. These items could be required to be completed before the project can begin, or they can be predecessors for tasks outlined in the project schedule.

A Stage-Gate review process is simply a framework or game plan used to guide projects from inception to launch in a "walk-through" style process. This method breaks the process into a predetermined set of stages, each stage consisting of a set of prescribed, cross-functional, and parallel activities. The entrance to each stage is a gate, which controls the process and serves as the quality control and go/kill checkpoints. The Project Manager is responsible for scheduling the Stage-Gate Reviews in the project schedule as a milestone task.

The Project Manager is responsible for creating, maintaining, updating, and communicating all Readiness and Stage-Gate review processes, as well as distributing all documentation and templates. Additionally, the Project Manager acts as the meeting coordinator, owner, scheduler, facilitator and scribe for all reviews. The Project Manager will provide meeting logistics for all reviews to the key stakeholders, as well as the Dewpoint internal PMO, and will report results via a Dewpoint internal weekly project status review session conducted by the Dewpoint internal PMO.



Readiness Review and Stage-Gate Methodology:

1. Ensure the reviews are included as a Milestone in the Project Schedule. Necessary points in the project plan for holding reviews include:
 - At the onset of the project prior to conducting a Kickoff Presentation.
 - At the end of the each Phase, and prior to moving on to the next Phase.
2. Once the Project Schedule has been baselined, provide the target date for the Reviews, as well as the Meeting Invitees, to the Dewpoint PMO.
3. Obtain the appropriate task status and information required.
4. Host the review meeting.
5. Document minutes including key decisions.
6. Obtain the appropriate sign-offs and approval to proceed.
7. Complete / Update Review reports as required.
8. As required, update the Project Schedule and submit any required change controls.
9. Update the Risk Identification List and Issue Tracking Log as required.
10. Communicate the Review outcome.

The Communication Plan will identify frequency of meetings and project updates, and the Project Manager will submit written weekly Status reports which outline work accomplished during the reporting period, highlighting milestones achieved; work to be accomplished during the subsequent reporting period; and problems, real or anticipated, which should be brought to the attention of the MDIT Project Manager and the project team.

1.401 ISSUE MANAGEMENT

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget. Issues shall be escalated for resolution from level 1 through level 3, as defined below:

- Level 1 – Business or Technology Leads
- Level 2 – Project Managers
- Level 3 – Steering Committee

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 MSP MIOC IT Project Manager on a regular basis. 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



The Project Manager will maintain an issue log for all issues relating to the provisions of services of this project. The issue management log will be communicated to the State of Michigan's MDIT Project Manager on a weekly basis. The log will be updated in a timely manner and will contain at least the following:

- Description of the issue
- Issue identification date
- Responsibility for resolving the issue
- Priority for issue resolution
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

An issue is defined as an event that requires an action plan to fix a problem that has occurred, or an uncertainty, stated as a question, which needs to be answered so necessary actions can be taken. If an issue is unresolved, it may jeopardize the achievement of project deliverables. Issues have the potential of becoming a risk.

The following are components of a standard issue management process:

Standard Issue Management Process	
Action Item	Steps to take to resolve issues.
Action Plan	An Action Plan is a timed schedule of action items with appropriate milestones, approvals, check-point reviews, and assigned resources to resolve an issue.
Red Flag	A concept intended to empower an individual team member to escalate a major problem which requires immediate attention due to impact to the project. If not immediately resolved, it should follow the Issue Management Process
Escalation	Escalation may be performed for various reasons: <ul style="list-style-type: none"> • The issue may not be appropriate at the current level. • Insufficient staffing to handle the issue. • Action Plan is not producing the desired result. • Too much time has passed and the issue remains status quo or worsens

Issues will be reviewed on a weekly basis, and on an as needed basis.

1.402 RISK MANAGEMENT

A risk is an unknown circumstance or event that, if it occurs, may have a negative impact on the Contract in terms of scope, schedule or cost. Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of mitigation strategies, and (4) monitoring of risk and mitigation strategy.

The Contractor must create a risk management plan. A risk management plan format will be submitted to the State for approval within twenty (20) business days of the execution of the contract. 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 risk management plan will be developed in accordance with the State's PMM methodology.

The Project Manager will develop a Risk Management Plan in accordance with the State of Michigan's PMM. Risk assessment reviews will be conducted on a monthly basis.

The standard process for risk management has two subdivisions, risk assessment and risk handling. The risk assessment will identify risk items and determine how the risk items will be handled. A high level assessment



will always be initially performed and will determine if a detailed risk assessment is necessary. The Risk Identification List will be utilized to identify and determine the high level risks and will be completed initially during project start-up and periodically thereafter. Any necessary updates to the Issues/Decisions Log and Assumptions/Constraints List should be made as the risks change. If the risk event occurs, and changes to cost, schedule, or scope are required, proper change control should be administered.

The high-level risks are identified, assessed and documented in the Risk Identification List. The Risk Identification List provides a general evaluation of the broad degree of risk that the project faces, based on the overall project characteristics. The high-level assessment will identify risk items, quantify the risk, and determine how to respond throughout the project life cycle. Project characteristics to be given consideration in the assessment should include, but not limited to:

- Business related
- Application compatibility
- Overall site readiness
- Size of site migration/deployment
- Site Assessment and Site Readiness findings
- Deviations
- Pilot findings
- User readiness
- Available resources

Any risks determined to have a high probability of occurring will have an assessment and contingency plans developed. The Risk Submission Form will be the tool used for the detailed risk assessment and contingency plan. The high-level plan will be managed at the site level. The Risk Submission Form will be reviewed with the site project team and should be escalated to the Program Management Team as needed. Risks that could affect the overall project plan, timing, costs, etc. are appropriate to escalate.

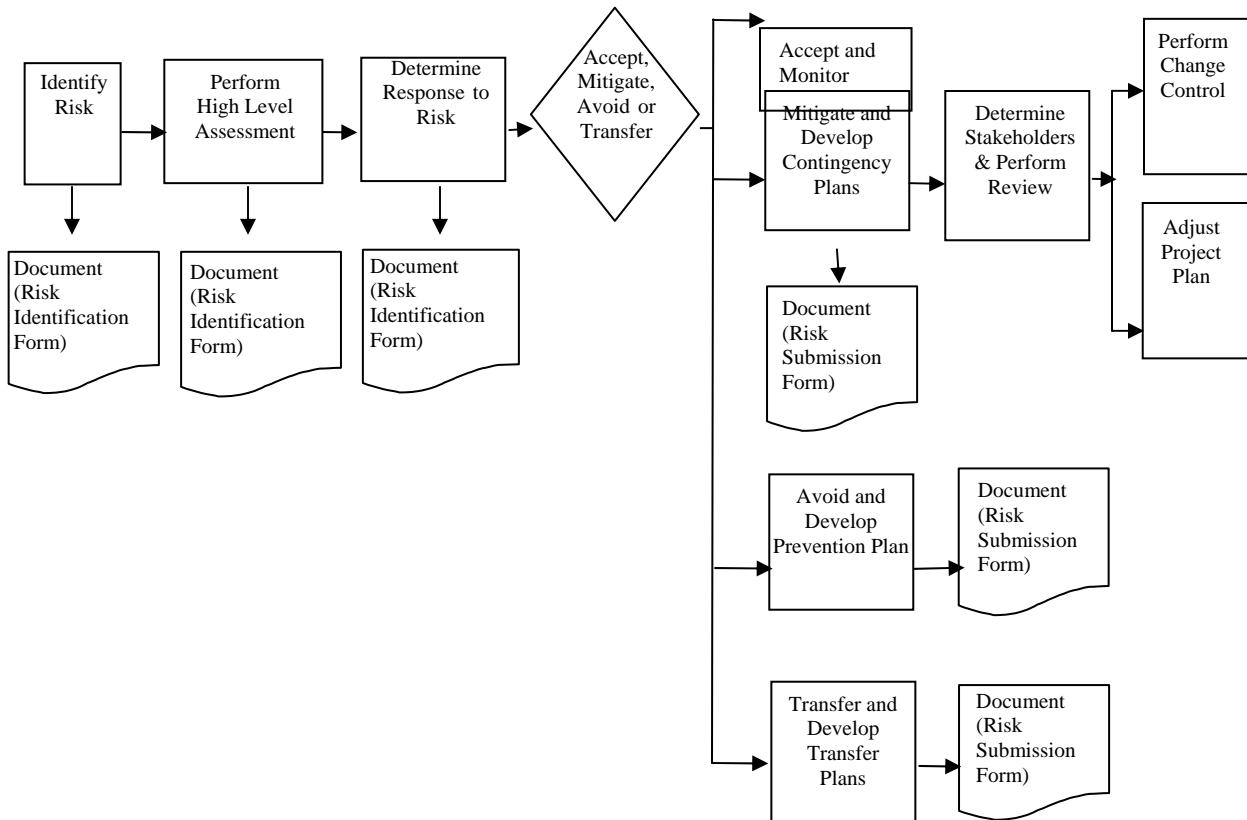
After the High Level Assessment is completed using the Risk Identification List, a determination of how to respond to the risk must be made. There are four alternatives to handling a risk:

- MITIGATE – Mitigate the risk by potentially revising the scope, budget and timing
- ACCEPT – Accepting the risk by doing nothing (Typically for low risk items)
- AVOIDANCE – Eliminate the cause of the risk event through alternative methods.
- TRANSFER – Realigning the responsibility of the risk.

Response actions to risks should be denoted on the Risk Identification List. If the risk is determined as high or medium probability and mitigation is necessary, a detailed risk assessment will be performed utilizing the Risk Submission Form. This form should be completed and reviewed by appropriate stakeholders. The Risk Submission Form will contain the contingency plan.



Risk Handling Process



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 will employ a change management methodology in its administration of this 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 the 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 project is underway.



The Contractor will employ the change control methodologies to track changes in the processing environment, and to ensure those changes will not adversely affect performance or availability of the solution.

The Project Control Office will employ a change management plan in accordance with the State of Michigan's Project Management Methodology. The change management methodology will communicate, assess, monitor and control all changes to project team resources and process. This methodology will be used to handle "out of scope" requests and/or changing business needs as well as changes in the processing environment with the goal to ensure that changes will not adversely affect performance or availability.

No change to project scope or cost can be made without the written approval of the MSP Business Owner and the MDIT Project Manager. Any change to the schedule which impacts the critical path and/or the date of a deliverable cannot be made without the written approval of the MSP Business Owner and the MDIT Project Manager.

Team Members will submit a scope change request under the following circumstances:

- Scope changes that are cross-project nature
- Scope change relative to a significant project schedule variance (baseline vs. actual)
- Scope change relative to significant project revenue or cost variance (baseline vs. actual)
- Scope change relative to potentially missed project schedule milestones
- Scope change that has significant impact on the project scope
- Scope change relative to significant requirements volatility
- Scope changes relative to significant resource variances (baseline vs. actual)
- Scope changes relative to significant technology considerations
- Scope changes that have significant impact on the contract

1.5 Acceptance

1.501 CRITERIA

The following criteria will be used by the State to determine Acceptance of the services and/or deliverables provided under this Statement of Work (SOW).

The system shall be deemed accepted by the State and final payment will be paid by the State when the standard of performance is met as defined below.

Acceptance – The State is responsible for final acceptance of the software using an integrated Performance and Reliability Evaluation (PARE) as described below. The PARE process applies specifically to the CAS applications.

- a. Determination of System Readiness Application
 - i. Prior to the PARE, a committee of four (4) persons will be identified to evaluate the performance on a daily basis. The committee will consist of one Contractor representative, two MSP representatives, and one MDIT representative.
 - ii. The PARE will begin when the Contractor certifies in writing that the solution is ready for use by the State.
 - iii. A functional benchmark demonstration will be run for the PARE Committee to confirm that the solution is operating and integrating per contract. This run must be completed to the satisfaction of the PARE Committee.



b. Standard of Performance

- i. The performance period (consisting of ninety (90) consecutive calendar days) shall commence when the system is fully operational and system is ready for full production use. The date and time of the start of the PARE will be agreed upon by the Contractor and the State.
 1. During the successful performance period, all rerun time resulting from State equipment failure shall be excluded from the performance period hours. Equipment failure down-time shall be measured by those intervals during the performance period between the time that the Contractor is notified of equipment failure and the time that the equipment is returned to the State in operating condition. Any solution failure within the ninety (90) consecutive calendar days PARE, for a cause other than those identified above, will cause a re-start of the PARE.
 2. During the successful performance period, a minimum of two thousand one hundred sixty (2,160) hours of operational use time on each component will be required as a basis for computation of the average effectiveness level.
 - a. The average effectiveness level is a percentage figure determined by dividing the total operational use time by the total operational use time plus associated down-time.
 - b. If each component operates at an average level of effectiveness of 99.9 percent or more for a period of ninety (90) consecutive calendar days from the commencement date of the performance period, it shall be deemed to have met the State's standard of performance.
 - c. The State shall notify the Contractor in writing of the successful completion of the performance period.
 - d. The software shall operate in substantial conformance with the Contractor's published specifications applicable to such equipment on the date of this Agreement.
 - e. If successful completion of the PARE is not attained within one-hundred and eighty (180) consecutive calendar days from the original start date of the PARE, the State shall have the option of terminating the Contract, or continuing the performance tests. The State's option to terminate the contract shall remain in effect until such time as a successful completion of the performance period is attained. The Contractor shall be liable for all outbound preparation and shipping costs for contracted items returned under this clause.
 - f. The PARE will be complete when the equipment has met the required effectiveness level of the prescribed time period.

1. Acceptance testing identified above must be sufficiently detailed to demonstrate the system's compliance with key criteria of the contract. At a minimum, the acceptance testing will confirm the following:
 - a. Functional – the capabilities of the system with respect to the functions and features described in the technical portion of the contract.
 - b. Performance – the ability of the application to perform the workload throughput requirements. All problems should be completed satisfactorily within the allotted time frame.

Document Deliverables

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
3. Draft documents are not accepted as final deliverables.
4. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices.
5. MDIT will review documents within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by MDIT Project Manager.



- b. Issues will be documented and submitted to the Contractor.
- c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.

Software Deliverables - Software includes, but is not limited to, software product, development tools, support tools, data migration software, integration software, and installation software.

1. Beta software is not accepted as final deliverable.
2. The software will be reviewed and accepted in accordance with the requirements of the contract.
3. MDIT will review software within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
 - a. Approvals will be written and signed by MDIT Project Manager.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit software for approval within 30 days of receipt.
4. Software is installed and configured, with assistance from MDIT, in an appropriate environment (e.g. development, conversion, QA testing, UAT testing, production, and training).
5. Contingency plans, de- installation procedures, and software are provided by the Contractor and approved by MDIT Project Manager.
6. Final acceptance of the software will depend on the successful completion of User Acceptance Testing (UAT).
7. Testing will demonstrate the system's compliance with the requirements of the contract. At a minimum, the testing will confirm the following:
 - a. Functional - the capabilities of the system with respect to the functions and features described in the contract.
 - b. Performance - the ability of the system to perform the workload throughput requirements. All problems should be completed satisfactorily within the allotted time frame.
8. MDIT will review test software, data, and results within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by MDIT Project Manager.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 30 days of receipt.
9. MDIT will review software license agreements within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by MDIT Project Manager.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit the license agreement for approval and final signature by the authorized State signatory within 30 days of receipt
10. Software source code, where applicable, is reviewed by MDIT within a mutually agreed upon timeframe for readability, structure, and configuration management.
 - a. Approvals will be written and signed by MDIT Project Manager.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit source code for approval.

Acceptance

Dewpoint acknowledges and will follow the State's Acceptance policy. Dewpoint will work with the State of Michigan to clearly define the project specific acceptance criteria for PARE at the beginning of the project. Dewpoint and RiverGlass will be delivering staged, functional commercial off the shelf software to



production for this project. Dewpoint and RiverGlass will work with the State of Michigan to define the PARE execution in the most economical and time efficient manner possible. Dewpoint and RiverGlass are willing to execute the PARE project on the Recon implementation and then subsequently on the structured data advanced analytics Detect as each module completes. Alternatively, Dewpoint and RiverGlass will work with the State of Michigan to execute PARE at the completion of all production functionality as an integrated project.

Dewpoint intends to utilize its project management methodology in conjunction with the State of Michigan SUITE methodology to track requirements from the inception of the project through the completion of the project. A requirements traceability matrix will be created which relates requirements and key criteria of the Contract to test plans. Acceptance testing will be performed to ensure that each item in the requirements traceability matrix is tested for functionality and performance.

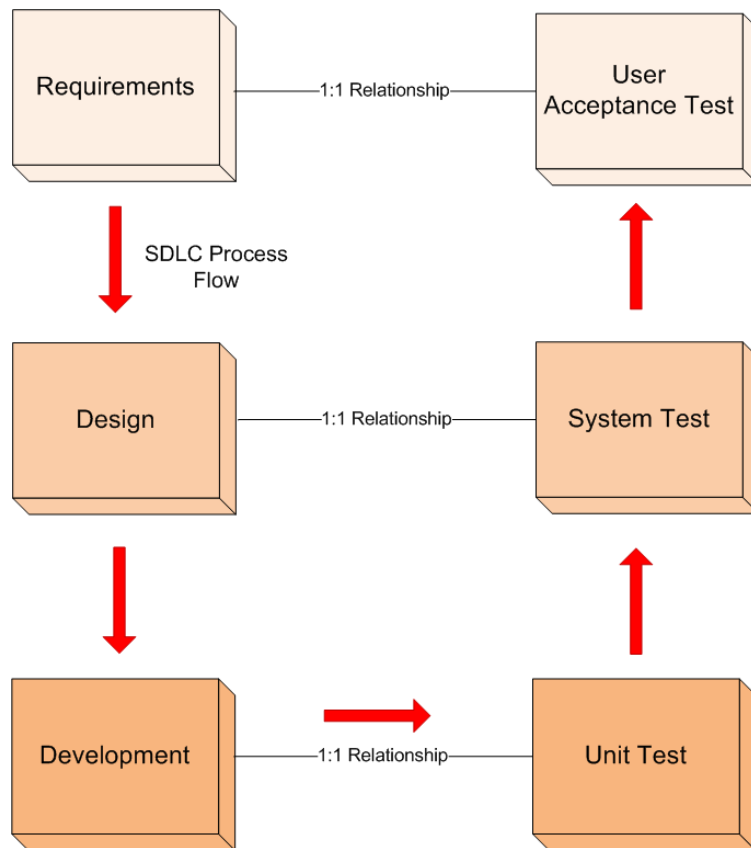


Figure 2: Requirements Traceability Matrix application

Document Deliverables

Dewpoint endorses the SoM document deliverable practices and plans to integrate with them by creating documents compatible with State of Michigan Article 1.302. In addition, Dewpoint will, through the use of a traceability matrix, track requirements and changes to requirements throughout the project implementation lifecycle. Finally, Dewpoint will be holding stage gate reviews during which the MDIT Project Manager will be asked for written approval of documentation. Stage gate reviews will also serve as the forum for the DIT Project Manager to request modifications to the deliverables.



Document Deliverables

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
3. Draft documents are not accepted as final deliverables.
4. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices.
5. MDIT will review documents within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by MDIT Project Manager.
 - b. issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.

Software Deliverables

The Dewpoint, RiverGlass team intends to utilize the Dewpoint project delivery methodology as well as Suite to ensure successful delivery. Requirements will be tracked in the Requirements traceability matrix through development, testing and implementation. Utilization of this matrix will allow all project participants to track the progress and delivery of the project at a very granular level.

Production software will be delivered to the State of Michigan for review and acceptance of its adherence to project and State of Michigan standards. The Dewpoint Project Delivery Methodology ensures the system meets the systems compliance with documented requirements. This confirmation is ensured by each requirement having corresponding UAT test plans for both Functional and Performance Requirements.

1.502 FINAL ACCEPTANCE

Final acceptance is expressly conditioned upon completion of all deliverables, completion of all tasks in the project plan as approved, completion of all applicable inspection and/or testing procedures, delivery of services, and the certification by the State that the Contractor has met the defined requirements. Final acceptance of any component or enhancement will be formally executed in writing by the State of Michigan and the Contractor after all issues identified during User Acceptance Testing have been resolved, tested, and accepted.

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

Compensation and payment shall be conducted in accordance with Article 1, Section 1.601. Cost Tables (**Article 1, Attachment A**) are attached, and identify all costs related, directly or indirectly, 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.

Contractor agrees all the prices, terms, warranties, 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.



The Contractor may be asked to provide up to **800 hours** for major customizations, enhancements and modifications to the system. These hours are to be proposed as a firm, fixed price and will need to be supported by a statement of work mutually agreed upon by the State and Contractor. Payment will be made based on acceptance by the state based on the criteria set forth in the statement of work. Deliverables will be either physical deliverables (documents, source code, etc) or service deliverables. Per this contract, the State will not pay for any travel expenses, including air fare, hotel, mileage, meals, parking, etc.

Payment

Contractor will submit properly itemized invoices to the "Bill to Address" on the purchase order:

Invoices shall provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of any commodities/equipment, including quantity ordered;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item, or Contractor's list Price for each item and applicable discounts;
- Description of any services being billed;
- Maintenance charges;
- Net invoice Price for each item;
- Shipping costs;
- Other applicable charges;
- Total invoice Price; and
- Payment terms including any available prompt payment discounts.

Milestone/Deliverable payments shall be linked to the delivery, successful implementation / testing of the Riverglass Recon software application and the completion of each of project implementation phases 1-4 as identified in Article 1 Section 1.104, XI (6) (d), and Article 1, Attachment A.

The state reserves the right to review the renewal of the user and technical help desk support at the completion of year 1 and on an annual basis there after. In the event the state elects not to renew one or both support agreements, the state will provide 30 days notice of the states intent to cancel either agreement and negotiate directly with the contractor to provide alternate user and technical support options to meet the service level agreements stated in the contract.

The State shall pay maintenance and support charges on a yearly basis.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

1.7 Additional Terms and Conditions Specific to this SOW

1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW

A. Directives –

- a. The projects described in this Statement of Work are being funded by a grant from the Homeland Security Grant Program (HSGP). Contractor must comply with all requirements of the federal grant program, as referenced at http://www.ojp.usdoj.gov/odp/grants_hsgp2007.htm.
- b. Office of Management and Budget Circular A-102, "Grants and Cooperative Agreements with State and Local Governments." <http://www.whitehouse.gov/omb/circulars/a102/a102.html>



2. The Contractor shall agree that it will not volunteer, offer or sell its services to any litigant against the State with respect to any services that it has agreed to perform for the State, provided that this provision shall not apply either when the Contractor is issued a valid subpoena to testify in a judicial or administrative proceeding or when the enforcement of this provision would cause the Contractor to be in violation of any Michigan or Federal law.

B. Reservation of Selection of IT Product Standards:

MDIT reserves the right to consider all products proposed by the Contractor and accepted by the State as part of the Contract as a potential State IT Product Standard and may at its discretion ratify said products as IT Standards for the State of Michigan.



Article 1, Attachment A

Cost Tables

Please Note: Travel expenses will NOT be reimbursed by the State under this contract. All pricing and hourly rates provided shall be fully loaded.

Summary Cost Table: Total 5 Years Solution

Breakdown Provided In	Cost Categories	Cost (\$)	Comments
Table 1	Total Services (One-time) Cost for Phases 1,2,3,4	\$599,668	RiverGlass Software Payment Schedule has been created in response to the 60 day "Quick Win" implementation proposed by the Dewpoint team.
	Total RiverGlass Software Cost (Payment will be made according to the Payment Schedule below)	\$900,000	
Table 2	Five Years Recurring Cost: Maintenance and Updates Phase 5	\$649,926	
Table 2a	<u>User Help Desk Support</u> 12hx7d Monday through Sunday EST	\$50,000	
Table 2b	<u>Technical Help Desk Support</u> 24hx7d	\$75,000	
Table 3	Reserved Bank of Hours Estimated Cost	\$92,000	
Total 5 Years Solution Cost		\$ 2,366,594	

RiverGlass Software Payment Schedule

A) \$450,000 will be invoiced and paid by the State upon physical delivery and signed receipt of the RiverGlass Recon Software. The Dewpoint Project Management team will provide a Stage-Gate review for sign off on this deliverable.

B1) If a suitable hosting environment **is not** provided by the State within 60 days following the final hardware configuration agreement between the State and the Contractor, the State agrees to be invoiced for **\$50,000** to be attributed to the RiverGlass Recon Software.

This would leave a remaining final pmt of **\$400,000** to be invoiced upon successful implementation and testing of the RiverGlass Recon Software. The Dewpoint Project Management team will provide a Stage-Gate review for sign off on this deliverable.

B2) If a suitable hosting environment **is** provided by the State within 60 days following the final hardware configuration agreement and upon successful implementation and testing of the RiverGlass Recon Software between the State and the Contractor, the State agrees to be invoiced and pay the remaining **\$450,000**. The Dewpoint Project Management team will provide a Stage-Gate review for sign off on this deliverable.



TABLE 1
Total Solution (One-time) Cost

Breakdown Provided In	Cost Categories	Cost (\$)	**Phase Payment Percentages	Comments
RiverGlass Software Cost	Total Cost for RiverGlass Software	\$900,000.00	N/A	
Phase 1 Initiation	Total Solution Cost for Phase 1	\$59,966.80	10%	Includes cost of RiverGlass Fusion quick win
Phase 2 Design	Total Solution Cost for Phase 2	\$149,917.00	25%	
Phase 3 Development	Total Solution Cost for Phase 3	\$179,900.40	30%	
Phase 4 Implementation	Total Solution Cost for Phase 4	\$209,883.80	35%	
* Total Solution (One-time) Cost	Total Solution Cost for Phase 1,2,3,4 & Riverglass Software	\$1,499,668.00	100%	

* The Total Solution (One-time) Cost identified in Table 1 must include all inclusive pricing for all milestones and deliverables identified within the Phases 1-4 of Article 1

** Progress Payments shall be made as a percentage of the Total Solution (One-time) Cost (Not including the RiverGlass software) as identified in the Phase Payment Percentages column of Table 1.

A “Quick Win” Implementation of RiverGlass Fusion IC™ will provide MIOC users situational awareness and understanding of vast amounts of open source data that previously was unattainable, incomprehensible, and/or unmanageable.

The “Quick Win” deployment of RiverGlass Fusion IC™ would deliver the following values to the MIOC;

- A MIOC specific Fusion Center dictionary completed and reviewable within 30 days of receipt of software purchase order.
- MIOC users will be trained, operational and deriving critical insights from Open Source Information within 60 days of receipt of software purchase order.
- MIOC users will experience increased productivity thru automation of current repetitive, time consuming and exhaustive tasks
- MIOC users will be increasingly effective in their roles thru the automated collection and analysis of high valuable relevant content,
- MIOC users will have an increased confidence from substantive insights and conclusive results.



TABLE 2
Recurring Cost: Updates and Maintenance

Cost Categories	Software Cost (\$)	Comments
Application software update cost and Maintenance (Includes licensing and updates each year)		
10. * First Year	No Charge	
11. Second Year	No Charge	
12. Third Year	\$215,011	
13. Fourth Year	\$216,291	
14. Fifth Year	\$218,623	
15. Sixth Year	\$245,531	
16. Seventh Year	\$247,432	
17. Eighth Year	\$249,410	
18. Ninth Year	\$251,466	
10. Tenth Year	\$253,604	
Total Five Years Recurring Cost: Updates, Maintenance and Support	\$649,925	
Optional Five Years Recurring Cost: Updates, Maintenance and Support (Years 6-10)	\$1,247,543	

*Year 1 shall commence on the first day following Performance and Reliability Evaluation (PARE), acceptance, and formal written acceptance by the State for a particular phase or software component.

For the optional maintenance period beginning in year six from the initial effective date, and for each year thereafter, RiverGlass reserves the right to adjust the annual maintenance and support services contract fees by the rate amount up to but not to exceed the published inflation index. The increase, if any, shall be based upon the most recent published price index for the Gross Domestic Product (GDP), a broad measure of inflation for the economy as a whole, as determined by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA), most recently published ninety days prior to the expiration of the applicable maintenance period agreement. RiverGlass shall provide written notice of any applicable adjustment within forty-five days prior to the end of the term or anniversary of the maintenance agreement.

Table 2a: User Help Desk Support

User help Desk Support shall consist of questions and information for the end user to better understand and utilize the analytical solution provided by the contractor.

No	Cost Category	8 x 5	12 x 7	24 x 7	Comments
	First Year	\$9,000	\$10,000	\$15,000	
	Second Year	\$9,000	\$10,000	\$15,000	
	Third Year	\$9,000	\$10,000	\$15,000	
	Fourth Year	\$9,000	\$10,000	\$15,000	
	Fifth Year	\$9,000	\$10,000	\$15,000	
	Total User Help Desk Support Cos (Years 1-5)	\$45,000	\$50,000	\$75,000	

The State of Michigan reserves the right to extend User Help Desk Support for years 6-10. Dewpoint will have the ability to provide pricing for support years beyond year 5. The State also reserves the right to seek



alternate options (after the end of Year 1) on User Help Desk Support from Dewpoint should the call volume not warrant continuing with Crusecom Technology Consultant support.

The State of Michigan will approve in advance any MIOC CAS materials that Dewpoint intends to share with Crusecom Technology Consultants related to the project. Crusecom Technology Consultants will not have access to the MIOC CAS application.

Note to Contractor:

The State has identified its intent to request user help desk support for 12 hours x 7 days per week for the time 7:00 a.m. to 7:00 p.m. Eastern Standard Time.

The State also desires the ability to consider additional options in the event the need arises during the contract period for different support levels.

Table 2b: Technical Help Desk Support

Technical Help Desk Support shall consist of providing technical support to MDIT staff for software/hardware configuration for high and medium severity problems / outages.

No	Cost Category	8 x 5	12 x 7	24 x 7	Comments
	First Year	\$9,000	\$10,000	\$15,000	
	Second Year	\$9,000	\$10,000	\$15,000	
	Third Year	\$9,000	\$10,000	\$15,000	
	Fourth Year	\$9,000	\$10,000	\$15,000	
	Fifth Year	\$9,000	\$10,000	\$15,000	
	Total Technical Help Desk Support Cost (years 1-5)	\$45,000	\$50,000	\$75,000	

The State of Michigan reserves the right to extend Technical Help Desk Support for years 6-10. Dewpoint will have the ability to provide pricing for support years beyond year 5. The State also reserves the right to seek alternate options (after the end of Year 1) on Technical Help Desk Support from Dewpoint should the call volume not warrant continuing with Crusecom Technology Consultant support.

The State of Michigan will approve in advance any MIOC CAS materials that Dewpoint intends to share with Crusecom Technology Consultants related to the project. Crusecom Technology Consultants will not have access to the MIOC CAS application.

Note to Contractor:

The State has identified its intent to request technical help desk support for 24 hours x 7 days per week, Eastern Standard Time. However, the State would like the ability to consider additional options in the event the need arises during the contract period that different support levels may be needed.



TABLE 3
Reserved Bank of Hours Estimated Cost

Staffing Category	Firm Fixed Hourly Rate	Est. Hrs (5 year total)	Extended Price
Project Manager / Technical Lead	\$120	200	\$24,000
Business Analyst	\$100	200	\$20,000
Senior Software Developer	\$130	200	\$26,000
Programmer	\$110	200	\$22,000
...List Any Other(s)		N/A	N/A
Reserved Bank of Hours Estimated Cost	N/A	800	\$92,000

Notes:

- Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed. "Estimated Hours" and "Extended Price" are non-binding and will be used at the State's discretion to determine best value to the State. 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.
- The State intends to establish funding for up to **800 hours** over the five year life of the application for development. Actual funding for enhancements will occur on a yearly basis, and there is no guarantee as to the level of funding, if any, available to the project.
- The State will utilize the fully loaded hourly rates provided in Table 3 as not to exceed rates for future responses to statements of work surrounding the optional interfaces described in Article 1 Section 1.104 (XI) (8) (b) and (c).



Supplemental Cost Tables

Tables 4,5,6,7,8, below allow for a more detailed breakdown of key milestones/deliverables identified in Table 1. These costs must be included in the Total Solution (One-time) Cost identified in Table 1.

Breakdown Provided In	Cost Categories	Cost (\$)	Comments
Table 4	Software Tools Licenses Cost for up to 100 people. Including COTS package. Table 4: Summary	\$1,044,420	Includes RiverGlass Fusion Center LE™ - Law Enforcement/Intel Edition, RiverGlass Fusion IC™ (100 concurrent MIOC user licenses for RiverGlass software), and Crossflo Systems CDX Enterprise Edition server license including 5 data connections and an additional data source connections license.
Table 5	Customization/Configuration of COTS Package Cost Cost of modification of the COTS package to meet business requirements. Table 5: Summary	\$0	Dewpoint/RiverGlass has credited the State \$300K against their software price to use for RiverGlass professional services
Table 6	Interfaces Cost Table 6: Summary	\$118,156	
Table 7	Training and Documentation Cost Table 7: Summary	\$49,512	
Table 8	Solution Implementation Table 8: Summary	\$287,580	Dewpoint/RiverGlass has credited the State \$300K against their software price to use for RiverGlass professional services



TABLE 4
Software Tools Licenses Cost

Software Tools licenses costs (One-time cost to purchase the following tools)	Software Tool Name and version	License Type (ie: enterprise, server or per user)	Quantity (number of licenses)	Per Unit Price	Cost (\$)	Comments
COTS Package	RiverGlass Fusion Center LE™ - Law Enforcement/Intel Edition and RiverGlass Fusion IC™	Per user	Licensed for 100 concurrent MIOC users	\$9,000	\$900K	Includes a \$300K services credit
Database Software						
Report writers						
Requirement analysis tools						
Design tools						
Drawing tools						
Development environment tools						
Testing tools: (such as defect testing, load/stress testing, configuration management (List and provide cost separately for each item) (a)..... (b).....etc.						
Any other software (List): (a)..... (b).....etc.	Crossflo Systems CDX Enterprise Edition (including 5 data connections and an additional data source connections license)	server	1	\$144,420	\$144,420	
Total Cost of Software Tools Licenses				N/A	\$1,044,420	

Contractors has provided in the table above, a list of all software required to implement this solution. No software is to be assumed as provided or available at the State. The State reserves the right to purchase any software off another contract to fulfill solution.



TABLE 5
Customization/Configuration of COTS Package Cost

Customization or Application Development	Total # of resources	Total # of hours	Total cost (\$)
1. Project manager			
2. Business analysts			
3. System analysts			
4. Programmer/developers			
5. System administrators			
6. Database administrators			
7. Q/A Manager			
8. Security specialist			
9. Testers			
10. Technical writers			
11. CM specialists			
12. System Architects			
13. Network engineer/administrator			
14. Software Architects			
15. CM specialists			
16. Project assistants			
17. Web developers			
18. Application trainers			
Others: (List) below):			
19.			
20.			
21.			
22.			
Total Cost of Customization / Application Development			\$300,000 services credit from Dewpoint/RiverGlass

TABLE 6
Total Interfaces Cost

Interfaces	Cost (\$)	Comments
1. MiCJIN Portal		Price included in table 8
2. NGL - LEIN	\$39,385	
3. I-Services	\$39,385	
4. Pen Link		Price included in table 8
5. ESRI ArcGIS	\$39,385	
6. I2 Analyst Notebook		Price included in table 8
7. RISS-Intel Database		Price included in table 8
Total Cost of Interfaces	\$118,156	

TABLE 7
Training and Documentation Cost

Training and Documentation	Cost (\$)	Comments
Train the Trainer and End-User training materials	No charge	
End-User training	\$12,378	Dewpoint/RiverGlass training included with software license costs
Train the Trainer training	\$12,378	Dewpoint/RiverGlass training included with software license costs
End-User Office Training (20 hours)	\$12,378	Dewpoint/RiverGlass training included with software license costs
System Administrator and Technical training materials	No charge	
System Administrator and Technical training	\$12,378	Dewpoint/RiverGlass training included with software license costs
Technical documentation	No charge	
Other (List):		
Total Cost of Training & Documentation	\$49,512	



TABLE 8
Solution Implementation Cost

Resources Required	Total # of resources	Total # of hours	Total cost (\$)
1. Integration: (Integration of your COTS/Application software product with customized code and external interfaces)	4.5 resources	2,560	
2. Testing: (a) Unit, (b) System, (c) Integration, (d) Performance (load and stress), (e) Parallel Testing VERIS–VVRS), (f) UAT, (g) Other (List):	4.5 resources	880	
3. Deployment / Cutover	2.25 resources	200	
Other (List):			
Total Cost Solution Implementation	11.25	3640	\$287,580 (after Dewpoint/RiverGlass services credit applied)



Optional Solution Pricing

Optional Product and Services Pricing

Description	Cost (\$)	Comments
Additional data source connection license for Crossflo CDX Enterprise Edition	\$15,400 (per license)	
Yearly Maintenance on each Additional Data Source Connection for Crossflo	\$2,772	This price is for each year of both years one and two.
Additional software and Maintenance price to provide a Redundant copy for disaster recovery / back-up plus load balancing	\$40,310	Price includes software for implementation and maintenance for years 1 and 2. Prices in this quote include license and maintenance only. They do not include any labor or third party software to implement either redundancy/back-up or load balancing. It is assumed this will be provided by the customer or another 3rd party.
Maintenance for years 4 and 5 related to providing a redundant copy for disaster recovery / back-up plus load balancing	\$17,320	
Crossflo Hourly Labor rate with T&L	\$174	Hourly rate includes T&L. Task orders that require travel must be for at least 40 hours of consecutive effort.
Information Builders iWay Information Exchange Information Delivery Component	\$201,742	<p>IEID (2 processor) implementation product and services, including:</p> <ul style="list-style-type: none"> • WebFOCUS Pro Server • One copy of WebFOCUS Developer Studio • WebFOCUS Comprehensive User Services (100 users) • WebFOCUS Open Portal Services • WebFOCUS Relational Read Adapter • WebFOCUS Read Adapter for XML Data • Two years of software maintenance <p>Note: Information Builders will be accessing XML data and a relational data source</p> <p><i>*If Information Builders iWay is not selected as a part of the base contract award, Dewpoint will require a requirements planning session and fit analysis be completed to validate scope for an iWay implementation</i></p>



Article 1, Attachment B

Contractor Staff Documents

(Organizational Chart, Key Personnel Resumes, Non Key-Personnel Resumes)

See Article 1, Section 1.201

Article 1, Attachment C

Labor Rates

Fully Loaded Hourly Rates are provided in Article 1 Attachment A, Table 3

Article 1, Attachment D

Deliverables

See Article 1 Section 1.104 (XI) (6) (d)

Article 1, Attachment E

Project Plan

Attached is the Preliminary Project Plan

See Additional Attachments Folder

Article 1, Attachment F

Technical Overview

See Additional Attachments Folder

Article 1, Attachment G

Requirements Document

See additional attachments folder

Article 1, Attachment H

EA Solution Assessment Worksheet

See Additional Attachments Folder



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 C**.
- (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 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 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, Office of Purchasing Operations and the Michigan Department of Information Technology on behalf of the Michigan Department of State Police (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:

Steve Motz

Office of Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: 517-241-3215
Phone: motzs@michigan.gov

2.015 MDIT Contract Administrator

Upon receipt at Purchasing Operations of the properly executed Contract, it is anticipated that the Director of DMB Purchasing Operations, in consultation with MSP and MDIT, 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 the Office of Purchasing Operations.** The MDIT Contract Administrator for this Contract is:

Barbara J. Suska
Contract Administrator
Michigan Department of Information Technology
Constitution Hall 1st Floor North Tower



525 W. Allegan Street
Lansing, MI 48913
Phone: (517) 335-4067
E-mail: SuskaB2@michigan.gov

2.016 Project Manager

The following individual will oversee the project:

Dale Peet
MSP MIOC IT Project Manager
Michigan Department of State Police
714 S. Harrison Road
East Lansing, MI 48823
Phone: 517-336-6663
E-mail: Peetd@michigan.gov

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 five (5) 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 Options to Renew

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 an additional two (2), two (2) year period. 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. **Article 1, Section 1.201** provides an organization chart showing the roles of certain Key Personnel, if any.

(ii) Key Personnel shall be dedicated as defined in **Article 1, Section 1.201** 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**.

(v) It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.210**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount shall be \$25,000.00 per individual provided Contractor identifies a replacement approved by the State pursuant to **Section 2.041** and assigns the replacement to the Project to shadow the Key Personnel s/he is replacing for a period of at least thirty (30) days prior to such Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least thirty (30) days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor shall pay the amount of \$1,500.00 per day for each day of the thirty (30) day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide thirty (30) days of shadowing shall not exceed \$50,000.00 per individual.



(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

See Article I, Section 1.103 (Environment)

2.052 PM Methodology Standards/SUITE

See Article I, Section 1.103 (Environment)

2.053 RESERVED - Adherence to Portal Technology Tools

2.054 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see Article 1, section 1.103 Environment. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.060 Deliverables

2.061 Ordering

(a) Any Services/Deliverables to be furnished under this Contract shall be ordered by issuance of written Purchase Orders/Blanket Purchase Order by the State after approval by the Contract Administrator or his/her designee. All orders are subject to the terms and conditions of this Contract. In the event of conflict between an order and this Contract, the Contract shall take precedence as stated in **Section 2.293**. In no event shall any additional terms and conditions contained on a Purchase Order/Blanket Purchase Order be applicable, unless specifically contained in that Purchase Order/Blanket Purchase Order's accompanying Statement of Work.

(b) 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

Exhibit C lists the items of software the State is required to purchase for execution the Contract. The list in **Exhibit C** includes all software required to complete the Contract and make the Deliverables operable; if any



additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). **Exhibit C** also identifies certain items of software to be provided by the State.

2.063 Hardware

Exhibit B lists the items of hardware the State is required to purchase for execution the Contract. The list in **Exhibit B** includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). **Exhibit B** also identifies certain items of hardware to be provided by the State.

2.064 Equipment to be New and Prohibited Products

(a) Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

(b) Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.106**.

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

The parties acknowledge that Unauthorized Removal of Key Staff as defined in **Section 2.041 (b)** will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any such delay. Therefore, Contractor and the State agree that in the case of any such Unauthorized Removal of Key Staff in respect of which the State does not elect to exercise its rights under **Section 2.191**, the State may assess liquidated damages against Contractor as specified in **Section 2.041 (b)**.

The State will assess a \$1,000 penalty for each calendar day beyond the agreed upon delivery date of an acceptable key deliverable. If a Key Deliverable Date is exceeded by more than thirty (30) calendar days from the date the Key Deliverable is originally due, then by written notice to the Contractor, the State may immediately terminate the right of Contractor to deliver the services and the State may obtain substitute services from another Contractor. In this event, the Contractor shall be liable for fixed and agreed liquidated damages, in lieu of all other damages due to such delay, in the amount specified above for a maximum of sixty (60) calendar days from the original Delivery Date.

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)

(a) SLAs will be completed with the following operational considerations:

- (i) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has occurred as defined in **Section 2.202**,
- (ii) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification and/or coordination.
- (iii) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. In order to invoke



this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.

(iv) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following ("Stop-Clock Conditions"):

1. Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.

2. Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b) Chronic Failure for any Service(s) will be defined as three (3) unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling thirty (30) day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different Contractor for the chronic location(s) with Contractor to pay the difference in charges for up to three (3) additional months. The termination of the Service will not affect any tiered pricing levels.

(c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two (2) weeks of outage(s) and provide a recommendation for resolution.

(d) All decimals shall be rounded to two decimal places with 5 and greater rounding up and 4 and less rounding down unless otherwise specified.

2.080 Delivery and Acceptance of Deliverables

2.081 Delivery of Deliverables

Article 1, Attachment D contains a list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Software Deliverable. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

In discharging its obligations under this Section, Contractor shall be at all times (except where the parties agree otherwise in writing) in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent.

2.082 Contractor System Testing

Contractor will be responsible for System Testing each Software Deliverable in Contractor's development environment prior to turning over the Software Deliverable to the State for User Acceptance Testing and approval. Contractor's System Testing shall include the following, at a minimum, plus any other testing required by CMM Level 3 or Contractor's system development methodology:



Contractor will be responsible for performing Unit Testing and incremental Integration Testing of the components of each Software Deliverable.

Contractor's System Testing will also include Integration Testing of each Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Software Deliverables are able to meet the State's projected growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing environment. The State shall participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor shall provide the State for State review and written approval Contractor's test plan for Business Function Testing.

Within five (5) Business Days following the completion of System Testing pursuant to **Section 2.080**, Contractor shall provide to the State a testing matrix establishing that testing for each condition identified in the System Testing plans has been conducted and successfully concluded. To the extent that testing occurs on State premises, the State shall be entitled to observe or otherwise participate in testing under this Section as the State may elect.

2.083 Approval of Deliverables, In General

All Deliverables (Written Deliverables Software Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications which, in the case of Software Deliverables, will include the successful completion of State User Acceptance Testing, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed. If Contractor fails to provide a Deliverable to the State in a timely manner, the State will nevertheless use commercially reasonable efforts to complete its review or testing within the applicable State Review Period.

Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with **Section 2.080**.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will



be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period. The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

Approval in writing of a Deliverable by the State shall be provisional; that is, such approval shall not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**.

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 Software Deliverables

The State will conduct UAT of each Software Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.



Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Software Deliverable to the State for approval, Contractor shall provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Software Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

For the Software Deliverables listed in **Article 1, Attachment D**, the State Review Period for conducting UAT will be as indicated in **Article 1, Attachment D**. For any other Software Deliverables not listed in **Article 1, Attachment D**, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Software Deliverable will begin when Contractor has delivered the Software Deliverable to the State accompanied by the certification required by **Section 2.080** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Software Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Software Deliverable according to the criteria and process set out in this **Section 2.080**.

2.086 Final Acceptance

"Final Acceptance" shall be considered to occur when the Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency as outlined in Article 1 Section 1.5. If the State elects to defer putting a Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project.

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 C**). 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** 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 C**.

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 C**. 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**.

(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

The State shall have the right to hold back, as a retainage, an amount equal to ten percent 10% of all amounts invoiced by Contractor for Services/Deliverables. The amounts held back shall be released to Contractor after the State has granted Final Acceptance.

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 <http://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 final agreed upon project plan (see section 1.301) 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

2.111 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/dit/0,1607,7-139-34305---,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

2.161 Ownership

Ownership of Work Product by State. All Deliverables shall be owned by the State and shall be considered works made for hire by the Contractor for the State. The State shall own all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

Vesting of Rights. With the sole exception of any preexisting licensed works identified in **Exhibit C**, the Contractor shall assign, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any such Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon State's request, the Contractor and/or its personnel shall confirm such assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State shall have the right to obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.162 Source Code Escrow

(a) Definition. "Source Code Escrow Package" shall mean:

- (i) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
- (ii) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
- (iii) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided



below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

- (b) Delivery of Source Code into Escrow. Contractor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within thirty (30) days of the execution of this Contract.
- (c) Delivery of New Source Code into Escrow. If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.
- (d) Verification. The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.
- (e) Escrow Fees. All fees and expenses charged by the Escrow Agent will be paid by the Contractor.
- (f) Release Events. The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:
- (i) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
 - (ii) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
 - (iii) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.
- (g) Release Event Procedures. If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in **Section 2.162(f)**, then:
- (i) The State shall comply with all procedures in the Escrow Contract;
 - (ii) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
 - (iii) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.
- (h) License. Upon release from the Escrow Agent pursuant to an event described in **Section 2.162(f)**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.
- (i) Derivative Works. Any Derivative Works to the source code released from escrow which are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.

**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. Any software licensed through the Contractor and sold to the State, will be licensed directly to 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. Standard Software to be licensed to the State is listed in **Exhibit C**.

2.166 Pre-existing Materials for Custom Software Deliverables

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

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, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

(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

(a) Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of two (2) years. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

(b) No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

(c) Calendar Warranty

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

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates;



calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

(d) Third-party Software Warranty

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

2.173 Equipment Warranty

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain such equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance in accordance with the applicable manufacturer's recommendations for the period specified in this Contract.

The Contractor represents and warrants that the equipment/system(s) shall be in good operating condition and shall operate and perform to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of three (3) years commencing upon the first day following Final Acceptance.

Within three (3) business days, unless otherwise agreed to by the State, of notification from the State, the Contractor shall adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor shall provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract shall be performed by original equipment manufacturer (OEM) trained, certified and authorized technicians.

The Contractor shall act as the sole point of contact for warranty service. The Contractor warrants that it shall pass through to the State any and all warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

2.174 Physical Media Warranty

(a) Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than thirty (30) days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.175 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.

2.176 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

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

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.

(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, 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 one hundred eighty (180) 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 Contractors, 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 Contractors. 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 C**. 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 single point of contact (SPOC) 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 the Office of Purchasing Operations.

(2) Contractor shall also notify the Office of 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



For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, such construction materials as paint thinners, solvents, gasoline, oil, etc., and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act. This Contract does not cover the handling, removal, or disposal of all Hazardous Materials.

(a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material in accordance with all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Prior to the commencement of Work, the State shall advise Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of such Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, give written notice to the State of the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the affected Work shall be resumed as directed in writing by the State. Any determination by the Michigan Department of Community Health and/or the Michigan Department of Environmental Quality (whichever is applicable) that the Hazardous Material has either been removed or rendered harmless shall be binding upon the State and Contractor for the purposes of resuming the Work. If any such incident with Hazardous Material 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 as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material in accordance with Applicable Laws to the condition approved by applicable regulatory agency(ies). If the Contractor fails to take appropriate action pursuant to Applicable Laws and consistent with the State requirements, then the State may take appropriate action.

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, Attachments, Appendices 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
Office of Purchasing Operations
Steve Motz
PO Box 30026
530 West Allegan
Lansing, Michigan 48913



with a copy to:
State of Michigan
Department of Information Technology
Barb Suska
Constitution Hall 1st Floor North Tower
525 W. Allegan Street
Lansing, MI 48913



Contractor(s):
Dewpoint
Jennifer Kwapis
1921 East Miller Road, Suite B
Lansing, MI 48911

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, Section 1.201** 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

Contractors 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 Contractor who has failed to pay any applicable State taxes. The State may refuse to accept Contractor's bid, if Contractor has any outstanding debt with the State. Prior to any award, the State will verify whether Contractor 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

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this Contract.

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 Contractor 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/localgov>. 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 RESERVED - State Employee Purchases

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/epl/servlet/EPLSearchMain/1>



Exhibit A
Approved Subcontractors

RiverGlass, Inc.
Criminal and Analytical Solution Provider
2001 South First Street, Suite 103
Champaign, IL 61820
phone: (630) 578 4268
fax: (630) 578 4260

Crossflo Systems
Data Integration Application Provider
11260 El Camino Real
Suite 100
San Diego, CA 92130
phone: (858) 724-2216
toll free phone: (888) 583-0333
fax: (858) 724-2224

Crusecom Technology Consultants
Call Center Support Provider
4238 California Street
Oscoda, MI 48750
phone: (989) 739-5070
fax: (877) 471-0332

Exhibit B
Approved Hardware
RESERVED

Exhibit C
Approved Software

See Article 1

Exhibit D
Software Warranty Documentation



Crossflo Software



RiverGlass Software