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

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET **September 15, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B8200274
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Digital Technology Solutions, LLC** **28175 Haggerty Road** **Novi, MI 48377** **Email: stalluri@dts-it.com**	TELEPHONE Sri Talluri **(248) 432-2611** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
CONTRACT COMPLIANCE INSPECTOR: Patty Bogard **RE:START DIT MBSii**	
CONTRACT PERIOD: From: **September 2, 2008**	To: **August 31, 2011**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	

NATURE OF CHANGE(S):

Effective immediately, this contract is INCREASED by $105,846.00 and EXTENDED by one year. The new contract end date is August 31, 2011.

AUTHORITY/REASON(S):

Per Administrative Board approval dated September 14, 2010.

INCREASE: $105,846.00

REVISED ESTIMATED CONTRACT VALUE: $326,092.00

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

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

October 16, 2009

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B8200274
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Digital Technology Solutions, LLC** **28175 Haggerty Road** **Novi, MI 48377** **Email: stalluri@dts-it.com**	TELEPHONE Sri Talluri **(248) 432-2611** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
CONTRACT COMPLIANCE INSPECTOR: Patty Bogard **RE:START DIT MBSii**	
CONTRACT PERIOD: From: **September 2, 2008**	To: **August 31, 2010**
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 INCREASED by $105,846.00 and EXTENDED by one year. The new contract end date is August 31, 2010.

AUTHORITY/REASON(S):

Per Administrative Board approval dated October 16, 2009.

INCREASE: $105,846.00

REVISED ESTIMATED CONTRACT VALUE: $220,246.00

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

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

August 15, 2008

NOTICE OF CONTRACT NO. 071B8200274 between THE STATE OF MICHIGAN and

NAME & ADDRESS OF CONTRACTOR **Digital Technology Solutions, LLC** **28175 Haggerty Road** **Novi, MI 48377** **Email: stalluri@dts-it.com**	TELEPHONE Sri Talluri **(248) 432-2611** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 **Jacque Kuch**
CONTRACT COMPLIANCE INSPECTOR: Patty Bogard **RE:START DIT MBSii**	
CONTRACT PERIOD: From: **September 2, 2008**	To: **August 31, 2009**
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	

The terms and conditions of this Contract are those of ITB #071I8200287, 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. This contract is part of a split award with 071B8200273.

TOTAL ESTIMATED CONTRACT VALUE: $114,400.00

SECTION I
GENERAL INFORMATION

I-A PURPOSE

This contract is for temporary professional services to assist the Department of Information Technology (DIT), the Michigan Business Services Improvement Initiative (MBSii) for **one (1) Programmer Analyst** with Java applications development experience of three (3) plus years.

The Michigan Business Services Improvement Initiative (herein referred to as MBSii), was created at the request of the Government Performance Improvement Initiative (GPii) from a study performed in August of 2007. The purpose of the study was to identify government-business interactions viewed by the Michigan business community as needing attention. A total of 58 interviews were conducted with State employees, leading business associations and selected business executives to identify and prioritize government-business interactions in need of improvement.

The Programmer Analysts will assist in the development of a Michigan Business Services (MBS) Web Portal.

The contract awarded from this solicitation will be a time and materials or fixed monthly rate contract, with a not to exceed contract price.

The contract period will be from approximately **09/02/2008** to **09/30/2009,** with two one-year options**.** The State does not commit to procuring services in the quantities estimated or in any other amounts.

I-B ISSUING OFFICE

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

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

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

I-C PROJECT MANAGER and CONTRACT ADMINISTRATOR

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

The Project Manager for this contract is:

Rob Surber, MDIT, Center for Geographic Information
Romney Building, 10th Floor
111 S Capitol Ave
Lansing MI 48933
Tel: 517-373-7910
SurberR@mi.gov

The Contract Administrator for this contract is:

Patty Bogard
MDIT, Bureau of Strategic Policy, Office of Contracts
Constitution Hall, 1st floor, North Tower
525 West Allegan Street
Lansing, MI 48913
Tel: 517-335-4051
Fax: 517-241-8852
BogardP@mi.gov

I-D INCURRING COSTS AND LEGISLATIVE APPROPRIATIONS

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

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

I-E PROPOSALS

RESERVED

I-F ACCEPTANCE OF ITB and PROPOSAL CONTENT

RESERVED

I-G CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this contract, whether or not the Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated contract. Contractor must make timely payment to staff performing services for the State.

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

I-H NEWS RELEASES

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

I-I SELECTION CRITERIA

RESERVED

I-J INDEPENDENT PRICE DETERMINATION

RESERVED

I-K SEALED BID RECEIPT (SEE ALSO PARAGRAPH IV-G)

RESERVED

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

I-M AWARD
RESERVED

I-N MODIFICATIONS, REVISIONS, CONSENTS AND APPROVALS
This contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

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

I-O CONTRACT DOCUMENTS
The following constitute the complete and exclusive statement of the agreement between the parties as it relates to this transaction:

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

and by reference:

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

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

I-P SPECIAL TERMS AND CONDITIONS

1. Normal State work hours are 8:00 a.m. to 5:00 p.m. Monday through Friday.

2. All work will be performed at the site identified in Section III of this contractB, unless otherwise agreed to by both parties.

3. The Contractor must permit representatives of the Michigan Department of Information Technology (DIT), and the agency, and other authorized public agencies interested in the services requested in this contract to have full access to the services requested showing the Contractor's performance, during normal business hours.

4. The Contractor, during the performance of services detailed in this contract, will be responsible for any loss or damage to original documents, belonging to the State when they are in the Contractor's possession. Restoration of lost or damaged original documents shall be at the Contractor's expense.

5. All questions, which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, the interpretation of designs and specifications, and as to the satisfactory and acceptable fulfillment of the terms of this agreement shall be decided by DIT and the State agencies involved.

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

7. All work prepared by the Contractor during the execution of this contract shall be considered works made by hire and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the authorized representatives of the Contractor and the State. This includes, but is not limited to, all new business processes created, all planning and design work performed, all technology developed, the source and object code of all software programs and systems, any business objects or databases created, all related documentation (written or automated), and all documents and reports.

   If by operation of law any of the work, including all related intellectual property rights is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such work, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned work. If the Contractor uses any subcontractors to perform and prepare any of the work, the Contractor shall insure through agreement with the subcontractors that all intellectual property rights in any of the work shall belong exclusively to the State. Failure of the Contractor to insure such rights may be considered by the State to be a material breach of this contract.

8. The Contractor shall agree that they will not furnish or disclose any items owned by the State to a third party without the written permission of the State. This includes both items created as part of this contract and items owned by the State that are incidental to the contract. The Contractor shall also agree not to use items owned by the State for other purposes without the prior written permission of the State.

9. Individuals assigned by the Contractor are employees of the Contractor, and are not, under any circumstances or conditions, employees of the State.

   The State will retain the right to release outright or request the replacement of any person who is working at an inferior level of performance. The Contractor will be given 24 hours advance notice of this action.

12. The Contractor’s name, logo, or other company identifier may not appear on documentation delivered to the State without written authorization from the Contract Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents.

13. The Contractor will certify in writing that it is in conformance with all applicable federal and state civil rights and practices equal employment opportunity for all persons regardless of race, creed, color, religion, national origin, gender or handicap; it is also in conformance with the requirements of the Americans with Disabilities Act. Failure to comply with the aforementioned laws may result in termination of the contract.

14. The Contractor shall use all software in accordance with the State’s license agreements and any further restrictions imposed by the State. The Contractor shall not make any unauthorized copies of any software under any circumstances. Contractors found copying or knowingly using copyrighted software other than for backup purposes are subject to progressive disciplinary action. Contractors shall not provide software to any outsiders including consultants, local governmental units, and others when this would be a violation of law or copyright agreements.

15. Contractors are responsible for maintaining the confidentiality of their passwords and are liable for any harm resulting from disclosing or allowing disclosure of any password. Any conduct that restricts or inhibits the legitimate business use of State systems or network is prohibited. Each person must use State systems and networks only for lawful purposes. Specifically prohibited is any use of State systems or disclosure of any data which would constitute a criminal offense, give rise to civil liability, violate any State of Michigan policy, or otherwise violate any applicable local, state, or federal law. This also applies to any computer systems or networks that are accessed from State computer systems or networks.

16. The DIT and the [agency] have developed, and will continue to develop during the course of this effort, a growing number of information technology standards. The selected Contractor must follow any and all standards adopted by DIT and the [agency]. Where standards do not exist, the final acceptance of a new technique, technology, or design will rest with the Project Manager, following consultation and review with DIT.

I-Q DEPARTMENT AND CONTRACTOR RESPONSIBILITIES

Department Responsibilities:

1. Provide office space within the Departments for temporary employees selected to work on these projects. NOTE: Access to office space during non-working hours must be approved.

2. Provide conference room space when sufficient notice is given and space is available.

3. Provide telephones for calls originating from within the Department of Information Technology, Agency Services, Departments of State and Treasury, Department of State Division that are project-related.

4. Provide copying services that are project-related.

5. Provide access to Facsimile equipment for items that are project-related.

6. Provide computer hardware and software, as deemed necessary, for all temporary staff/personnel working within the Department.

Contractor Responsibilities:

1. Provide temporary professional services Monday through Friday, during the same work hours as those worked by State employees working at the identified facility.

2. Provide those services requested based on staff having the qualifications identified in this contract.

3. Provide services on an as needed, if needed, basis. The exact timing and scheduling of the services shall be between the State and the contractor at the time of need.

4. All personnel provided by the Contractor shall be subject to the rules, regulations, and policies of the DIT, agency/division and the State.

5. The Contractor shall replace all personnel whose work was found to be unsatisfactory within 24 hours of notification. Replacement of discontinued staff will be at the State's sole discretion; the State is not obligated to replace terminated or withdrawn individuals.

   In the event an individual has been terminated or has voluntarily withdrawn from an assignment, the State will advise the Contractor which of the following three options will be employed:
   - The State can request the same Contractor replace the individual with an individual of equal or greater qualifications.
   - The State can choose from the other candidates submitted in response to the ITB, if they are still available and the proposed rates are still valid.

- The State can re-issue the ITB and obtain a new list of candidates and rates from eligible Contractors.

6. Contractor shall ensure that staff proposed for assignment is fully trained and meet the skill set requirements of the job position being filled.

7. The State and/or its agencies make changes to their technical architectures from time to time. If a contract individual is assigned to a State project or support area and the technology associated with their assignment changes, the Contractor is responsible for training in the new or changed technology (e.g., Contractor personnel needs training in a particular CASE tool in order to perform their State assignment.

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

8. Provide parking when working on-site.

9. Phone calls not related to the project are not to be charged to the State.

10. The Contractor recognizes its responsibility for all tasks and deliverables contained therein, warrants that it has fully informed itself of all relevant factors affecting accomplishment of the tasks and deliverables and agrees to be fully accountable for the performance thereof. In addition, the Contractor assumes full responsibility for the acts of all subcontractors. Contractor shall have sole responsibility for the supervision, daily direction and control, payment of salary (including withholding of income taxes and social security), worker's compensation, disability benefits and the like for its personnel.

    Contractor's management responsibilities include, but are not limited to, the following:
    - Ensure personnel understand the work to be performed to which they are assigned.
    - Ensure personnel know their management chain and adhere to Contractor policies and exhibit professional conduct to perform in the best interest of the State.
    - Ensure personnel adhere to applicable laws, regulations, and Contract conditions governing Contractor performance and relationships with the State.
    - Regularly assess personnel performance and provide feedback to improve overall task performance.
    - Ensure high quality results are achieved through task performance.
    - Provide training.

I-R USE OF AGENCY STANDARD INFORMATION TECHNOLOGY ENVIRONMENT

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

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

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

SECTION II
CONTRACTUAL SERVICES TERMS AND CONDITIONS

II-A CONTRACT PAYMENT

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

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

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

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

II-B ACCOUNTING RECORDS

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

II-C INDEMNIFICATION

1. For Purposes of Indemnification as set forth in this section, State means the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents.

2. General Indemnification
   The Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, penalties, fines, damages, and claims (including taxes), and all related costs, and all related costs and expenses (including reasonable attorneys; and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any claim, demand, action, citation or legal proceeding against the State arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable provided that the Contractor is notified within 30 days from the time that the State has knowledge of such claims. This indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused by the conduct of the State.

3. Patent/Copyright Infringement Indemnification
   The Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright or trade secret of any person or entity, which is enforceable under the laws of the United States.

   In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the

equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

4. Continuation of Indemnification Obligation
   The duty to indemnify will continue in full force and effect, not withstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

II-D LIMITATION OF LIABILITY

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

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

II-E CONTRACTOR'S LIABILITY INSURANCE

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

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

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

2. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees.

3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees, subject to limits of liability of not less than $100,000 each occurrence and, when applicable $300,000 annual aggregate, for non-automobile hazards and as required by law for automobile hazards.

4. Claims for damages because of injury to or destruction of tangible property, including loss of use resulting, subject to a limit of liability of not less than $50,000 each occurrence for non-automobile hazards and as required by law for automobile hazards.

5. Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than $100,000 each occurrence and when applicable, $300,000 annual aggregate.

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

II-F CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

   In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall be subject to the dollar limitation of liability as provided in Section II-D.

   In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

   In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.

3. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.

4. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.

5. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 4-6. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

II-G ASSIGNMENT

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

II-H DELEGATION

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

II-I NON-DISCRIMINATION CLAUSE

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

II-J UNFAIR LABOR PRACTICES

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

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

II-K SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

II-L GOVERNING LAW

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

II-M NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of a Contract resulting from this ITB shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

II-N SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

II-O HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

II-P RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

II-Q MISCELLANEOUS

1. The Contractor covenants that it is not, and will not become, in arrears to the State upon any contract, debt, or any other obligation to the State, including real property and personal property taxes.

2. DAMAGES FOR UNAUTHORIZED PERSONNEL CHANGES
    a. The Contractor shall not replace the personnel designated in this Contract without the prior, written approval of the State.
    b. If the Contractor violates this requirement, it shall pay the State, as liquidated damages and not as a penalty, a sum equal to the amount payable under this Contract.
    c. The State may recover the amount due from the Contractor under this section by setting off against any amount due under this Contract or other contracts it may have with the Contractor.

3. AUTHORIZATION & CAPABILITY
    a. The Contractor warrants that it has taken all corporate actions necessary for the authorization, execution, delivery and performance of this Contract. It is ready to perform its obligations.
    b. The Contractor further warrants that the person signing this Contract is authorized to do so on behalf of the Contractor and is empowered to bind the Contractor to this Contract.

SECTION III
WORK STATEMENT

A. Brief Description of Work

The Michigan Business Services Improvement Initiative (herein referred to as MBSii), was created at the request of the Government Performance Improvement Initiative (GPii) from a study performed in August of 2007. The purpose of the study was to identify government-business interactions viewed by the Michigan business community as needing attention. A total of 58 interviews were conducted with State employees, leading business associations and selected business executives to identify and prioritize government-business interactions in need of improvement.

The purpose of this Invitation to Bid (ITB) is to obtain quotations for temporary professional services to assist DIT, the Michigan Business Services Improvement Initiative for two (2) Programmer Analysts.

The Programmer Analysts will assist in the development of a Michigan Business Services (MBS) Web Portal.

B. Background on the work requested

Under the charge of the Government Performance Improvement Initiative (GPII), the State launched an investigative study in August of 2007 to identify government-business interactions viewed by the Michigan business community as needing attention. The identified interactions were assessed and prioritized to determine those most ripe for process improvement and organizational streamlining.

The results of the study consolidated the specific interaction issues into 13 Class of Issue categories. The Class of Issues list in order of priority is as follows:

Class of Issue	Priority	Description
Streamline Permitting Processes	a)	Permit processing time (i.e. DEQ, MDOT, Construction) was identified as in need of process improvement
Assure Uniform Application and Interpretation of Code	b)	Variations can exist in the interpretation and application of Statewide codes from inspector to inspector for construction, health inspections, DEQ, tax and others
One stop shop for businesses	c)	Multiple disparate sources of information exist for businesses to obtain information and businesses are required to interact with multiple agencies in order to obtain requisite licenses/permits to operate in the state
Improve Communication Between State and Businesses	d)	Communication of information and coordination of services between State (predominantly the MEDC) and associations/economic development organizations and businesses is not formalized and sometimes viewed as problematic
Enable Business Compliance with Rules/Regulation	e)	The complexity and clarity of regulations/codes and the difficulty to obtain assistance from agencies makes it difficult for businesses to comply with regulations (i.e. DEQ, MBT, Brownfield)
Enable Cross Agency Collaborative Thinking/Sharing	f)	Minimal sharing of services and resources between agencies occurs and the development of applications is done vertically within departments rather than being shared horizontally
Instill a Service Versus Control Orientation	g)	Some departments (i.e. DCH, DEQ, DLEG, DT) are viewed as being more interested in enforcing regulations than in helping businesses to comply. Limited process tracking and feedback further impacts customer perceptions
Streamline Licensing Processes	h)	Obtaining Professional, Agriculture and Liquor licenses is viewed as being slow and thus impacts productivity

Institute Performance Management Practices	i)	Several departments identified a lack of performance measurement practices and infrequent root cause analysis as impacting overall business interactions
Improve Communication Between State and Local Government	j)	The State government and the local governments do not have a clear line of communication established to identify process improvements and share information
Clarify Brownfield Application and Certification Process	k)	Brownfield redevelopment lines of communication, rules, processing and appeals process identified as areas of concern
Prioritize Technology Enhancements	l)	Technology enhancements identified as a means of reducing delays, inaccuracies and tracking improvement. Much of the enhancements could leverage the needs of multiple agencies in designing and implementing a solution
Enhance Skills Acquisition and Retention	m)	Some government agencies are losing talented resources and are unable to replace them

C. Objectives

The objectives of this improvement initiative are:

- Provide an effective Business to Government interface to support BOTH identified business and State requirements (e.g. routine filings, permits, registrations)
- Provide a comprehensive view to the user to aid their understanding of what they need to do, in what sequence, by when, and with what information to achieve their objective or satisfy their obligation
- Provide Users (businesses) a business process (workflow) based view versus a technology based transaction view – to aid in understanding and completing submissions of all required documentation and information in a timely and accurate way
- Provide a 24 by 7 environment – complete with a help desk capable of triaging all inquiries concerning all subject areas (taxes, licenses, employee regulations, etc.) and directing requestors to appropriate specific assistance
- Select government-business transactions implemented by September, 2008 with tangible process improvements

The Programmer Analysts will function as part of a team in the development of the portal to meet the above objectives.

D. Agency technical environment for the work

Windows 2000 Advanced Server running IIS 5.0, Windows 2003 Server Web Edition running IIS 6.0, Windows 2000 Advanced Server , Windows 2000 Advanced Servers in a Microsoft Cluster running Microsoft SQL Server 2000 for the database, Windows 2003 Server Standard Edition, Windows XP, MS office suite, Oracle database, Sequel, MS project 2002 and Java, IBM Websphere.

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

The MBSii will focus on improvement opportunities that will create streamlined government-business transactional processes. This includes rationalizing transactional workflow processes, IT applications technology, and establishing a 24 by 7 help desk.

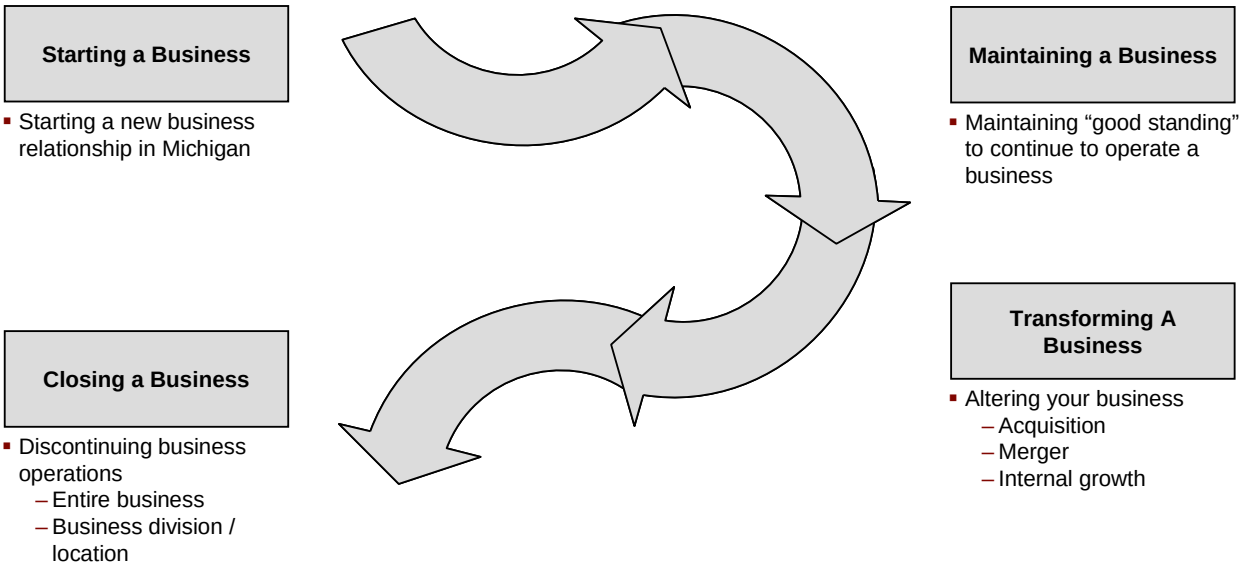
Therefore, the Class of Issues identified in the report that will be directly addressed in the MBSii are as follows:

- Streamline permitting processes – Priority a
- One stop shop for businesses – Priority c

- Improved communication between State and Businesses – Priority d
- Enable cross agency collaborative thinking/sharing – Priority f
- Streamline licensing processes – Priority h

The results of the MBS initiative will be to provide businesses with an improved method of interfacing with the State of Michigan. The "Michigan Business Services" (MBS) is a resource for prospective or current businesses to interface directly with the State of Michigan.. This interface would provide the mechanism to effectively process the needed steps for a Michigan business to do business in the State. This resource will have all four segments of the Business Life Cycle; Start a Business, Maintain a Business, Transform a Business, and Close a Business.

Business Life Cycle in Michigan



The MBS will include a single point of entry, on-line web portal supported by a 24 by 7 help desk.

The team will be following a modified version of the State of Michigan Systems Engineering Methodology (SEM) and Project Management Methodology (PMM).

The project deliverables for the completed MBSii project will include the following:

- MBS "One Stop Shop" portal in use
- MBS 24 by 7 help desk in use
- MBS eGovernment portfolio inventory
- MBS business life cycle process workflow documentation
- MBS Physical architecture
- MBS Logical architecture
- MBS IT Architecture

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

The selection for this project will be based on an evaluation of the skill and knowledge of the staff of the proposing organization. To that end, organizations interested in this work should provide resumes for their staff that they are proposing to employ on this project. These resumes should include a description of the work that is similar to this project's work, the role that the employee performed on that work and the beginning and end dates of each employee's activity in that work. Any employee whose resume is included in a proposal for this project is considered committed to this project.

In addition to technical skills in Java, the contractor may need to interact with some of the different stakeholders and focus groups listed above. For this reason, the contractor will also need to possess people, communication and leadership skills.

G. Reports required

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

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

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

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

4. Plans: Anticipated efforts for the next two (2) weeks.

5. Issues: Any ongoing issues that require action or information from MDIT in order to resolve.

H. Location where the work is to be performed

The work will be done at the at MDIT, Center for Geographic Information, Romney Building, 12th Floor, 111 S Capitol Ave, Lansing MI 48933

I. Hours

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted without prior written approval of both the vendor and agency project manager.

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

The designated Agency Project Manager is:

Rob Surber
MDIT, Center for Geographic Information
Romney Building, 10th Floor
111 S Capitol Ave
Lansing MI 48933
Tel: 517-373-7910
Fax: 517-373-2939
SurberR@mi.gov

K. The numbers of personnel by skill set (classification),

PROGRAMMING

Programmer – Analyst (not to exceed $55.00 per hour)

Plans, develops, tests, and documents computer programs, applying knowledge of programming techniques and computer systems: Evaluates user request for new or modified program, such as for financial or human resource management system, clinical research trial results, statistical study of traffic patterns, or analyzing and developing specifications for bridge design, to determine feasibility, cost and time required, compatibility with current system, and computer capabilities. Consults with user to identify current operating procedures and

clarify program objectives. Reads manuals, periodicals, and technical reports to learn ways to develop programs that meet user requirements. Formulates plan outlining steps required to develop program, using structured analysis and design. Submits plans to user for approval. Prepares flowcharts and diagrams to illustrate sequence of steps program must follow and to describe logical operations involved. Designs computer terminal screen displays to accomplish goals of user request. Converts project specifications, using flowcharts and diagrams, into sequence of detailed instructions and logical steps for coding into language processable by computer, applying knowledge of computer programming techniques and computer languages.

Enters program codes into computer system. Enters commands into computer to run and test program. Reads computer printouts or observes display screen to detect syntax or logic errors during program test, or uses diagnostic software to detect errors. Replaces, deletes, or modifies codes to correct errors. Analyzes, reviews, and alters program to increase operating efficiency or adapt to new requirements. Writes documentation to describe program development, logic, coding, and corrections. Writes manual for users to describe installation and operating procedures. Assists users to solve operating problems. Recreates steps taken by user to locate source of problem and rewrites program to correct errors. May use computer-aided software tools, such as flowchart design and code generation, in each stage of system development. May train users to use program. May oversee installation of hardware and software. May provide technical assistance to program users. May install and test program at user site. May monitor performance of program after implementation. May specialize in developing programs for business or technical applications.

Programmer-Analyst capabilities with 1-7 years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.

Other Specific Qualifications:

Development Skills:
2 plus years required for the following:

- JSP, Servlets, and EJB development with IBM WebSphere Integration Developer
- Strong Service Oriented Architecture (SOA) experience with IBM WebSphere Process server 6.1
- WebSphere Message Broker 6.1 technologies as a Developer
- Candidates must have Architectural experience in SOA and WebSphere Business Integration Technologies.
- Involvement experience in Enterprise Application Code Migration/Optimization and Performance Tuning/Testing.
- This person must have Leadership experience and strong communication, analytical and Organizational skills.
- Experience with Portlet development as well as familiarity with IBM WebSphere Integration Developer, Process Server, and Message Broker are preferred.

Prgramming Skills:
3 plus years required for the following:

- Experience in Java applications programming;

2 plus years required for the following:

- Proficient in standard programming concepts (Object Oriented), procedures and practices;
- Knowledge of programming for the J2EE platform with EJB, Servlets, JSP, JDBC;
- Experience with IBM WebSphere Integration Developer; IBM WebSphere Process Server 6.1 and WebSphere Message Broker 6.1.
- Experience with IBM WebSphere Business Modeler
- Experience with integrated development environments and tools like Eclipse.
- Experience with unit and integration testing;
- Experience with Portlet development;
- Familiar with relational databases like ORACLE and proficiency in SQL;

General Skills:

2 to 3 plus years required for the following:

- Excellent verbal and written communication skills
- Proven ability to interact and collaborate with non-technical business experts
- Demonstrated ability to prioritize work load and meet multiple project deadlines
- Must be a team player and be able to work in a dynamic team
- Ability to adapt in a dynamic work environment and make independent decisions
- Ability and willingness to work on a variety of tools and technologies
- Extremely detail oriented with a strong customer service focus
- Advanced problem solving skills and ability to provide innovative solutions

All work done will be in Compliance with MDIT's SUITE methodology. See: www.michigan.gov/SUITE .

L. Start and End Dates for the work
Start Date: 09/02/2008

End Date: 09/30/2009

M. PRICE PROPOSAL

1. All rates quoted will be firm for the duration of the contract. No price changes will be permitted.

2. Pricing
   Classification/skill set: Programmer Analyst – Xiaohong Wu
   Hourly/Monthly Rate: $55.00 x 2080 = $114,400.00