

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

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B9200091
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
System Technology Group 3155 W. Big Beaver Road, Suite 220 Troy, MI 48084	Anup Papat	apopat@stgit.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 643-9010	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MDIT	Cindy Turben		
BUYER	DTMB	Joe Kelly	517-373-3993	Kellyj11@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: MDIT/MDOT Software Development			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2008	November 30, 2011		November 30, 2012
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	Nov. 30, 2013
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$0.00		\$14,027,520.00		
Effective October 31, 2012, this contract exercises an option year. New contract end date is November 30, 2013. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and the approval of DTMB Procurement.				

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 12, 2011

CHANGE NOTICE NO. 1
OF
CONTRACT NO. 071B9200091
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Systems Technology Group 3155 W. Big Beaver Rd., Suite 220 Troy, MI 48084 Email: apopat@stgit.com	TELEPHONE Anup Popat 248-643-9010
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Joe Kelly
Contract Compliance Inspector: Cindy Turben MDIT/MDOT Software Development	
CONTRACT PERIOD: From: December 1, 2008 To: November 30, 2012	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby **EXTENDED** to November 30, 2012. Please note the buyer changed to Joe Kelly.

All other terms, conditions, specifications and pricing remain the same.

AUTHORITY/REASON:

Per Agency, Contractor, and DTMB Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$14,027,520.00

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

December 5, 2008

**NOTICE
 OF
 CONTRACT NO. 071B9200091
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR Systems Technology Group 3155 W. Big Beaver Rd., Suite 220 Troy, MI 48084 <p style="text-align: right;">Email: apopat@stgit.com</p>	TELEPHONE Anup Popat 248-643-9010
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 Jacque Kuch
Contract Compliance Inspector: Cindy Turben <p style="text-align: center;">MDIT/MDOT Software Development</p>	
CONTRACT PERIOD: From: December 1, 2008 To: November 30, 2011	
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>	

Estimated Contract Value: \$14,027,520.00

**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. 071B9200091
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR Systems Technology Group 3155 W. Big Beaver Rd., Suite 220 Troy, MI 48084 Email: apopat@stgit.com	TELEPHONE Anup Popat 248-643-9010 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-0239 Jacque Kuch
Contract Compliance Inspector: Cindy Turben MDIT/MDOT Software Development	
CONTRACT PERIOD: From: December 1, 2008 To: November 30, 2011	
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>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #07118200102, this Contract Agreement and the vendor's quote dated April 30, 2008. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$14,027,520.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07118200102. Orders for delivery will be issued directly by the Department of Information Technology through the issuance of a Purchase Order Form.

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

FOR THE CONTRACTOR: _____ Systems Technology Group Firm Name _____ Authorized Agent Signature Anup Popat _____ Authorized Agent (Print or Type) _____ Date	FOR THE STATE: _____ Elise A. Lancaster, Director Name/Title Purchasing Division _____ Division _____ Date
---	--



**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

Contract No. 071B9200091
MDOT Software Development

Buyer Name: Jacque Kuch
Telephone Number: 517-241-0239
E-Mail Address: kuchj@michigan.gov

Table of Contents

Table of Contents 2

Article 1 – Statement of Work (SOW) 6

1.0 Project Identification..... 6

 1.001 PROJECT REQUEST 6

 1.002 BACKGROUND 6

1.1 Scope of Work and Deliverables 6

 1.101 IN SCOPE..... 6

 1.102 OUT OF SCOPE 7

 1.103 ENVIRONMENT..... 7

 1.104 WORK AND DELIVERABLES 8

 Application/Solution Architect 9

1.2 Roles and Responsibilities 25

 1.201 VENDOR STAFF, ROLES, AND RESPONSIBILITIES..... 25

 1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES..... 26

 1.203 OTHER ROLES AND RESPONSIBILITIES 27

1.3 Project Plan..... 27

 1.301 PROJECT PLAN MANAGEMENT – Reserved 27

 1.302 REPORTS..... 27

1.4 Project Management - Reserved 29

1.5 Acceptance - Reserved..... 29

 1.501 CRITERIA - Reserved..... 29

 1.502 FINAL ACCEPTANCE - Reserved..... 29

1.6 Compensation and Payment..... 29

1.7 Additional Information Specific to this SOW 30

 1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW..... 30

 Article 1, Attachment A..... 31

 Article 1, Attachment B..... 32

 Article 2 – General Terms and Conditions 33

2.010 Contract Structure and Administration 33

 2.011 Definitions 33

 2.012 Attachments and Exhibits..... 33

 2.013 Statements of Work..... 33

 2.014 Issuing Office 33

 2.015 Contract Compliance Inspector..... 34

2.020 Contract Objectives/Scope/Background 34

 2.021 Background 34

 2.022 Purpose..... 34

 2.023 Objectives and Scope 34

 2.024 Interpretation 34

 2.025 Form, Function and Utility 35

2.030 Legal Effect and Term..... 35

 2.031 Legal Effect 35

 2.032 Contract Term 35

2.040 Contractor Personnel 35

 2.041 Contractor Personnel 35

 2.042 Contractor Identification 37

 2.043 Cooperation with Third Parties..... 37

 2.044 Subcontracting by Contractor..... 37

 2.045 Contractor Responsibility for Personnel..... 38

2.050 State Standards 38

 2.051 Existing Technology Standards..... 38

 2.052 PM Methodology Standards..... 38

 2.053 Adherence to Portal Technology Tools 38

2.054	Acceptable Use Policy	38
2.060	Deliverables	38
2.061	Ordering	38
2.62	Software	39
2.63	Hardware.....	39
2.64	Equipment to be New and Prohibited Products	39
2.070	Performance.....	39
2.071	Performance, In General.....	39
2.072	Time of Performance.....	39
2.073	Liquidated Damages	39
2.074	Bankruptcy	39
2.075	Time is of the Essence.....	39
2.080	Delivery and Acceptance of Deliverables.....	40
2.081	Delivery Responsibilities	40
2.82	Delivery of Deliverables	40
	Reserved.....	40
2.083	Testing	40
	Reserved.....	40
2.084	Approval of Deliverables, In General	40
2.85	Process for Approval of Written Deliverables.....	40
	Reserved.....	40
2.086	Process for Approval of Services	40
2.087	Process for Approval of Physical Deliverables.....	40
2.088	Final Acceptance.....	40
2.090	Financial.....	40
2.091	Pricing	40
2.092	Invoicing and Payment Procedures and Terms	41
2.093	State Funding Obligation.....	41
2.094	Holdback	42
2.095	Electronic Payment Availability	42
2.100	Contract Management.....	42
2.101	Contract Management Responsibility	42
2.102	Problem and Contract Management Procedures.....	42
2.104	System Changes.....	43
2.105	Reserved.....	43
2.106	Change Requests	43
2.110	Records and Inspections.....	44
2.111a	Records and Inspections.....	44
2.111b	Records and Inspections.....	44
2.112	Errors	44
2.120	State Responsibilities.....	45
2.121	State Performance Obligations	45
2.130	Security	45
2.131	Background Checks	45
2.140	Reserved.....	45
2.150	Confidentiality.....	45
2.151	Freedom of Information	46
2.152	Confidentiality.....	46
2.153	Protection of Confidential Information	46
2.154	Exclusions	46
2.155	No Implied Rights.....	46
2.156	Remedies	47
2.157	Security Breach Notification	47
2.158	Survival	47
	Destruction of Confidential Information.....	47

- 2.160 Proprietary Rights 47
 - 2.163 Rights in Data..... 47
 - 2.164 Ownership of Materials 48
 - 2.165 Standard Software 48
 - 2.166 Pre-existing Materials for Custom Software Deliverables 48
 - 2.167 General Skills 48
- 2.170 Warranties And Representations 48
 - 2.171 Warranties and Representations..... 48
 - 2.175a DISCLAIMER 50
 - 2.175b Standard Warranties 50
 - 2.176 Consequences For Breach 50
- 2.180 Insurance 50
 - 2.181 Liability Insurance 50
- 2.190 Indemnification 52
 - 2.191 Indemnification 52
 - 2.192 Continuation of Indemnification Obligations 53
 - 2.193 Indemnification Procedures..... 53
- 2.200 Limits of Liability and Excusable Failure 54
 - 2.201 Limits of Liability 54
 - 2.202 Excusable Failure..... 54
 - 2.203 Disaster Recovery 55
- 2.210 Termination/Cancellation by the State 55
 - 2.211 Termination for Cause..... 55
 - 2.212 Termination for Convenience 56
 - 2.213 Non-Appropriation 56
 - 2.214 Criminal Conviction 57
 - 2.216 Rights and Obligations Upon Termination 57
 - 2.217 Reservation of Rights..... 57
 - 2.218 Contractor Transition Responsibilities..... 58
 - 2.219 State Transition Responsibilities 58
- 2.220 Termination by Contractor..... 58
 - 2.221 Termination by Contractor..... 58
- 2.230 Stop Work 59
 - 2.231 Stop Work Orders 59
 - 2.232 Cancellation or Expiration of Stop Work Order 59
 - 2.233 Allowance of Contractor Costs 59
- 2.240 Reserved..... 59
- 2.250 Dispute Resolution 59
 - 2.251 In General 59
 - 2.252 Informal Dispute Resolution 59
 - 2.253 Injunctive Relief..... 60
 - 2.254 Continued Performance 60
- 2.260 Federal and State Contract Requirements..... 60
 - 2.261 Nondiscrimination..... 60
 - 2.262 Unfair Labor Practices..... 60
 - 2.263 Workplace Safety and Discriminatory Harassment 61
- 2.270 Litigation..... 61
 - 2.271 Disclosure of Litigation 61
 - 2.272 Governing Law 62
 - 2.273 Compliance with Laws 62
 - 2.274 Jurisdiction 62
- 2.280 Environmental Provision 62
 - 2.281 Environmental Provision 62
 - Reserved..... 62
- 2.290 General 62

2.291	Amendments	62
2.292	Assignment	62
2.293	Entire Contract; Order of Precedence	62
2.294	Headings	63
2.295	Relationship of the Parties (Independent Contractor Relationship)	63
2.296	Notices	63
2.297	Media Releases and Contract Distribution	63
2.298	Reformation and Severability	64
2.299	Consents and Approvals	64
2.300	No Waiver of Default	64
2.301	Survival	64
2.302	Covenant of Good Faith	64
2.303	Permits	64
2.304	Website Incorporation	64
2.305	Taxes	64
2.306	Prevailing Wage	65
2.307	Call Center Disclosure	65
2.308	Future Bidding Preclusion	65
2.310	Reserved.....	65
2.320	Extended Purchasing	65
2.321	MiDEAL	65
Reserved.....		65
2.330	Federal Grant Requirements.....	65
2.331	Federal Grant Requirements.....	65



Article 1 – Statement of Work (SOW)

Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (State), through the Departments of Management and Budget (DMB) and the Department of Transportation (MDOT), with assistance from the Department of Information Technology (MDIT), has issued this contract to obtain a qualified firm to provide IT professional staff augmentation services on an as-needed basis to support MDIT/MDOT IT development and infrastructure programs and to maintain existing systems.

1.002 BACKGROUND

MDIT was created on October 14, 2001, by Executive Order 2001-3, to centralize and improve the management of state information technology investments. As part of its integrated functions, MDIT assists state agencies, including MDOT, in obtaining staff augmentation services. Agency supplemental staffing needs vary in terms of type and quantity of resources required, start/end dates, and length of assignments. Staff augmentation services will involve both project-oriented work and support and operations services.

During fiscal years 2005, 2006, and 2007, MDIT/MDOT needed between 25 and 34 contractors to support its IT development and infrastructure programs, and to maintain its existing systems.

Contractor must have a sufficient resource pool to provide a variety of IT services on an as-needed basis, from design and architecture services through development, testing, maintenance, and administration of web and/or client-server applications. Additionally, MDIT/MDOT staff are embarking on a major effort to migrate legacy PowerBuilder applications to a service oriented architecture in a supported web environment. Contractor will provide staff to work on this project, identified as LAMP (Legacy Application Modernization Program).

Contractors at MDOT function as part of a team, working alongside MDIT employees to develop and maintain applications that support MDOT's day-to-day business operations. By working with a single contractor who provides staff augmentation services on an as-needed basis, MDIT is able to leverage the knowledge acquired by resources across multiple projects. These resources become familiar with MDIT personnel, MDOT's business processes, and MDIT's Systems Engineering Methodology (SEM). This knowledge will be applied to all projects to which the resource is assigned. This allows the work to be completed more quickly, which translates to a cost savings for the State of Michigan.

The development, support, maintenance and enhancement of MDOT applications is an on-going activity which is triggered by changes in federal and state regulations, evolving business needs, opportunities for improving business processes, upgrading obsolete technology, and break fixes. The applications developed and maintained using resources from this contract are vital to MDOT's day-to-day business operations.

Due to the dynamic nature of projects within state government, the State cannot predict the number of personnel that will be required under this contract. Therefore, the State makes no guarantees, either stated or implied, about the demand for resources provided through this procurement.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

The scope of this contract is to provide a variety of IT professional services, from design and architecture through development, testing, and maintenance of web and/or client-server applications. The scope also includes staff to assist with the migration of legacy PowerBuilder applications to a service oriented architecture in a supported web environment.

This contract will have a maximum term of three (3) year, with two (1) one-year options.



A more detailed description of the software, services (work) and deliverables is provided in Article 1, Section 1.104, Work and Deliverables.

1.102 OUT OF SCOPE

The following IT services are out of scope:

- Project management
- Business analysis
- Business requirement sessions
- User documentation and client training (training of MDOT or MDIT staff)

1.103 ENVIRONMENT

The links below provide information about the State's IT policies, standards and procedures, including security policies and procedures, the IT strategic plan, the State's Project Management Methodology, State Unified Information Technology Environment, and Systems Engineering Methodology.

Contractors are advised that the State has methods, policies, standards and guidelines that have been developed over the years. Contractors are expected to provide proposals that conform to these policies and standards. All services and products provided must comply with all applicable State IT policies and standards. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT processes. It will be the responsibility of the State to deny the exception request or to seek a policy or standards exception.

Enterprise IT Policies, Standards and Procedures:

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

The State must be able to maintain software produced as the result of the Contract. Therefore, non-standard development tools may not be used unless approved in writing 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 MDIT Project Manager 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 MDIT project manager before work may proceed based on the changed environment.

IT Security Policy and Procedures:

<http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html>

The State's security environment includes:

- MDIT identity management
- MDIT-provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

MDIT requires that its identity management security environment be used for all new software development. Where software is being converted from an existing package, or an 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.

IT Strategic Plan:

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



The State Unified Information Technology Environment (SUITE), including the Systems Engineering Methodology (SEM) must be followed:

<http://www.michigan.gov/suite>

The State's Project Management Methodology (PMM) must be followed:

http://www.michigan.gov/dit/0,1607,7-139-30637_31101---,00.html

MDIT/MDOT Standard Information Technology Environment

The MDIT/MDOT Standard Information Technology Environment consists of the Desktop Environment, Project Management Tools, the Business System Development Environment, the Web / Intranet Site and Application Development Environment, the Security Environment, and the Network Environment. These environments include but are not limited to the following identified IT tools:

Window XP Desktop Environment

Microsoft Desktop tools, Novell GroupWise, Microsoft Internet Explorer, Oracle NetServices, Novell Client Service for Netware

Project Management Tools

Niku Version or higher, Microsoft Project

Development Languages and Tools

UML, Java, J2EE, EJB 2.0/3.0, JSP, Servlets, Struts 1.2, Tiles, Hibernate, Spring, HTML, XHTML, AJAX, JavaScript, JUnit, WSAD, Eclipse, Toad, ERwin, SQL, PL/SQL, Visual Studio, VB.NET, C#, ASP.NET, ColdFusion, PowerBuilder, Oracle 9i/10g & SQL Server

Application / Web / Internet Servers

IBM WebSphere Application Server, ColdFusion, MX Enterprise, Apache, IBM HIS, IIS, Sybase EAS Web Server

Web / intranet Development & Content Management Tools:

Adobe Acrobat, Macromedia Dreamweaver, Vignette Content Manager

Document Management

FileNET Panagon, Bentley ProjectWise

QA / Testing

Quality Center, WinRunner, LoadRunner, TechSmith Morae

1.104 WORK AND DELIVERABLES

This section includes:

1. Transition Plan
2. Required IT Classifications & Skill Sets
3. Services (Work/Tasks) To Be Performed
4. Service Level Expectations

1. Transition Plan

The contractor:

- Will not commence any transition management activities without MDIT approval.
- Will provide, free of cost to MDIT, a Transition Manager (Shanta Santaprakash) to assist in the oversight of these Knowledge Transition activities.
- Contractor will not mandate specific transition policies, processes or tools.
- Will work with MDIT to identify key resources from the existing contractor that MDIT would like to continue under this contract.
- May offer incumbent staff direct employment to facilitate continued service to MDIT/MDOT



- Should incumbent resource not wish to continue servicing MDIT/MDOT, Contractor will provide a new contractor resource to MDIT/MDOT for transition. .
- Is not responsible should any current incumbent resource not provide adequate knowledge transfer to new contractor resource.
- Will assign new resources to MDIT/MDOT only after approval has been received from MDIT/MDOT for such resource.
- Will provide the first 80 business hours of knowledge transition free of cost to MDIT/MDOT. This is applicable during the first 6 weeks of contract start and only in instances where the current existing contractor resource cannot be retained to service the contract through contractor, and contractor has to bring a new resource to service MDIT/MDOT. This is not applicable should contractor bring in resources with previous MDOT experience.
- Will provide progress reports on knowledge transfer activities to MDIT on a weekly basis summarizing which current incumbent resources have decided to service MDIT/MDOT through this contract.
- Will create a summary report describing the knowledge transfer performed on each area, accomplishments, corrective or remedial action taken, and risks. This report will be sent via email at the end of each business week during the 4-6 week transition period.
- Will work with MDIT to complete the transition activities within 4 to 6 weeks of contract award.

2. Required IT Classifications & Skill Sets

The objective of this contract is to secure information technology staff augmentation services for MDIT/MDOT on an as-needed basis. **The identified skill sets are detailed beginning on the following page.**

Application/Solution Architect

- 3 years experience in architecture, design and implementation of highly available, scalable, and maintainable enterprise architecture solutions.
- 3 years experience assessing existing application architecture and recommending improvements
- 5 years experience in identifying/leveraging enterprise tools, application development frameworks and testing frameworks.
- 3 years experience in service oriented architecture (SOA), web services standards, and SOA security.
- 2 years experience in Web2.0 technologies
- 5 years experience in Technical documentation and knowledge transfer of system implementations.
- 3 years IT governance and standards experience
- 5 years experience mentoring IT teams.
- 3 years experience in business process consolidation and re-engineering.
- 5 years experience in Enterprise middleware software like (but not limited to) messaging, workflow and business process automation solutions.
- Demonstrated experience working with configuration management concepts, tools, and continuous integration processes, quality assurance.
- 5 years experience with methodologies such as Rational Unified Process (RUP), SCRUM, Agile techniques, etc.
- 3 years experience with systems engineering methodology.
- 3 years experience with object oriented design and development, UML, modeling tools and architect tools.
- 3 years experience in performance tuning, optimizing and troubleshooting enterprise applications.
- 3 years experience reviewing applications for compliance to code and architecture standards.
- 3 years experience in systems analysis and design working with Unix and Windows operating systems, Oracle databases and a wide range of client/server and web development technologies, such as:
 - ✓ J2EE, JEE
 - ✓ .Net
 - ✓ PowerBuilder (client server)
 - ✓ JavaScript
 - ✓ Web Services
 - ✓ XML



- Experience with Enterprise Java and .NET frameworks like Spring, Struts, Hibernate, .NET MVC, NHibernate
- Experience with Java and .NET AJAX frameworks
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment

Senior Database Modeler/Application DBA

- 5 years experience in database development and administration using Oracle version 9i/10g or newer in client/server and web-based environments.
- 5 years experience performing tuning/troubleshooting of Oracle or SQL database management systems
- 3 years experience in Oracle NetServices administration
- Demonstrated experience with systems analysis and design in web-based and client/Unix server environments using Oracle as the database
- 5 years experience designing, developing and evaluating logical and physical data models and using tools similar to and including Erwin/ERX and IBM Rational Rose
- 3 years of experience supporting development in one of the following development environments:
 - ✓ VB .NET
 - ✓ J2EE
- 5 years experience conducting database design reviews, reviewing project requirements, identifying entities, attributes and relationships, and determining impacts of database changes
- 5 years experience developing and enforcing database standards
- 5 years experience in conducting and participating in peer reviews and code walkthroughs.
- 5 years experience with client as well as server-based DBMS functions and services (e.g. PLSQL and NetServices for Oracle)
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment

Database Modeler/Application DBA

- 3 years experience in database development and administration using Oracle version 9i/10g or newer in client/server and web-based environments.
- 3 years experience performing tuning/troubleshooting of Oracle or SQL database management systems
- 1 year experience in Oracle NetServices administration
- Demonstrated experience with systems analysis and design in web-based and client/Unix server environments using Oracle as the database
- 3 years experience designing, developing and evaluating logical and physical data models and using tools similar to and including Erwin/ERX and IBM Rational Rose
- 2 years of experience supporting development in one of the following development environments:
 - ✓ VB .NET
 - ✓ J2EE
- 3 years experience conducting database design reviews, reviewing project requirements, identifying entities, attributes and relationships, and determining impacts of database changes
- 3 years experience developing and enforcing database standards
- 3 years experience in conducting and participating in peer reviews and code walkthroughs.
- 3 years experience with client as well as server-based DBMS functions and services (e.g. PLSQL and NetServices for Oracle)
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications



- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment

Senior Systems Analyst/Developer - .Net Specialist

- 5 years experience analyzing business requirements, generating project specifications, converting specifications into code, and applying knowledge of computer programming techniques and computer languages.
- 5 years experience developing technical designs in consultation with other technical experts.
- 5 years experience on one or more of the following design tools:
 - ✓ IBM Rational Rose
 - ✓ ERWin
 - ✓ Serena Prototype Composer
 - ✓ Microsoft Visio
- 5 years total development experience in one or more of the following languages:
 - ✓ Web Services
 - ✓ XML
 - ✓ VB.NET (ASP.NET/ C#)
- 5 years total experience using the following development tools:
 - ✓ Microsoft Visual Studio 2003 or newer
 - ✓ IBM Rational Rose
 - ✓ Crystal Reports
- 5 years experience with IIS web application servers
- 5 years experience in RDBMS developing database triggers, procedures, packages and functions in a combination of any of the following:
 - ✓ Oracle 9i/10g or newer
 - ✓ Oracle Spatial
 - ✓ Sybase Adaptive Server
 - ✓ Microsoft SQL Server
 - ✓ MySQL
- 5 years experience developing unit test plans, test data and scripts for application validation and verification.
- 5 years experience performing extensive analysis and design working on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.
- 5 years experience working with application/solution architects to set direction of design and development for application development projects.
- 5 years experience evaluating user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems, and computer capabilities.
- 5 years experience performing peer reviews of developed code to insure conformity to standards and design best practices.
- 3 years experience reviewing technical designs and specifications for completeness and conformance to quality standards, especially as a mentor to less experienced developers.
- 5 years experience analyzing business requirements, generating project specifications and converting them into code, and applying knowledge of computer programming techniques and computer languages.
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment
- 5 years experience working with System Development Life Cycle (SDLC) concepts

Senior Systems Analyst/Developer - Java Specialist



- 5 years experience analyzing business requirements, generating project specifications, converting specifications into code, and applying knowledge of computer programming techniques and computer languages.
- 5 years experience developing technical designs in consultation with other technical experts.
- 5 years experience on one or more of the following design tools:
 - ✓ IBM Rational Rose
 - ✓ ERWin
 - ✓ Serena Prototype Composer
 - ✓ Microsoft Visio
- 5 years total development experience in one of the following languages:
 - ✓ Web Services
 - ✓ XML
 - ✓ J2EE/ Java 2.x, Struts/Spring Frame work
 - ✓ Hibernate
 - ✓ PowerScript
 - ✓ JavaScript
- 5 years total experience using the following development tools:
 - ✓ WebSphere Development Studio
 - ✓ IBM Rational Rose
 - ✓ Crystal Reports
 - ✓ Eclipse IDE
- 5 years experience with at least one of the following web application servers:
 - ✓ IBM WebSphere
 - ✓ BEA Weblogic
- 5 years experience in RDBMS developing database triggers, procedures, packages and functions in a combination of any of the following:
 - ✓ Oracle 9i/10g or newer
 - ✓ Oracle Spatial
 - ✓ Sybase Adaptive Server
 - ✓ Microsoft SQL Server
 - ✓ MySQL
- 5 years experience developing unit test plans, test data and scripts for application validation and verification.
- 5 years experience performing extensive analysis and design working on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.
- 5 years experience working with application/solution architects to set direction of design and development for application development projects.
- 5 years experience evaluating user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems, and computer capabilities.
- 5 years experience performing peer reviews of developed code to insure conformity to standards and design best practices.
- 3 years experience reviewing technical designs and specifications for completeness and conformance to quality standards, especially as a mentor to less experienced developers.
- 5 years experience analyzing business requirements, generating project specifications and converting them into code, and applying knowledge of computer programming techniques and computer languages.
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment
- 5 years experience working with System Development Life Cycle (SDLC) concepts



Senior Systems Analyst/Developer - PowerBuilder Specialist

- 5 years experience analyzing business requirements, generating project specifications, converting specifications into code, and applying knowledge of computer programming techniques and computer languages.
- 5 years experience developing technical designs in consultation with other technical experts.
- 5 years experience on one or more of the following design tools:
 - ✓ IBM Rational Rose
 - ✓ ERWin
 - ✓ Serena Prototype Composer
 - ✓ Microsoft Visio
- 5 years total development experience in one of the following languages:
 - ✓ PowerScript
 - ✓ PowerBuilder Developer v.9+
- 5 years total experience using the following development tools:
 - ✓ IBM Rational Rose
 - ✓ Crystal Reports
 - ✓ PowerBuilder
- 5 years experience with EAServer 4.0 and above web application servers
- 5 years experience in RDBMS developing database triggers, procedures, packages and functions in a combination of any of the following:
 - ✓ Oracle 9i/10g or newer
 - ✓ Oracle Spatial
 - ✓ Sybase Adaptive Server
 - ✓ Microsoft SQL Server
 - ✓ MySQL
- 5 years experience developing unit test plans, test data and scripts for application validation and verification.
- 5 years experience performing extensive analysis and design working on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.
- 5 years experience working with application/solution architects to set direction of design and development for application development projects.
- 5 years experience evaluating user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems, and computer capabilities.
- 5 years experience performing peer reviews of developed code to insure conformity to standards and design best practices.
- 3 years experience reviewing technical designs and specifications for completeness and conformance to quality standards, especially as a mentor to less experienced developers.
- 5 years experience analyzing business requirements, generating project specifications and converting them into code, and applying knowledge of computer programming techniques and computer languages.
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment
- 5 years experience working with System Development Life Cycle (SDLC) concepts

Senior Systems Analyst/Developer – ColdFusion Specialist

- 5 years experience analyzing business requirements, generating project specifications, converting specifications into code, and applying knowledge of computer programming techniques and computer languages.
- 4 years experience in application development using ColdFusion 6.1 or higher.



- 5 years experience on one or more of the following design tools:
 - ✓ IBM Rational Rose
 - ✓ ERWin
- 5 years total development experience in the use of ColdFusion to develop Web applications including some use of:
 - ✓ HTML
 - ✓ XHTML
 - ✓ CSS
 - ✓ SHTML
 - ✓ JavaScript
 - ✓ XML
 - ✓ Ajax
 - ✓ Web Services
- 5 years total experience using the following development tools:
 - ✓ IBM Rational Rose
 - ✓ Crystal Reports
 - ✓ Dreamweaver Studio
 - ✓ Eclipse
- 5 years experience with the following web application servers:
 - ✓ IBM Websphere
 - ✓ ColdFusion MX Enterprise
- 5 years experience in RDBMS developing database triggers, procedures, packages and functions in a combination of any of the following:
 - ✓ Oracle 9i/10g or newer
 - ✓ Oracle Spatial
 - ✓ Sybase Adaptive Server
 - ✓ Microsoft SQL Server
 - ✓ MySQL
- 5 years experience developing unit test plans, test data and scripts for application validation and verification.
- 5 years experience working with application/solution architects to set direction of design and development for application development projects.
- 5 years experience evaluating user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems, and computer capabilities.
- 5 years experience performing extensive analysis and design working on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.
- 5 years experience performing peer reviews of developed code to insure conformity to standards and design best practices.
- 3 years experience reviewing technical designs and specifications for completeness and conformance to quality standards, especially as a mentor to less experienced developers.
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment
- 5 years experience working with System Development Life Cycle (SDLC) concepts

Systems Analyst/Developer - .Net Specialist

- 3 years experience analyzing business requirements, generating project specifications and converting them into code, and applying knowledge of computer programming techniques and computer languages.
- 3 years experience developing technical designs in consultation with other technical experts.
- 3 year experience on one or more of the following design tools:



- ✓ IBM Rational Rose
- ✓ Serena Prototype Composer
- ✓ ERWin
- ✓ Microsoft Visio
- 3 years total development experience in one of the following languages:
 - ✓ VB.NET (ASP.NET/ C#)
 - ✓ Web Services
 - ✓ XML
- 3 years total experience using the following development tools:
 - ✓ Microsoft Visual Studio 2003 or newer
 - ✓ IBM Rational Rose
 - ✓ Crystal Reports
- 3 years experience with IIS 6.0 web application servers
- 3 years experience in RDBMS developing Database triggers, procedures, packages and functions in a combination of any of the following:
 - ✓ Oracle 9i/10g or newer
 - ✓ Oracle Spatial
 - ✓ Sybase Adaptive Server
 - ✓ Microsoft SQL Server
 - ✓ MySQL
- 3 years experience developing unit test plans, test data, and scripts for application validation and verification.
- 3 years experience performing extensive analysis and design on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.
- 3 years experience working with application/solution architects to set direction of design and development for application development projects.
- 3 years experience evaluating user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems, and computer capabilities.
- 3 years experience performing peer reviews of developed code to insure conformity to standards and design best practices.
- 3 years experience reviewing technical designs and specifications for completeness and conformance to quality standards.
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment
- 3 years experience working with System Development Life Cycle (SDLC) concepts

Systems Analyst/Developer - Java Specialist

- 3 years experience analyzing business requirements, generating project specifications and converting them into code, and applying knowledge of computer programming techniques and computer languages.
- 3 years experience developing technical designs in consultation with other technical experts.
- 3 year experience on one or more of the following design tools:
 - ✓ IBM Rational Rose
 - ✓ Serena Prototype Composer
 - ✓ ERWin
 - ✓ Microsoft Visio
- 3 years total development experience in one of the following languages:
 - ✓ J2EE/ Java 2.x, Struts/Spring Frame work
 - ✓ Hibernate
 - ✓ PowerScript



- ✓ Web Services
- ✓ JavaScript
- ✓ XML
- 3 years total experience using the following development tools:
 - ✓ WebSphere Development Studio
 - ✓ IBM Rational Rose
 - ✓ Crystal Reports
 - ✓ Eclipse IDE
- 3 years experience with IBM WebSphere and/or BEA Weblogic web application servers
- 3 years experience in RDBMS developing Database triggers, procedures, packages and functions in a combination of any of the following:
 - ✓ Oracle 9i/10g or newer
 - ✓ Oracle Spatial
 - ✓ Sybase Adaptive Server
 - ✓ Microsoft SQL Server
 - ✓ MySQL
- 3 years experience developing unit test plans, test data, and scripts for application validation and verification.
- 3 years experience performing extensive analysis and design by working on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.
- 3 years experience working with application/solution architects to set direction of design and development for application development projects.
- 3 years experience evaluating user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems, and computer capabilities.
- 3 years experience performing peer reviews of developed code to insure conformity to standards and design best practices.
- 3 years experience reviewing technical designs and specifications for completeness and conformance to quality standards.
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment
- 3 years experience working with System Development Life Cycle (SDLC) concepts

Systems Analyst/Developer - PowerBuilder Specialist

- 3 years experience analyzing business requirements, generating project specifications and converting them into code, and applying knowledge of computer programming techniques and computer languages.
- 3 years experience developing technical designs in consultation with other technical experts.
- 3 year experience on one or more of the following design tools:
 - ✓ IBM Rational Rose
 - ✓ Serena Prototype Composer
 - ✓ ERWin
 - ✓ Microsoft Visio
- 3 years total development experience in one of the following languages:
 - ✓ PowerScript
 - ✓ XML
 - ✓ PowerBuilder v.9+
- 3 years total experience using the following development tools:
 - ✓ IBM Rational Rose
 - ✓ Crystal Reports
 - ✓ PowerBuilder



- 3 years experience with EAServer 4.0 and above web application servers
- 3 years experience in RDBMS developing database triggers, procedures, packages and functions in a combination of any of the following:
 - ✓ Oracle 9i/10g or newer
 - ✓ Oracle Spatial
 - ✓ Sybase Adaptive Server
 - ✓ Microsoft SQL Server
 - ✓ MySQL
- 3 years experience developing unit test plans, test data, and scripts for application validation and verification.
- 3 years experience performing extensive analysis and design on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.
- 3 years experience working with application/solution architects to set direction of design and development for application development projects.
- 3 years experience evaluating user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems, and computer capabilities.
- 3 years experience performing peer reviews of developed code to insure conformity to standards and design best practices.
- 3 years experience reviewing technical designs and specifications for completeness and conformance to quality standards.
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment
- 3 years experience working with System Development Life Cycle (SDLC) concepts

Systems Analyst/Developer – ColdFusion Specialist

- 3 years experience analyzing business requirements, generating project specifications, converting specifications into code, and applying knowledge of computer programming techniques and computer languages.
- 3 years experience on one or more of the following design tools:
 - ✓ IBM Rational Rose
 - ✓ ERWin
- 2 years experience in application development using ColdFusion 6.1 or higher.
- 3 years total development experience in the use of ColdFusion to develop Web applications including some use of:
 - ✓ HTML
 - ✓ XHTML
 - ✓ CSS
 - ✓ SHTML
 - ✓ JavaScript
 - ✓ XML
 - ✓ Ajax
 - ✓ Web Services
- 3 years total experience using the following development tools:
 - ✓ IBM Rational Rose
 - ✓ Crystal Reports
 - ✓ Dreamweaver Studio
 - ✓ Eclipse
- 3 years experience with the following web application servers:
 - ✓ IBM Websphere
 - ✓ ColdFusion MX Enterprise



- 3 years experience in RDBMS developing database triggers, procedures, packages and functions in a combination of any of the following:
 - ✓ Oracle 9i/10g or newer
 - ✓ Oracle Spatial
 - ✓ Sybase Adaptive Server
 - ✓ Microsoft SQL Server
 - ✓ MySQL
- 3 years experience developing unit test plans, test data and scripts for application validation and verification.
- 3 years experience working with application/solution architects to set direction of design and development for application development projects.
- 3 years experience evaluating user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems, and computer capabilities.
- 3 years experience performing extensive analysis and design working on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.
- 3 years experience performing peer reviews of developed code to insure conformity to standards and design best practices.
- 3 years experience reviewing technical designs and specifications for completeness and conformance to quality standards, especially as a mentor to less experienced developers.
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment
- 3 years experience working with System Development Life Cycle (SDLC) concepts

Senior Testing Technician

- 5 years experience evaluating, recommending, and implementing automated test tools and strategies, including one or more of the following tools:
 - ✓ Test Director or Quality Center
 - ✓ WinRunner
 - ✓ LoadRunner
 - ✓ TechSmith's Morae
- 5 years experience supporting and maintaining user account information (rights, security, and system groups) for the agency's test environment
- 5 years experience developing, maintaining and upgrading automated test scripts and architectures for application products
- 5 years experience documenting testing status
- 5 years experience writing test documentation, including test plans, test defects, and defect logs
- 5 years experience executing and analyzing test cases and performing exploratory testing
- 5 years experience analyzing test outcomes and providing regular progress reports
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment

Testing Technician

- 1 – 3 years experience evaluating, recommending, and implementing automated test tools and strategies, including one or more of the following tools:
 - ✓ Test Director or Quality Center
 - ✓ WinRunner
 - ✓ LoadRunner



✓ TechSmith's Morae

- 2 – 3 years experience supporting and maintaining user account information (rights, security, and system groups) for the agency's test environment
- 2 – 3 years experience developing, maintaining and upgrading automated test scripts and architectures for application products
- 3 years experience documenting testing status
- 3 years experience writing test documentation, including test plans, test defects, and defect logs
- 3 years experience executing and analyzing test cases and performing exploratory testing
- 3 years experience analyzing test outcomes and providing regular progress reports
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment

Usability Testing Specialist

- 2 years experience performing usability testing of web sites and application software. Experience with TechSmith's Morae desirable.
- 2 years experience assisting development teams in the design and development of usability test plans, scenarios, and scripts.
- 2 years of experience facilitating usability testing sessions including interaction with test subjects to elicit meaningful comments and resolving questions that arise during testing.
- 2 years experience documenting the results of usability testing
- 2 years experience facilitating sessions in which clients review usability testing results.
- 2 years experience providing expert advice on user interface design
- 2 years experience ensuring application/web site usability for users who rely on assistive technology
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment

User Experience Specialist

- 3 years of experience designing and testing user interfaces for web sites and software applications
- 3 years of experience performing complex task analyses to evaluate and document task flow for applications and web sites.
- 3 years of experience developing demographics and user profiles and personas
- 3 years of experience developing prototypes, ranging from low-level to functional
- 3 years experience creating designs using visual design tools.
- 3 years experience developing visual design elements including images, artwork, screen layout, data input controls and functions.
- 3 years experience developing and conducting usability testing to validate designs
- 3 years experience creating and maintaining design documentation
- 3 years experience evaluating results of usability testing and revising designs accordingly
- 2 years experience in verbal and written communication with clients in English
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment

Web Portal Designer

- 3 years experience performing information architecture and visual design tasks to create and test complex, large scale websites including navigation, themes and layouts. Specific tools are listed in the "Agency Technical Environment" portion of the statement of work.
- 3 years experience analyzing and documenting business requirements and objectives
- 3 years experience performing analysis to develop user demographics



- 3 years experience performing task analysis
- 3 years experience performing card sorting and cluster analysis to develop web site taxonomies
- 3 years experience developing wire frame site frameworks
- 3 years experience performing usability tests on site designs
- 3 years experience creating and testing functional prototypes
- 3 years experience developing and publishing complete sites using standard content management tools
- 3 years experience in branding and “look and feel” techniques
- 3 years experience designing websites for ADA compliance
- 2 years experience in verbal and written communication with clients in English
- Demonstrated experience designing portals using Web 2.0 technologies
- Experience working with MS Office applications
- Experience working with project management tools such as MS Project or NIKU
- Experience working in a team environment

Services (Tasks) To Be Provided

Contract personnel will work on development of new IT projects at MDOT and/or maintenance of existing IT systems. The tasks to be performed by the contract personal include, but are not limited to those listed below.

Application/Solution Architect

- Identify technical solutions to support business functional requirements, security scalability, maintainability and reliability for the agency.
- Conduct sessions to assess application architectural needs
- Assess existing application architecture and recommend improvements
- Design workflow and business process automation solutions
- Review applications for compliance to code and architecture standards
- Identify technical solutions to support business functional requirements
- Design and implement highly available, scalable, and maintainable enterprise architecture solutions.
- Conduct sessions to assess architectural needs with agency specialists such as database analysts and administrators, technical leads, business owners, configuration managers, and infrastructure support.
- Research and recommend enterprise architecture tools.
- Mentor/provide knowledge transfer for application architects and IT teams

Database Modeler/Application DBA (Senior Level Also)

- Perform database development and administration
- Perform database tuning/troubleshooting
- Design, develop and evaluate logical and physical data models using Erwin/ERX and IBM Rational Rose
- Conduct database design reviews, review project requirements, identify entities, attributes and relationships, and determine impacts of database changes
- Develop and enforce database standards
- Conduct and participate in peer reviews and code walkthroughs

Systems Analyst/Developer (Senior Level Also)

MDIT is undertaking an effort to migrate MDOT’s existing applications from a client/server environment in which development occurred in PowerBuilder, to a web environment, in which applications will be developed in Java or .Net. All new applications and web sites will also be developed for the web environment in Java or .Net. Due to the transitional nature of MDOT’s applications and environment, this contract will provide resources who can work:

- With the existing applications/development tools in the current environment
- With the new development tools in the new environment
- With both, in order to aid MDIT in the transition from the existing architecture to the new architecture



The contract requires systems analyst/developers and senior systems analyst/developers who can work in .Net, Web, Java, and PowerBuilder. Regardless of the architecture, these resources will perform the following tasks:

- Analyze business requirements, generate project specifications, and convert specifications into code
- Develop technical designs in consultation with other technical experts
- Develop unit test plans, test data and scripts for application validation and verification.
- Perform extensive analysis and design working on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.
- Work with application/solution architects to set direction of design and development for application development projects.
- Evaluate user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems, and computer capabilities.
- Perform peer reviews of developed code to insure conformity to standards and design best practices.
- Review technical designs and specifications for completeness and conformance to quality standards, especially as a mentor to less experienced developers.
- Analyze business requirements, generate project specifications and convert them into code, and apply knowledge of computer programming techniques and computer languages

Testing Technician (Senior Level Also)

- Evaluate, recommend, and implement automated test tools and strategies, such as:
 - Test Director or Quality Center
 - WinRunner
 - LoadRunner
 - TechSmith's Morae
- Support and maintain user account information (rights, security, and system groups) for the agency's test environment
- Develop, maintain and upgrade automated test scripts and architectures for application products
- Document testing status
- Write test documentation, including test plans, test defects, and defect logs
- Execute and analyze test cases and perform exploratory testing
- Analyze test outcomes and provide regular progress reports

Usability Testing Specialist

- Perform usability test of web sites and application software using TechSmith's Morae software
- Assist development teams in the design and development of usability test plans, scenarios, and scripts.
- Facilitate usability testing sessions including interaction with test subjects to elicit meaningful comments and resolving questions that arise during testing.
- Document the results of usability testing
- Facilitate sessions in which clients review usability testing results.
- Provide expert advice on user interface design
- Ensure application/web site usability for users who rely on assistive technology

User Experience Specialist

- Design and test user interfaces for web portals and software applications
- Perform complex task analyses to evaluate and document task flow for applications and web sites.
- Develop demographics and user profiles and personas
- Develop prototypes
- Create designs using visual design tools.
- Develop visual design elements including images, artwork, screen layout, data input controls and functions.
- Develop and conduct usability testing to validate designs



- Create and maintain design documentation
- Evaluate results of usability testing and revise designs accordingly
- Design and develop re-usable components and/or services

Web Portal Designer

- Create and test complex, large scale websites including navigation, themes and layouts
- Analyze and document business requirements and objectives
- Perform analysis to develop user demographics
- Perform task analysis
- Perform card sorting and cluster analysis to develop web site taxonomies
- Develop wire frame site frameworks
- Perform usability tests on site designs
- Create and test functional prototypes
- Develop and publish complete sites using standard content management tools
- Design websites for ADA compliance

3. Service Level Expectations

IT contract staff at MDOT function as part of a team, working alongside MDIT employees and other contract personnel to develop and maintain applications that support MDOT's day-to-day business operations. The resources obtained through this contract must add value to the team. Teams support a variety of IT efforts, from project design and development through implementation, maintenance, and administration. In addition to the roles covered by this contract, resources will work with program managers, project managers, facilitators, business analysts, technical writers, technical trainers, subject matter experts and business area representatives. Resources typically will work under the guidance and direction of a MDIT project manager and an MDIT manager, and may also interface routinely with the MDOT business area client(s).

Resources must comply with regular reporting requirements, track time against project plans, and ensure that all work conforms to project management, systems engineering methodology, and other IT standards in effect for MDIT personnel supporting MDOT.

Process to Request Services

The contractor will be provided with the following information when MDIT needs to add technical resources:

- Background of the work to be performed
- Project objectives
- Technical environment for the work
- Any specific expertise required
- Location where the work is to be performed
- MDIT project manager for the work
- The requested number of personnel by skill set (classification), and
- Estimated start and end dates for the work

The contractor must respond fully to the request with candidate information within four (4) business days of issuance.

By mutual agreement between the State and the contractor, complex requests may allow for a longer response time.

The response should include the following information:

- Three (3) names and resumes of qualified staff for each position MDIT has requested. The State can request more than 3 resumes/names, if necessary.
- Date of availability for each candidate.



- The results of two reference checks that the contractor has performed on the proposed individual, including the names and telephone numbers of the references themselves. At least one of these reference checks must be from a supervisor.
- The result of an independent testing firm's technical assessment of the selected candidate's work experience in the identified/required key skills as agreed upon by MDOT/MDIT and contractor. STG will provide 3rd party testing at the request of MDOT/MDIT.
- Verification of a candidate's permission to work in the United States.
- Rate for each resume submitted. Rates may not exceed the rates in the contract. However, the rates may be less, depending on the State's requirements, nature of the job market, and the candidate's abilities.

During the response period, the contractor may request clarification regarding MDIT's request.

If the contractor is unable to provide the personnel requested, the contractor must record this fact in a written response to the State.

Annual Purchase Order Process and Work Authorization Requests

Work performed under this contract will follow the MDIT/MDOT annual purchase order process. Under this process, a purchase order (PO) for one year at a time will be issued for all resources working under this contract.

Once the annual purchase order is in place, an internal MDIT process is used to define and track the work performed by personnel under the staff augmentation contract. A Work Authorization Request (WAR) is created which defines the scope of each individual work effort/project. As mentioned previously, this is an internal process; the contractor does not participate in the WAR process.

Evaluation of Candidates

MDIT will evaluate the resumes and references of submitted candidates.

Selection will be based on a best value evaluation using the criteria identified in the request and the rate provided by the contractor.

The State reserves the right to refuse any or all individuals presented by the contractor.

The State will contact the contractor to request an interview with the candidate.

- The contractor will be responsible for setting up all interviews.
- At the State's discretion, this initial interview may be conducted over the telephone. The State may attempt to pre-screen candidates over the phone.
- The State may, at its discretion, request a face-to-face interview. In this case, all expenses, travel or otherwise, resulting from such a request shall be borne by the contractor or the candidate.
- After selecting the candidate(s), the State will notify the contractor regarding its selection. Such notification will be made electronically and within two weeks of the time resumes are submitted to the State.

Unsatisfactory or incomplete performance process:

Poor performance may be used as grounds for removal of the contractor from the contract and will be used to evaluate the contractor on future State RFPs.

Performance metrics include, but are not limited to, the following:

- Number of resumes provided by Contractor in response to a request.
- Number of resumes provided by Contractor that fail to meet acceptable minimum qualifications.
- Number of times Contractor withdraws candidates after the State has selected them.
- Number of times the Contractor rotates personnel to outside positions.
- Number of times the State terminates staff for unacceptable performance.



Contractor shall replace all employees whose work was found to be unsatisfactory within five (5) working days of notification.

Contractor will provide a 320-hour performance guarantee for each resource that is assigned under this contract. Contractor will not charge MDIT/MDOT for any resource's time should MDIT/MDOT find a resource to perform below performance expectations within the first 320 hours of project assignment. This is not applicable to any resource that previously serviced MDIT/MDOT.

The State will notify contractor in writing if a senior resource is not performing at senior level. The contractor will be responsible for finding a senior level replacement, or will reduce the hourly rate for the person to that of a non-senior resource. Any hourly rate reduction will be at the mutual agreement between MDIT and contractor.

The contractor will provide a mechanism for expedited procurement of staff to meet a need for immediate replacement or for mission critical services.

Contractor is responsible for the performance of selected staff and must provide for their performance evaluation.

The State may determine to discontinue the services of any contractor-supplied staff without cause at any time.

Replacement Personnel

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:

- For instances where contractor resource has terminated their service from the project, such notice will be 10 business days. Contractor will attempt a replacement resource with a transition period of 40 hours.
- A plan for transitioning to a new resource (including knowledge transfer) must be provided by the contractor
- The State will not reimburse the contractor for both the departing resource and the incoming resource during the transition period. Contractor will provide the first 40 hours of transition for new personnel free of cost to MDOT/MDIT. This is not applicable if the resource has previously serviced MDIT/MDOT
- The State can request the contractor replace the individual with an individual of equal or greater qualifications.

Training

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

The State makes changes to its 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.)

Contractor will provide training for each contracted resource per the mutual agreement between contractor and MDOT/MDIT. Contractor will bear the costs of any education/training fees.

Contractor will pay for any costs associated with training and to assist MDIT with any technology transitions and/or upgrades. Contractor will work with MDIT, when the need arises, to address such training needs. The cost of the course, including any travel expenses, and the training hours will not be billable to the State.



Subcontractor Payment

Contractor may use subcontractors to fulfill requirements of the contract. Contractor will not be penalized should payment terms with subcontractor be different than what is stated in this clause or if subcontractor is not in compliance with the terms of any agreements agreed between Contractor and subcontractor.

Request Fulfillment

Contractor is required to provide resumes of a minimum of three (3) staff for 95% of requests within the required time frame of four (4) business days from time of issuance within a given month. The State has the right to impose a monetary penalty of up to 1% of previous month's invoice total if this requirement is not met. Contractor will not be penalized if MDIT is delayed in responding to questions from contractor seeking clarifications on resource requests.

Rotation/Removal of Staff

Staff will not be removed or reassigned to other contractor contracts unless mutually agreed upon by the State and the contractor. If staff is removed without compliance with the requirements listed in the section titled "Replacement Personnel" (see above), the State has the right to impose a monetary penalty of up to 1% of the previous month's invoice total. Contractor will not be penalized if such staff resource wishes to leave the MDIT project assignment for personal reasons.

Credibility of Contractor's Vetting Process

The contractor is required to meet the State's needs for staff augmentation services by providing qualified candidates for each request for selection. Failure to select from the first batch of resumes provided, or if staff presented for assignments prove incapable of performing the tasks described in the request will result in a penalty of up to 1% of the previous month's invoice total.

Contractor is not responsible for the penalties listed above should MDIT/MDOT dependencies, actions, or lack of response cause Contractor to not meet above mentioned service level agreements.

Should MDIT/MDOT penalize STG for any of the above-mentioned 1% penalty, MDIT/MDOT will not seek further remedies from Contractor for the same infringement per contractor resource.

1.2 Roles and Responsibilities

1.201 VENDOR STAFF, ROLES, AND RESPONSIBILITIES

The contractor is responsible for providing:

- Services during normal working hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.)
- Competent staff, as evidenced by resumes, in sufficient number to meet project objectives and schedule.
- Competent staff, as evidenced by resumes, within seven (7) days of notification by MDIT.
- Parking for contractors working on-site.

In addition:

- All personnel provided by the contractor shall be subject to the rules, regulations, and policies of MDIT and the Michigan Department of Civil Service.
- Contractor staff is bound by MDIT/MDOT rules for computer and Internet usage and will be required to sign an acceptable use agreement, as required of MDIT/MDOT's own employees.
- In the event that contract staff is assigned to work with restricted (a.k.a. sensitive) data, these employees have an obligation to safeguard and protect the confidentiality of such data. Further, if the staff member accidentally releases restricted or sensitive data, the contractor assumes full responsibility for any resulting penalties, such as those described in the Identity Theft Protection Act (Act 452 P.A. 2004, amended July 2007).
- Contractor agrees to be fully accountable for the performance of the staff.
- Contractor assumes full responsibility for the acts of all subcontractors.



- Contractor will ensure that staff exhibits professional conduct and act in the best interest of the State.

The contractor's Contract Administrator is Brandon Murphy. The duties of the Contract Administrator shall include, but not be limited to:

- Supporting management of the contract
- Facilitating dispute resolution
- Advising the State of performance under the terms and conditions of the contract
- Managing all defined Contractor responsibilities in this Scope of Services.
- Managing Contractor's subcontractors, if any
- Serving as the single point of contact for all contract issues
- Assessing and reporting contract feedback and status
- Escalating contract issues, risks, and other concerns
- Managing and reporting on the contract budget

Contractor's contract administration is not authorized to make contractual changes to the agreement between MDOT/MDIT and contractor. Contractor personnel identified in Article 2.296 (Notices) is authorized to modify terms to this contract on behalf of the contractor.

The State reserves the right to require a change in the current Contract Administrator if the assigned Contract Administrator is not, in the opinion of the State, adequately serving the needs of the State.

1. Additional Security and Background Check Requirements

Contractor must present certifications evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project.

Contractor is responsible for any costs associated with ensuring their staff meets all requirements.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

1. Hours of Operation:

- Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.
- The State reserves the right to modify the work hours in the best interest of the project.
- The contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

2. Travel

- No travel or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.
- Travel time will not be reimbursed.

3. Oversight

Resources obtained via this contract will work within the oversight of one of the following MDIT managers supporting MDOT:

Chuck Baird, Agency Support Director
Gary Baron, MDIT ITS Support Services Manager
Vijay Jagdale, Project Accounting and Billing Manager
Viji Jayaraman, IT Project Management Office Manager
Scott Wager, Office of Administrative Services Manager
Steve Wensko, Office of Support Services Manager
Kevin Fox, System Administrator



These managers will be responsible for management of contractor services, and for interviewing and accepting each contract employee.

The lead MDIT manager for this contract is Viji Jayaraman.

MDIT's Contract Administrator is Cindy Turben. The duties of the Contract Administrator shall include, but not be limited to, supporting the management of the Contract.

4. Location of Work

The work completed under this contract will occur at the following locations:

The Van Wagoner Transportation Building
425 W. Ottawa
Lansing, Michigan
or
State Secondary Complex, Dimondale, MI

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

- Work space
- Software development tools
- Minimal clerical support
- Desk
- Telephone
- PC workstation
- Printer
- Access to copiers and fax machine

When their assignment with the State is completed, contractors will return all equipment to the State.

1.203 OTHER ROLES AND RESPONSIBILITIES

1. Orientation Meeting

- Within three (3) 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.
- The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor.

The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT – Reserved

1.302 REPORTS

Progress reporting for this contract will be performed both by the individual resource and by the contractor, in compliance with the annual purchase order process (APOP) used by MDIT contractors at MDOT. The required reports are described below.

In addition to the monthly reports described below, time is recorded against projects using Niku/Clarity.

Individual Resource Reporting

Individual resources under the IT contract will provide three types of reports:

- A weekly status report for each work project on which he/she has worked
- A monthly report of hours for each project/system on which he/she has worked
- A monthly timesheet report that summarizes work completed on all project

These reports are described in more detail below.



The **weekly status report** will include the following items for each project/system on which the resource has worked:

- Project name
- Milestones/deliverables completed
- Tasks accomplished
- Next steps
- Potential issues/risks

The **monthly report of project hours** shall include the following items for each project:

- Contractor name
- Dates covered
- Purchase order number
- Project/system name
- Work authorization number
- For each day on which the resource is submitting hours against a work authorization number:
 - Date on which work was performed
 - Task(s) performed – a brief description
 - Number of hours worked
- Total number of hours on this project for the month
- MDIT project manager and MDIT manager's name
- MDIT project manager and MDIT manager's signature

Each resource's **monthly timesheet** summary report shall include:

- Dates of the month covered (daily breakdown by project)
- Contractor name
- MDIT manager name
- Contract name
- P.O. number
- For each project on which the resource worked during the month:
 - Project name
 - Work authorization number
 - Number of hours worked on the project for each business day of the month
 - Total number of hours worked on the project during the month
- Total number of hours being billed for the month
- MDIT manager signature and date
- Contractor signature and date

MDIT Customer Satisfaction Meetings & Metrics Reporting

The contractor's contract administrator will meet face-to-face in Lansing, MI once a week (or frequency that MDIT prefers) with MDIT to ensure pro-active communication and reporting. In addition,

Contractor will report the following key metrics:

- # of Work Requests received from MDIT/MDOT
- # of Resumes provided by Contractor to MDIT/MDOT for each work request within Service Levels
- # of Resumes MDIT/MDOT deemed to fail to meet acceptable qualifications
- # of Interviews MDIT/MDOT requested
- # of Interviews that were scheduled and conducted
- # of Candidates Contractor delivered to MDIT/MDOT within Service Level timelines
- # of instances Contractor could not deliver candidates selected by MDIT/MDOT including reasons
- # of instances Contractor, at its own discretion, rotates consultant to outside positions
- # of instances MDIT/MDOT terminates Contractor consultant for unacceptable performance



- # of instances Contractor resource requests project re-assignment and including reason for request
- # of instances Contractor resources completed project tasks within defined schedule
- # of instances Contractor was able to offer resource below “not to exceed rate”
- Any additional metrics MDIT would like for Contractor to capture and report.

Contractor Reporting

Contractor will submit a report with their monthly invoice that includes the following information:

- Contractor name, address and phone number
- Dates covered
- Contract number
- Purchase order number
- For each work authorization number against which work is being billed:
 - Work authorization number
 - Number of hours billed
 - Resource name(s)
- Total number of hours and dollars being billed by the contractor against the purchase order for the month
- Total dollars being billed by the contractor for the month

1.4 Project Management - Reserved

1.5 Acceptance - Reserved

1.501 CRITERIA - Reserved

1.502 FINAL ACCEPTANCE - Reserved

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

Reference Article 1, Attachment A IT Rate Table

Payment

Contractor will submit properly itemized invoices to:

MDIT Procurement
 Constitution Hall
 First Floor South
 525 W. Allegan
 Lansing, MI 48913

Invoices shall provide and itemize, as applicable:

- Contractor name, address, and phone number
- Dates covered
- Contract number
- Purchase order number
- For each work authorization number against which work is being billed:
 - Work authorization number
 - Number of hours billed
 - Resource name(s)
- Total number of hours and dollars being billed by the contractor against the purchase order for the month
- Total dollars being billed by the contractor for the month



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

1.7 Additional Information Specific to this SOW

1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW

A. Directives

FHWA ADHERANCE

The following clauses only apply when issued contracts are funded, partially or fully, by the Federal Highway Administration (FHWA). Bidders' proposals will be rejected if the Bidder will not accept Contracts funded by the FHWA.

1. The Contractor's signature on this contract constitutes the Contractor's certification of "status" under penalty of perjury under the laws of the United States in respect to 49 C.F.R. Part 29 pursuant to Executive Order 12549.

The certification, which is included as a part of this Contract as Attachment "A", is Appendix A of 49 CFR part 29, applies to the Contractor (referred to in Appendix A as 'the prospective primary participant').

The Contractor is responsible for obtaining the same certification from all subcontractors under this Contract by inserting the following paragraph in all subcontracts:

"The subcontractor's signature on the Contract constitutes the subcontractor's certification of 'status' under penalty of perjury under the laws of the United States in respect to 49 CFR part 29 pursuant to Executive Order 12549. The certification, which is included with this Contract as Attachment 'B' is Appendix B of 49 CFR Part 29."

This certification is required of all subcontractors, testing laboratories, and other lower tier participants that the contractor enters into a written arrangement for the procurement of goods or services provided for in a contract.

2. For Contracts in excess of One Hundred Thousand Dollars (\$100,000):

- a) The Contractor stipulates that any facility to be utilized in the performance of this Contract, unless such Contract is exempt under the Clean Air Act, as amended (42 U.S.C. 7401 et seq., as amended including Pub L. 101-549), and under the Clean Air Act, as amended (33 U.S.C. 1251 et seq., as amended, including Pub. L. 100-4), Executive Order 11738, and regulations in implementation thereof (40 CFR Part 15), is not listed, on; the date of contract award, on the U.S. Environmental Protection Agency (EPA) List of Violating Facilities Pursuant to 40 CFR 15.20.
- b) The Contractor agrees to comply with all the requirements of the Clean Air Act and the Clean Water Act and all regulations and guidelines listed there under related to Contractor and Services under this contract.
- c) The Contractor shall promptly notify the Department and the U.S. EPA Assistant Administrator for Enforcement of the receipt of any communication from the Director, Office of Federal Activities, EPA, indicating that a facility to be utilized for this Contract is under consideration to be listed on the EPA List of Violating Facilities.
- d) The Contractor agrees to include or cause to be included the requirements if the preceding three paragraphs (a), (b), and (c), in every nonexempt subcontract.

3. The Contractor shall agree that no otherwise qualified handicapped individual in the United States, as defined in Section 1630.2 Americans with Disabilities Act, Title 42, USC 1201, shall solely by reason of their handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving benefits under this Agreement.



Article 1, Attachment A

IT Rate Table

IT Classification	Not to Exceed (NTE) Hourly Rate
Application/solution architect	\$78.00
Senior database modeler/application DBA	\$75.00
Database modeler/application DBA	\$55.00
Senior systems analyst/developer - .Net specialist	\$70.00
Senior systems analyst/developer - Java specialist	\$70.00
Senior systems analyst/developer - PowerBuilder specialist	\$70.00
Senior systems analyst/developer - ColdFusion specialist	\$68.00
Systems analyst/developer - .Net specialist	\$50.00
Systems analyst/developer - Java specialist	\$50.00
Systems analyst/developer - PowerBuilder specialist	\$50.00
Systems analyst/developer - ColdFusion specialist	\$46.00
Senior testing technician	\$55.00
Testing technician	\$40.00
Usability testing specialist	\$50.00
User experience specialist	\$50.00
Web portal designer	\$48.00

Contractor will be paid on an hourly basis. Hours worked by each contractor resource will be reported on timesheets approved by MDIT/MDOT project managers.



Article 1, Attachment B
Service Level Agreement

Please see Article 1, 1.104 Work and Deliverables, Section 4 for detail on Service Level Agreements.



Article 2 – General Terms and Conditions

2.010 Contract Structure and Administration

2.011 Definitions

Capitalized terms used in this Contract (including its Exhibits) shall have the meanings given below, unless the context requires otherwise:

- (a) “Days” means calendar days unless otherwise specified.
- (b) “24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
- (c) “Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “Additional Service” does not include New Work.
- (d) “Amendment Labor Rates” means the schedule of fully-loaded hourly labor rates attached as

Article 1, Attachment A.

- (e) “Audit Period” has the meaning given in **Section 2.111**.
- (f) “Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
- (g) “Incident” means any interruption in Services.
- (h) “Business Critical” means any function identified in any Statement of Work as Business Critical.
- (i) “Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work
- (j) “Key Personnel” means any Personnel designated in **Article 1, Section 1.201 and/or Appendix B**, as Key Personnel.
- (k) “New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. “New Work” does not include Additional Service.
- (l) “Services” means any function performed for the benefit of the State.
- (m) “State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
- (n) “Subcontractor” means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
- (o) “Work in Process” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

2.012 Attachments and Exhibits

All Attachments and/or Exhibits attached to any, and all Statement(s) of Work, attached to, or referencing this Contract, are incorporated in their entirety into, and form part of, this Contract.

2.013 Statements of Work

RESERVED.

2.014 Issuing Office

This Contract is issued by the Department of Management and Budget, Purchasing Operations and the Department of Information Technology/Department of Transportation (collectively, including all other relevant State of Michigan departments and agencies, the “State”). DMB is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **DMB is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within the office of Purchasing Operations for this Contract is:

Jacque Kuch
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
kuchj@michigan.gov
517-241-0239

2.015 Contract Compliance Inspector

Upon receipt at DMB of the properly executed Contract, it is anticipated that the Director of DMB Purchasing Operations, in consultation with 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 Purchasing Operations.** The Contract Compliance Inspector for this Contract is:

Cindy Turben
Department of Information Technology
Constitution Hall
525 W. Allegan Street
Lansing, MI 48913
517-335-6069

2.016 Project Manager

The following individual will oversee the project:

Viji Jayaraman
Manager, MDOT IT Project Management Office
425 W. Ottawa
P.O Box 30050
Lansing, Michigan 48909
(517) 241-5792
JayaramanV@michigan.gov;

2.020 Contract Objectives/Scope/Background

2.021 Background

See Article 1, Section 1.002

2.022 Purpose

See Article 1, Section 1,001

2.023 Objectives and Scope

See Article 1, Section 1,101

2.024 Interpretation

Sections 2.021 through 2.023 are intended to provide background and context for this Contract and are not intended to expand the scope of the obligations under this Contract or to alter the plain meaning of the terms and conditions of this Contract. However, to the extent the terms and conditions of this Contract are unclear or otherwise ambiguous, such terms and conditions are to be interpreted and construed in light of the provisions of this Section.

2.025 Form, Function and Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.030 Legal Effect and Term

2.031 Legal Effect

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.032 Contract Term

This Contract is for a period of three (3) years commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.033 Renewal(s)

This Contract may be renewed in writing by mutual agreement of the parties not less than thirty (30) days before its expiration. The Contract may be renewed for up to two (2) additional one (1) year periods. Successful completion of negotiations surrounding the terms of the extension will be a pre-requisite for the exercise of any option year.

2.040 Contractor Personnel

2.041 Contractor Personnel

(a) Personnel Qualifications. All persons assigned by Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

(b) Key Personnel

(i) RESERVED.

(ii) RESERVED.

(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 In **Article 1, Section 1.104 Work and Deliverables** .

(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.

(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 1, Section 1.103 Environment

2.052 PM Methodology Standards

See Article 1, Section 1.103 Environment

2.053 Adherence to Portal Technology Tools

The State has adopted the following tools for its Portal Technology development efforts:

- Vignette Content Management and personalization Tool
- Inktomi Search Engine
- E-Pay Payment Processing Module
- Websphere Commerce Suite for e-Store applications

Unless otherwise stated, Contractor must use the Portal Technology Tools to implement web content management and deployment efforts. Tools used for web-based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be coordinated with MDIT, Enterprise Application Services Office, e-Michigan Web Development team.

Contractors that are compelled to use alternate tools must have received an exception from MDIT, Enterprise Application Services Office, e-Michigan Web Development team, before this Contract is effective.

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 <http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html>. 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

MDIT will continue to oversee the use of this Contract by End Users. MDIT may, in writing, delegate to agencies the authority to submit requests for certain services directly to the Contractor. MDIT may also designate, in writing, some services as non-delegated and require MDIT review and approval before agency acquisition. MDIT will use Contractor provided management reports and periodic random agency audits to monitor and administer contract usage for delegated services.

2.62 Software

Reserved

2.63 Hardware

Reserved

2.64 Equipment to be New and Prohibited Products

Reserved

2.070 Performance

2.071 Performance, In General

The State engages Contractor to execute the Contract and perform the Services/provide the Deliverables, and Contractor undertakes to execute and complete the Contract in its entirety in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

2.072 Time of Performance

RESERVED

2.073 Liquidated Damages

Reserved

2.074 Bankruptcy

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

To secure the State's progress payments before the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

2.075 Time is of the Essence

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

2.76 Service Level Agreements (SLAs)

Please see Article 1, 1.104 Work and Deliverables, Section 4 for detail on Service Level Agreements.

2.080 Delivery and Acceptance of Deliverables

2.081 Delivery Responsibilities

Reserved

2.82 Delivery of Deliverables

Reserved

2.083 Testing

Reserved

2.084 Approval of Deliverables, In General

Reserved

2.85 Process for Approval of Written Deliverables

Reserved

2.086 Process for Approval of Services

Reserved

2.087 Process for Approval of Physical Deliverables

Reserved

2.088 Final Acceptance

Reserved

2.090 Financial

2.091 Pricing

(a) Fixed Prices for Services/Deliverables

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates (**Article 1, Attachment A**). 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 A**.



2.092 Invoicing and Payment Procedures and Terms

(a) Invoicing and Payment – In General

(i) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(ii) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates specified in **Article 1, Attachment A**. 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 information.)

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c) Out-of-Pocket Expenses

Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services/ providing the Deliverables (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. See http://www.mi.gov/dmb/0,1607,7-150-9141_13132---,00.html for current rates.

(d) Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

(e) Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

(f) Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.093 State Funding Obligation

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current

fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

**2.094 Holdback
Reserved**

2.095 Electronic Payment Availability

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).

2.100 Contract Management

**2.101 Contract Management Responsibility
RESERVED**

2.102 Problem and Contract Management Procedures

Problem Management and Contract Management procedures will be governed by the Contract and the applicable Statements of Work.

2.103 Reports and Meetings

(a) Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

- (i) separately address Contractor’s performance in each area of the Services;
- (ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;
- (iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;
- (iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;
- (v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;
- (vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.
- (vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.
- (viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.
- (ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State’s request, Contractor shall prepare and circulate minutes promptly after a meeting.

2.104 System Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State’s approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

2.105 Reserved

2.106 Change Requests

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor’s responsibilities under the Contract (“New Work”), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) Change Requests

(i) State Requests

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a “Change”), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a “Change Request”).

(ii) Contractor Recommendations

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the

implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor’s proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a



requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(iv) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a “Contract Change Notice”).

(v) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, office of Purchasing Operations.

(vi) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

2.107 Management Tools

Contractor will use an automated tool for planning, monitoring and tracking the Contract’s progress. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract: (i) staffing tables with names of personnel assigned to Contract tasks, (ii) project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State’s standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.

2.110 Records and Inspections

2.111a Records and Inspections

Reserved

2.111b Records and Inspections

Reserved

2.112 Errors

(a) If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten percent (10%), then the Contractor shall pay all of the reasonable costs of the audit.

2.120 State Responsibilities

2.121 State Performance Obligations

(a) Equipment and Other Resources. To facilitate Contractor's performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.

(b) Facilities. The State shall designate space as long as it is available and as provided in the Statement of Work, to house Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

(c) Return. Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

(d) Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

2.130 Security

2.131 Background Checks

The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case by case basis. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. Such investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.140 Reserved

2.150 Confidentiality

2.151 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.152 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

2.153 Protection of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

2.154 Exclusions

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

2.155 No Implied Rights

Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.156 Remedies

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

2.157 Security Breach Notification

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

2.158 Survival

The parties' respective obligations under this Section shall survive the termination or expiration of this Contract for any reason.

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

2.161a Ownership 2.161b Cross-License Reserved

2.161c License Reserved

2.162 Source Code Escrow Reserved

2.163 Rights in Data

(a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

(b) The State is and shall remain the owner of all State-specific data pursuant to the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State shall only use personally identifiable information as strictly necessary to utilize the Services and shall disclose such information only to its employees who have a strict need to know such information, except as provided by law. The State shall comply at all times with all laws and regulations applicable to such personally identifiable information. Other material developed and provided to the State shall remain the State's sole and exclusive property.

2.164 Ownership of Materials

State and Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. 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.

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
Reserved**

**2.173 Equipment Warranty
Reserved**

**2.174 Physical Media Warranty
Reserved**

2.175a DISCLAIMER

THE FOREGOING EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.175b Standard Warranties

Reserved

2.176 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.

2.180 Insurance

2.181 Liability Insurance

(a) Liability Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor’s performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverages provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.

See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor’s policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Purchasing Operations, certificate(s) of insurance verifying insurance coverage (“Certificates”). The Certificate must be on the standard “accord” form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order



number affected and be mailed to: Director, Purchasing Operations, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked below:

- 1. Commercial General Liability with the following minimum coverage:
 \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 \$2,000,000 Products/Completed Operations Aggregate Limit
 \$1,000,000 Personal & Advertising Injury Limit
 \$1,000,000 Each Occurrence Limit
 \$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 3. Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- 4. Employers liability insurance with the following minimum limits:
 \$100,000 each accident
 \$100,000 each employee by disease
 \$500,000 aggregate disease

- 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).

- 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.



7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

(b) Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the office of Purchasing Operations certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

2.190 Indemnification

2.191 Indemnification

(a) General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.



(b) Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

(c) Employee Indemnification

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 (for low risk contracts – Select a higher amount for moderate to high risk contracts) which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney’s fees awarded by a court in addition to damages after litigation based on this Contract.

The State’s liability for damages to the Contractor shall be limited to the value of the Contract.

Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney’s fees awarded by a court in addition to damages after litigation based on this Contract.

2.202 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers’ failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of



any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its Subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than ten (10) Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State shall not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.203 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or manmade disaster.

2.210 Termination/Cancellation by the State

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

2.211 Termination for Cause

(a) In the event that Contractor breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA as defined in **Section 2.076**), which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) days), or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.

(b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the



Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

(c) In the event the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State shall pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

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

2.212 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

2.213 Non-Appropriation

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State shall give Contractor at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise made available, the State may, upon thirty (30) days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.

(c) In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.



2.214 Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State reflects upon Contractor's business integrity.

2.215 Approvals Rescinded

The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

2.216 Rights and Obligations Upon Termination

(a) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in Deliverables that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.217 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.



2.218 Contractor Transition Responsibilities

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed sixty (60) days. These efforts shall include, but are not limited to, the following:

(a) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

(b) Information - The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

(d) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

(e) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified by **Article 1, Attachment A**. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.219 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

2.220 Termination by Contractor

2.221 Termination by Contractor

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with **Section 2.090**, or if the State breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 2.250** before any such termination.



2.230 Stop Work

2.231 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this **Section 2.230**. Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.210**.

2.232 Cancellation or Expiration of Stop Work Order

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.106**.

2.233 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under **Section 2.212**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.230**.

2.240 Reserved

2.250 Dispute Resolution

2.251 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work shall be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor shall submit a letter executed by Contractor's Contract Administrator or his designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the supporting data provided with such an affidavit are current and complete to Contractor's best knowledge and belief.

2.252 Informal Dispute Resolution

(a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to



the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.

(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within sixty (60) calendar days, the Director of Purchasing Operations, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.

(b) This **Section 2.250** will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to **Section 2.253**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to the Contract.

2.253 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.252** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.254 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.210** and **2.220**, as the case may be.

2.260 Federal and State Contract Requirements

2.261 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and any breach of this provision may be regarded as a material breach of the Contract.

2.262 Unfair Labor Practices

Pursuant to 1980 PA 278, MCL 423.231, *et seq.*, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.263 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.270 Litigation

2.271 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions thereto, to which Contractor (or, to the extent Contractor is aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor hereunder; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to the Contract Administrator within thirty (30) days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:

(A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and

(B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

(c) Contractor shall make the following notifications in writing:

(1) Within thirty (30) days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify Purchasing Operations.

(2) Contractor shall also notify the Purchasing Operations within thirty (30) days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor shall also notify Purchasing Operations within thirty (30) days whenever changes to company affiliations occur.



2.272 Governing Law

The Contract shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.273 Compliance with Laws

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services/Deliverables.

2.274 Jurisdiction

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.280 Environmental Provision

2.281 Environmental Provision

Reserved

2.290 General

2.291 Amendments

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties.

2.292 Assignment

(a) Neither party shall have the right to assign the Contract, or to assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

2.293 Entire Contract; Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to such subject matter and as additional terms and conditions on the purchase order shall apply as limited by **Section 2.061**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of **Sections 2.110 through 2.220** of the Contract, which may be modified or amended only by a formal Contract amendment.



2.294 Headings

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

2.295 Relationship of the Parties (Independent Contractor Relationship)

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

2.296 Notices

(a) Any notice given to a party under the Contract shall be deemed effective, if addressed to such party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

Jacque Kuch
 State of Michigan
 DMB-Purchasing Operations
 Attention:
 PO Box 30026
 530 West Allegan
 Lansing, Michigan 48909

with a copy to:
 State of Michigan
 Department of Information Technology
 Cindy Turben
 525 West Allegan
 Constitution Hall
 Lansing, Michigan 48913

Contractor(s):
 System Technology Group
 Mona Aggarwal VP Finance Administration
 3155 W. Big Beaver Rd., Suite 220
 Troy, Michigan 48084

Either party may change its address where notices are to be sent by giving notice in accordance with this Section.

(b) Binding Commitments

Representatives of Contractor identified in **Article 1, Attachment B** shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

2.297 Media Releases and Contract Distribution

(a) Media Releases

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in



accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.

(b) Contract Distribution

Purchasing Operations shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.298 Reformation and Severability

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

2.299 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

2.300 No Waiver of Default

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

2.301 Survival

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.302 Covenant of Good Faith

Each party agrees that, in its dealings with the other party or in connection with the Contract, it shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.303 Permits

Contractor shall obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.304 Website Incorporation

State expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State.

2.305 Taxes

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

RESERVED

2.310 Reserved

2.320 Extended Purchasing

2.321 MiDEAL

Reserved

2.322 State Employee Purchases

Reserved

2.330 Federal Grant Requirements

2.331 Federal Grant Requirements

The following links contain certifications and terms, which may be required for some purchases paid via Federal funds. They are included here to be utilized as required.

Lobbying Certifications are usually for agreements over \$100,000. The debarment certification is required for all agreements. The last link is where you can go and search for debarred or suspended contractors.

http://straylight.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00001352----000-.html

http://www.archives.gov/federal_register/codification/executive_order/12549.html

http://www.archives.gov/federal_register/executive_orders/pdf/12869.pdf

<http://www.epls.gov/epl/servlet/EPLSearchMain/1>