

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

CHANGE NOTICE NO. 5
 to
CONTRACT NO. 071B9200166
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Accenture, LLP 3000 Town Center Suite #2400 Southfield, MI 48075-2050	Jamie D. Walker	Jamie.D.Walker@accenture.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(517) 862-0192	2904

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Tina Symington	517-241-9629	symingtont@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Barb Suska	517-284-7026	Suskab2@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: MISCES APPLICATION MAINT & SUPPORT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 1, 2009	March 31, 2016	No renewal Options	March 31, 2017
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>				
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$142,405,096.12		\$387,061.00	\$142,792,157.12	

DESCRIPTION: Effective September 30, 2015, this contract is increased by \$387,061.00 per contract section 1.601 Compensation and Payment, for year 7 states that on 4/1/2015 the price of the services will be adjusted by the percentage change in the Employment Cost Index (ECI) for private industry workers, wages and salaries (not seasonally adjusted), as published by the Bureau of labor Statistics, U.S. Department of Labor, from December two years prior to December of the preceding year. The increase to go into effect on April 1, 2015, will be the increase in the ECI between December 2013 and December 2014. The increase calculated according to this method is 2.2%. Revised Appendix L, Table 10 - Fixed Price & Estimated Statement of Work Billing Schedule is attached. All other terms, conditions, pricing and specifications remain the same. Per vendor agreement, DTMB approval, and the approval of the State Administrative Board dated September 30, 2015.

Appendix L

MiCSES Application Maintenance RFP

TABLE 10 –Fixed Price & Estimated Statement of Work Billing Schedule

Revised: 02/12/15; Reason: FY15 CCN4 to include Year 7 COLA (2.2%) adjustments

<u>Billing Period</u>	<u>Fixed Price Payment Amount</u>	<u>Estimated SOW Payment Amount</u>	<u>Total Payment Amount</u>	<u>Explanation</u>	
4/1/09 – 4/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	Discount applied in first Contract Year of \$624,400	
5/1/09 – 5/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
6/1/09 – 6/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
7/1/09 – 7/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
8/1/09 – 8/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
9/1/09 – 9/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
Sub-Total SFY 2009:	\$5,134,402.02	\$3,460,500.00	\$8,594,902.02		
10/1/09 – 10/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	Discount applied in second Contract Year of \$770,000	
11/1/09 – 11/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
12/1/09 – 12/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
1/1/10 – 1/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67		
2/1/10 – 2/28/10	\$855,733.67	\$576,750.00	\$1,432,483.67		
3/1/10 – 3/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67		
4/1/10 – 4/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
5/1/10 – 5/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
6/1/10 – 6/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
7/1/10 – 7/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
8/1/10 – 8/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
9/1/10 – 9/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
Sub-Total SFY 2010:	\$10,196,004.00	\$6,921,000.00	\$17,117,004.00		
10/1/10 – 10/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75	Amounts changed for SFY2011 onward, based on	
11/1/10 – 11/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75		
12/1/10 – 12/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75		
1/1/11 – 1/31/11	\$723,443.33	\$643,375.42	\$1,366,818.75	CCN1 dated 10/1/2010	
2/1/11 – 2/28/11	\$728,443.33	\$643,375.42	\$1,371,818.75		
3/1/11 – 3/31/11	\$728,443.33	\$643,375.42	\$1,371,818.75		
4/1/11 – 4/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
5/1/11 – 5/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
6/1/11 – 6/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
7/1/11 – 7/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	No discount applied in Contract Years 3 thru 5	
8/1/11 – 8/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
9/1/11 – 9/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
Sub-Total SFY 2011:	\$9,106,319.98	\$7,720,505.00	\$16,826,824.98		
10/1/11 – 10/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
11/1/11 – 11/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
12/1/11 – 12/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
1/1/12 – 1/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
2/1/12 – 2/28/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
3/1/12 – 3/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
4/1/12 – 4/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
5/1/12 – 5/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
6/1/12 – 6/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
7/1/12 – 7/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
8/1/12 – 8/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
9/1/12 – 9/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
Sub-Total SFY 2012:	\$9,511,320.00	\$7,720,505.00	\$17,231,825.00		
10/1/12 – 10/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
11/1/12 – 11/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		

12/1/12 – 12/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
1/1/13 – 1/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/13 – 2/28/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/13 – 3/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/13 – 4/30/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
5/1/13 – 5/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	amounts changed for remaining SFY2013 due to addl SOWs and AOC for FY13PO
6/1/13 – 6/30/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
7/1/13 – 7/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
8/1/13 – 8/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
9/1/13 – 9/30/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
Sub-Total SFY 2013:	\$9,511,320.00	\$9,370,505.00	\$18,881,825.00	
10/1/13 – 10/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
11/1/13 – 11/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
12/1/13 – 12/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
1/1/14 – 1/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/14 – 2/28/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/14 – 3/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/14 – 4/30/14	\$809,254.81	\$656,886.30	\$1,466,141.11	
5/1/14 – 5/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	
6/1/14 – 6/30/14	\$809,254.81	\$656,886.30	\$1,466,141.11	
7/1/14 – 7/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	
8/1/14 – 8/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	
9/1/14 – 9/30/14	\$809,254.81	\$656,886.30	\$1,466,141.11	
Sub-Total SFY 2014:	\$9,611,188.86	\$7,801,570.30	\$17,412,759.16	
10/1/14 – 10/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	
11/1/14 – 11/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	
12/1/14 – 12/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	
1/1/15 – 1/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	
2/1/15 – 2/28/15	\$809,254.81	\$656,886.30	\$1,466,141.11	
3/1/15 – 3/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	
4/1/15 – 4/30/15	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
5/1/15 – 5/31/15	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
6/1/15 – 6/30/15	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
7/1/15 – 7/31/15	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
8/1/15 – 8/31/15	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
9/1/15 – 9/30/15	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
Sub-Total SFY 2015:	\$9,817,879.35	\$7,969,344.60	\$17,787,223.95	
10/1/15 – 10/31/15	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
11/1/15 – 11/31/15	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
12/1/15 – 12/31/15	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
1/1/16 – 1/31/16	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
2/1/16 – 2/28/16	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
3/1/16 – 3/31/16	\$827,058.42	\$671,337.80	\$1,498,396.21	per Sec. 1.601, COLA applied of 2.2%
Sub-Total SFY 2016:	\$4,755,660.00	\$4,028,026.79	\$8,990,377.29	

Please Note:

This Billing Schedule overrides Monthly Pricing that might be derived from Appendix L, as the Appendix L tables do not readily reflect up front discounts that are provided in Accenture's pricing structure. *In Year 7, the billing shown here is only an estimate – as a Cost of Living Adjustment will be applied at the beginning of Year 7 per Section 1.601

Total Contract Value
CCN3 COLA add to contract
New Contract Value

\$124,028,765.00
\$387,061.25
\$124,415,826.25

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 OR
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CHANGE NOTICE NO. 4
 to
CONTRACT NO. 071B9200166
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Accenture, LLP 3000 Town Center Suite #2400 Southfield, MI 48075-2050	Jamie D. Walker	Jamie.D.Walker@accenture.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(517) 862-0192	2904

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Tina Symington	517-241-9629	symingtont@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Barb Suska	517-284-7026	Suskab2@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: MISCES APPLICATION MAINT & SUPPORT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 1, 2009	March 31, 2016	No renewal Options	March 31, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	1 year	March 31, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$124,028,765.00		\$18,376,331.12	\$142,405,096.12	

DESCRIPTION: Effective September 10, 2015, per Ad Board Resolution 2015-1, this contract is hereby extended for 12 months. The new contract end date is March 31, 2017. This contract is also increased by \$18,376,331.12 for contractor to continue to provide the essential staffing resources required to support and maintain the federally mandated child support system. For this extension year the fees for the services will be adjusted upward by the percentage change in the Employment Cost Index (ECI) for private industry workers, wages and salaries (not seasonally adjusted), as published by the Bureau of Labor Statistics. Pricing will be as per the attached Appendix L, Table 10, for the period of 4/1/2016 – 3/31/2017. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and Department of Technology, Management and Budget (DTMB) Procurement approval.

Appendix L

MiCSES Application Maintenance RFP

TABLE 10 –Fixed Price & Estimated Statement of Work Billing Schedule

Revised: 07/17/15; Reason: FY15 CCN5 to add extension Year 8 & estimated COLA @ 2.2%

<u>Billing Period</u>	<u>Fixed Price Payment Amount</u>	<u>Estimated SOW Payment Amount</u>	<u>Total Payment Amount</u>	<u>Explanation</u>
4/1/09 – 4/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	Discount applied in first Contract Year of \$624,400
5/1/09 – 5/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
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8/1/09 – 8/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
9/1/09 – 9/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
Sub-Total SFY 2009:	\$5,134,402.02	\$3,460,500.00	\$8,594,902.02	
10/1/09 – 10/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
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1/1/10 – 1/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
2/1/10 – 2/28/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
3/1/10 – 3/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
4/1/10 – 4/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	Discount applied in second Contract Year of \$770,000
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6/1/10 – 6/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
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12/1/10 – 12/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75	
1/1/11 – 1/31/11	\$723,443.33	\$643,375.42	\$1,366,818.75	
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1/1/13 – 1/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/13 – 2/28/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
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4/1/13 – 4/30/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
5/1/13 – 5/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	amounts changed for remaining SFY2013
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Billing Period	Fixed Price Payment Amount	Estimated SOW Payment Amount	Total Payment Amount	Explanation
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Sub-Total SFY 2013:	\$9,511,320.00	\$9,370,505.00	\$18,881,825.00	
10/1/13 – 10/31/13	\$792,610.00	\$843,375.42	\$1,435,985.42	
11/1/13 – 11/31/13	\$792,610.00	\$843,375.42	\$1,435,985.42	
12/1/13 – 12/31/13	\$792,610.00	\$843,375.42	\$1,435,985.42	
1/1/14 – 1/31/14	\$792,610.00	\$843,375.42	\$1,435,985.42	
2/1/14 – 2/28/14	\$792,610.00	\$843,375.42	\$1,435,985.42	
3/1/14 – 3/31/14	\$792,610.00	\$843,375.42	\$1,435,985.42	
4/1/14 – 4/30/14	\$809,254.81	\$856,888.30	\$1,466,141.11	
5/1/14 – 5/31/14	\$809,254.81	\$856,888.30	\$1,466,141.11	
6/1/14 – 6/30/14	\$809,254.81	\$856,888.30	\$1,466,141.11	
7/1/14 – 7/31/14	\$809,254.81	\$856,888.30	\$1,466,141.11	
8/1/14 – 8/31/14	\$809,254.81	\$856,888.30	\$1,466,141.11	
9/1/14 – 9/30/14	\$809,254.81	\$856,888.30	\$1,466,141.11	
Sub-Total SFY 2014:	\$9,611,188.86	\$7,801,570.30	\$17,412,759.16	
10/1/14 – 10/31/14	\$809,254.81	\$856,888.30	\$1,466,141.11	
11/1/14 – 11/31/14	\$809,254.81	\$856,888.30	\$1,466,141.11	
12/1/14 – 12/31/14	\$809,254.81	\$856,888.30	\$1,466,141.11	
1/1/15 – 1/31/15	\$809,254.81	\$856,888.30	\$1,466,141.11	
2/1/15 – 2/28/15	\$809,254.81	\$856,888.30	\$1,466,141.11	
3/1/15 – 3/31/15	\$809,254.81	\$856,888.30	\$1,466,141.11	
4/1/15 – 4/30/15	\$827,058.42	\$871,337.80	\$1,498,396.21	
5/1/15 – 5/31/15	\$827,058.42	\$871,337.80	\$1,498,396.21	
6/1/15 – 6/30/15	\$827,058.42	\$871,337.80	\$1,498,396.21	
7/1/15 – 7/31/15	\$827,058.42	\$871,337.80	\$1,498,396.21	
8/1/15 – 8/31/15	\$827,058.42	\$871,337.80	\$1,498,396.21	
9/1/15 – 9/30/15	\$827,058.42	\$871,337.80	\$1,498,396.21	
Sub-Total SFY 2015:	\$9,817,879.35	\$7,969,344.60	\$17,787,223.95	
10/1/15 – 10/31/15	\$827,058.42	\$871,337.80	\$1,498,396.21	
11/1/15 – 11/31/15	\$827,058.42	\$871,337.80	\$1,498,396.21	
12/1/15 – 12/31/15	\$827,058.42	\$871,337.80	\$1,498,396.21	
1/1/16 – 1/31/16	\$827,058.42	\$871,337.80	\$1,498,396.21	
2/1/16 – 2/28/16	\$827,058.42	\$871,337.80	\$1,498,396.21	
3/1/16 – 3/31/16	\$827,058.42	\$871,337.80	\$1,498,396.21	
4/1/16 – 4/30/16	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
5/1/16 – 5/31/16	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
6/1/16 – 6/30/16	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
7/1/16 – 7/31/16	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
8/1/16 – 8/31/16	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
9/1/16 – 9/30/16	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
Sub-Total SFY 2016:	\$10,033,872.70	\$8,144,670.18	\$18,178,542.88	
10/1/16 – 10/31/16	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
11/1/16 – 11/31/16	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
12/1/16 – 12/31/16	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
1/1/17 – 1/31/17	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
2/1/17 – 2/28/17	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
3/1/17 – 3/31/17	\$845,253.70	\$886,107.23	\$1,531,360.93	ESTMATED per Sec. 1.601, COLA applied of 2.2%
Sub-Total SFY 2017:	\$5,071,522.21	\$4,116,643.38	\$9,188,165.59	

New Year 8

Please Note: This Billing Schedule overrides Monthly Pricing that might be derived from Appendix L, as the Appendix L tables do not readily reflect up front discounts that are provided in Accenture's pricing structure. *In Year 8, the billing shown here is only an estimate – as a Cost of Living Adjustment will be applied at the beginning of Year 8 per Section 1.601

Total Contract Value		\$	124,416,535.87	contract value after CCN
Add: contract value for extension year 8	\$	17,980,754.58		calculated on annualized Year 7 monthly amount
Add: Estimated COLA @ 2.2%	\$	385,576.60	\$	18,376,331.18 Total CCN5 Change notice contract add
New Contract Value		\$	142,792,867.04	



Accenture LLP
Suite 2400
3000 Town Center
Southfield, MI 48075
www.accenture.com

August 27, 2015

To: Pratin Trivedi Client Service Director
State of Michigan, Department of Technology, Management, and Budget
MiCSES Project Manger
111 South Capitol, 12th Floor
Lansing, Mi. 48922

Re: MICSES Maintenance and Support Services, Contract # 071B9200166

Dear Mr. Trivedi:

On behalf of Accenture LLP ("Accenture"), I am pleased that the State of Michigan ("Client") wishes to retain Accenture to provide services in connection with MiCSES Maintenance and Support (the "Project"). Based on our recent discussions, Contract # 071B9200166 will be extended one (1) year commencing on April 1, 2016 through March 31, 2017 (the "Extension Year") pursuant to and in accordance with Michigan State Administrative Board Resolution 2015-1. For the Extension Year the fees for the services will be upward adjusted by the percentage change in the Employment Cost Index (ECI) for private industry workers, wages and salaries (not seasonally adjusted), as published by the Bureau of Labor Statistics, U.S. Department of Labor, from December two years prior to December of the preceding year. That is, the increase to go into effect on April 1, 2016, will be the increase in the ECI series between December 2014 and December 2015. All other terms and conditions of Contract #071B9200166 remain unchanged and in full force and effect.

Very truly yours,

ACCENTURE LLP

A handwritten signature in cursive script that reads "Jamie D Walker".

Jamie Walker
Managing Director



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK**

Project Title: Extend Current Accenture Agreement	Period of Coverage: 4/1/16-3/31/17
Requesting Department: DTMB/DHS	Date: 8/1/15
Agency Project Manager: Pratin Trivedi	Phone: 517-334-6560
DTMB Project Manager: Tina Symington	Phone: 517-241-9629

Brief Description of Services to be provided:

BACKGROUND:

The MDHHS Office of Child Support (OCS) administers the Title IV-D Child Support Enforcement program for Michigan. To administer and operate the program, federal regulations and laws mandate a single statewide case management system based on specific federal system certification requirements. Michigan's certified system is the Michigan Child Support Enforcement System (MiCSES). The program and system are funded with 66% federal funds as long as the system remains certified and the program is carried out with stringent and complex program rules and regulations. MiCSES is used by child support program staff that are within OCS, Friends of the Court (FOC) offices (Judicial Court staff), as well as elected Prosecuting Attorneys (PA) in all counties of Michigan. The Child Support program has a caseload of over 950,000 cases and collects and distributes over \$1.4 Billion annually. The MiCSES is maintained and operated by DTMB in coordination with various contractors.

PROJECT OBJECTIVE:

Accenture will continue to provide critical system development, testing, maintenance, operations, and training services. In addition, the MiChildSupport support Web Portal provides services and information to help our citizens (Custodial and Non-Custodial parents), Child Support workers and program partners (FOC & PA) and allows for applying for Child Support and citizen self-service.

SCOPE OF WORK:

Provide critical system development, testing, maintenance, operations, and training services.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include:

System development, testing, maintenance, operations, and training services.

ACCEPTANCE CRITERIA:

PROJECT CONTROL AND REPORTS:

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

1. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
3. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.

PAYMENT SCHEDULE:

Payment will be made on a monthly **Time and Materials** basis. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Name Pratin Trivedi
Department DHS
Building/Floor Romney Building
Address 111 S. Capitol Ave.
City/State/ZipLansing, MI 48901
Phone Number 517-334-6560
Email Address TrivediP@michigan.gov

The designated DTMB Project Manager is:

Name Tina SYmington
Department DTMB/DHS
Building/Floor Romney Building
Address 111 S Capital Ave
City/State/ZipLansing, MI 48909
Phone Number 517-241-9629
Email Address SymingtonT@michigan.gov

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work either remotely or at the Romney Building in Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.

This purchase order is a release from Contract Number 071B9200166. This purchase order, statement of work, and the terms and conditions of Contract Number 071B9200166 constitute the entire agreement between the State and the Contractor.

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. 3
 to
CONTRACT NO. 071B9200166
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Accenture, LLP 3000 Town Center - Suite #2400 Southfield, MI 48075-2050	Jamie D. Walker	Jamie.D.Walker@accenture.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 862-0192	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Tina Symington	517-241-9629	symingtont@michigan.gov
BUYER	DTMB	Barb Suska	517-284-7026	Suskab2@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: MICSES APPLICATION MAINT & SUPPORT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 1, 2009	March 31, 2016	No Renewal Options	March 31, 2016
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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		March 31, 2016
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$723,737.00		\$124,028,765.00		

Effective August 26, 2014, this contract is **INCREASED** \$723,737.00 per contract Section 1.601 Compensation and Payment, for Year 6, increase contract value beginning April 1, 2014 as published by Bureau of Labor Statistics, U.S. Department of Labor for the percentage change in the Employment Cost Index for private industry workers, wages, and salaries not seasonally adjusted between December 2012 and December 2013. The increase calculated according to this method is 2.1%. The increase for Year 7 will be calculated per the contract in February 2015 and go into effect in April 2015. **Revised Appendix L – Table 10 Fixed Price and Estimated Statement of Work Billing schedule** is attached.

Replace Section 1.201A Contract Staff 1. Key Personnel as follows:

From:

Testing/Quality Assurance Manager – Cassandra Huguelet

To:

Testing/Quality Assurance Manager – Scott Ryan

The Buyer has been changed to Barb Suska and the Contract Compliance Inspector has been changed to Tina Symington.

Barb Suska
517-284-7026
suskab2@michigan.gov

Tina Symington
517-241-9629
symingtont@michigan.gov

New Estimated Revised Aggregate Contract Value: \$124,028,765.00

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

Per vendor agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated August 26, 2014.

Appendix L

MiCSES Application Maintenance RFP

TABLE 10 –Fixed Price & Estimated Statement of Work Billing Schedule

Revised: 06/14/2014; Reason: FY14 CCN3 to include Yr. 6 & 7 COLA (2.1%) adjustments

Billing Period	Fixed Price Payment Amount	Estimated SOW Payment Amount	Total Payment Amount	Explanation	
4/1/09 – 4/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	Discount applied in first Contract Year of \$624,400	
5/1/09 – 5/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
6/1/09 – 6/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
7/1/09 – 7/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
8/1/09 – 8/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
9/1/09 – 9/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
Sub-Total SFY 2009:	\$5,134,402.02	\$3,460,500.00	\$8,594,902.02		
10/1/09 – 10/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67		Discount applied in second Contract Year of \$770,000
11/1/09 – 11/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
12/1/09 – 12/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67		
1/1/10 – 1/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67		
2/1/10 – 2/28/10	\$855,733.67	\$576,750.00	\$1,432,483.67		
3/1/10 – 3/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67		
4/1/10 – 4/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
5/1/10 – 5/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
6/1/10 – 6/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
7/1/10 – 7/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
8/1/10 – 8/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
9/1/10 – 9/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33		
Sub-Total SFY 2010:	\$10,196,004.00	\$6,921,000.00	\$17,117,004.00		
10/1/10 – 10/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75	Amounts changed for SFY2011 onward, based on	
11/1/10 – 11/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75		
12/1/10 – 12/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75		
1/1/11 – 1/31/11	\$723,443.33	\$643,375.42	\$1,366,818.75	CCN1 dated 10/1/2010	
2/1/11 – 2/28/11	\$728,443.33	\$643,375.42	\$1,371,818.75		
3/1/11 – 3/31/11	\$728,443.33	\$643,375.42	\$1,371,818.75		
4/1/11 – 4/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42	No discount applied in Contract Years 3 thru 5	
5/1/11 – 5/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
6/1/11 – 6/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
7/1/11 – 7/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
8/1/11 – 8/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
9/1/11 – 9/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
Sub-Total SFY 2011:	\$9,106,319.98	\$7,720,505.00	\$16,826,824.98		
10/1/11 – 10/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
11/1/11 – 11/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
12/1/11 – 12/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42		
1/1/12 – 1/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
2/1/12 – 2/28/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
3/1/12 – 3/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
4/1/12 – 4/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
5/1/12 – 5/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
6/1/12 – 6/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
7/1/12 – 7/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
8/1/12 – 8/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
9/1/12 – 9/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
Sub-Total SFY 2012:	\$9,511,320.00	\$7,720,505.00	\$17,231,825.00		
10/1/12 – 10/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
11/1/12 – 11/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
12/1/12 – 12/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42		
1/1/13 – 1/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42		

2/1/13 – 2/28/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/13 – 3/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/13 – 4/30/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
5/1/13 – 5/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	amounts changed for remaining SFY2013 due to add SOWs and AOC for FY13PO
6/1/13 – 6/30/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
7/1/13 – 7/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
8/1/13 – 8/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
9/1/13 – 9/30/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
Sub-Total SFY 2013:	\$9,511,320.00	\$9,370,505.00	\$18,881,825.00	
10/1/13 – 10/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
11/1/13 – 11/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
12/1/13 – 12/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
1/1/14 – 1/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/14 – 2/28/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/14 – 3/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/14 – 4/30/14	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
5/1/14 – 5/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
6/1/14 – 6/30/14	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
7/1/14 – 7/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
8/1/14 – 8/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
9/1/14 – 9/30/14	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
Sub-Total SFY 2014:	\$9,611,188.86	\$7,801,570.30	\$17,412,759.16	
10/1/14 – 10/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
11/1/14 – 11/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
12/1/14 – 12/31/14	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
1/1/15 – 1/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
2/1/15 – 2/28/15	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
3/1/15 – 3/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	per Sec. 1.601, COLA applied of 2.1%
4/1/15 – 4/30/15	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
5/1/15 – 5/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
6/1/15 – 6/30/15	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
7/1/15 – 7/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
8/1/15 – 8/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
9/1/15 – 9/30/15	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2015:	\$9,711,057.72	\$7,882,635.61	\$17,593,693.33	
10/1/15 – 10/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
11/1/15 – 11/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
12/1/15 – 12/31/15	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
1/1/16 – 1/31/16	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
2/1/16 – 2/28/16	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
3/1/16 – 3/31/16	\$809,254.81	\$656,886.30	\$1,466,141.11	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2016:	\$4,755,660.00	\$3,941,317.80	\$8,796,846.66	

Please Note:

This Billing Schedule overrides Monthly Pricing that might be derived from Appendix L, as the Appendix L tables do not readily reflect up front discounts that are provided in Accenture's pricing structure. *In Year 7, the billing shown here is only an estimate – as a Cost of Living Adjustment will be applied at the beginning of Year 7 per Section 1.601

Total Contract Value	\$123,305,028.00
CCN3 COLA add to contract	\$723,737.00
New Contract Value	\$124,028,765.00

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. 071B9200166
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Accenture LLP 3000 Town Center, Suite 2400 Southfield, MI 48075-2050	Jamie D. Walker	Jamie.D.Walker@accenture.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 862-0192	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Suska	(517) 335-4067	Suskab2@michigan.gov
BUYER	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: MICSES APPLICATION MAINT & SUPPORT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 1, 2009	March 31, 2016	No Renewal Options	March 31, 2016
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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		March 31, 2016
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$0.00		\$123,305,028.00		

This Contract is modified to include the changes outlined herein. Appendix L, TABLE 10 - Fixed Price & Estimated Statement of Work Billing Schedule has been revised and attached with this Change Notice.

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

CHANGE 1 – EFFECTIVE FEBRUARY 1, 2011

Change 1.1 Delete the following from Section 1.201A 1. Key Personnel

CorVision Technical Lead: Ed Clayton

CHANGE 2 – EFFECTIVE APRIL 1, 2012

Change 2.1 Add the following text to the end of section 1.102 OUT OF SCOPE

Effective April 1, 2012, the State shall assume from Contractor responsibility for Desktop Technical Integration Support tasks (see Contract Section 1.104.2.5.2 Task 5B Desktop Integration Support)

Change 2.2 Delete Section 1.104.2.5 Task 5 – User Support text as follows:

User Support functions include all of the following:

- Limited Desktop Integration Support: MiCSES integration issues with desktop applications

Change 2.3 Delete Section 1.201A Contractor Staff 3. Additional Personnel as follows:

Desktop Integration Support Specialist – Charlie Heminger

CHANGE 3 – EFFECTIVE NOVEMBER 1, 2012

Change 3.1 Replace Section 1.201A Contractor staff 1. Key Personnel as follows:

From:

Project Manager – Jamie Walker
Oracle Application Development Manager – Andrew Hagman
Testing/Quality Assurance Manager – Erin Frisch
Business Analyst Team Leader – Cari Filbrandt

To:

Project Manager – Andrew Hagman
Oracle Application Development Manager – Alex Inglis
Testing/Quality Assurance Manager – Cassandra Huguelet
Business Analyst Team Leader – Jason Rodgers

Change 3.2 Replace Section 1.201A Contractor Staff 3. Additional Personnel as follows:

From:

Contract Administrator – Jim Allen

To:

Project Director – James H Rice
Contract Administrator – Norma Miller
Data Warehouse Technical Lead – Kevin Brydges

Change 3.3 Replace Section 1.201A Contractor Staff Project Manager Responsibilities as follows:

From:

The Contractor will provide a project manager to work closely with the designated personnel from the State and the incumbent Contractor to insure a smooth transition of responsibilities and work in progress from the incumbent Contractor during contract inception. The project manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager must be on-site, an employee of the Contractor (not a sub-contractor) and solely dedicated to this project. The Contractor's project manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues

- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Ensure compliance with all identified State and federal standards, during the duration of the contract.
- Manage and report on the project's budget

The Contractor's identified Project Manager is: ***Jamie Walker***

To:

The Contractor will provide a project manager to work closely with the designated personnel from the State and the incumbent Contractor to insure a smooth transition of responsibilities and work in progress from the incumbent Contractor during contract inception. The project manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager must be on-site, an employee of the Contractor (not a sub-contractor) and solely dedicated to this project. The Contractor's project manager responsibilities include, at a minimum:

- Provide day-to-day direction and leadership of Contractor resources
- Work in close coordination with DTMB and HP resources on technical strategy, resources, and requirements
- Provide direction in release planning, prioritizing needed enhancements and corrections to the MiCSES application and coordinating with interfacing agencies regarding necessary data exchange with MiCSES
- Responsible for complying with Service Level Agreements (SLAs) for the MiCSES application
- Oversee and proactively manage the Production Support environment for MiCSES
- Manage Contractor's subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for project technical and delivery issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Prepare project documents and materials

- Ensure compliance with all identified State and federal standards, during the duration of the contract.
- Manage and report on the project's budget

The Contractor's identified Project Manager is: **Andrew Hagman**

Change 3.4: Add the following text to the end of Section 1.201A Contractor Staff:

The Contractor will provide a part-time project director to provide executive leadership for Accenture contract decisions. The Contractor's project director's responsibilities shall include, at a minimum:

- Utilize change control procedures
- Serve as the point person for contractual issues
- Affirm any contractual commitments on behalf of Accenture including authorizing contract amendments, statements of work, memoranda of understanding or any other binding communication regarding contractual scope and commitment.
- Liaison for Quality Assurance activities with current Quality Director, Cindy Hielscher. This includes gathering and managing of client expectations, client satisfaction and any feedback or concerns regarding Accenture performance on the contract.
- Provide strategic leadership and direction for the Accenture team
- Consult with DHS-OCS and DTMB on strategic project direction, new initiatives and providing a liaison role into Accenture to obtain Accenture expertise and thought leadership where appropriate.

The Contractors identified Project Director is: **James H Rice**.

Change 3.5 Replace Section 1.202 State Staff Roles and Responsibilities as follows:

From:

Agency Project Manager: Marilyn Stephen

To:

Agency Project Manager: Pratin Trivedi

CHANGE 4 – EFFECTIVE FEBRUARY 1, 2013

Change 4.1 Replace Section 2.044 Invoicing and Payment – In General as follows:

From:

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 45 days after receipt, provided the State determines that the invoice was properly rendered.

To:

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 45 days after receipt, provided the State determines that the invoice was properly rendered.

Effective February 1, 2013 Contractor will offer State an early payment 1% discount on invoice net total amount when State pays invoice within 15 business days after receipt, provided the State determines that the invoice was properly rendered. "Business Day," whether capitalized or not, will mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00 a.m. EST through 5:00 p.m. EST unless otherwise stated.

AUTHORITY/REASON FOR THE FOUR CHANGES DESCRIBED ABOVE:

Change 1: Deployment of MiCSES Release 7.1 renders Contractor CorVision support of the VAX no longer required.

Change 2: Per Contractor, DTMB Agency Services, and DHS agreement to remove Desktop Integration Services from Scope of Services.

Change 3: Per Contractor, DTMB Agency Services, and DHS agreement to modify contract roles to reflect revised project governance model and changes in staffing over time.

Change 4: Per Contractor, DTMB Agency Services, and DHS agreement to modify payment terms to include an early payment, net 15 business days, with 1% discount on invoice net total amount.

Appendix L

MiCSES Application Maintenance RFP

TABLE 10 –Fixed Price & Estimated Statement of Work Billing Schedule

Revised: 04/22/2013

<u>Billing Period</u>	<u>Fixed Price Payment Amount</u>	<u>Estimated SOW Payment Amount</u>	<u>Total Payment Amount</u>	<u>Explanation</u>
4/1/09 – 4/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	Discount applied in first Contract Year of \$624,400
5/1/09 – 5/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
6/1/09 - 6/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
7/1/09 – 7/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
8/1/09 – 8/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
9/1/09 – 9/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
Sub-Total SFY 2009:	\$5,134,402.02	\$3,460,500.00	\$8,594,902.02	
10/1/09 – 10/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
11/1/09 – 11/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
12/1/09 – 12/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
1/1/10 – 1/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
2/1/10 – 2/28/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
3/1/10 – 3/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
4/1/10 – 4/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	Discount applied in second Contract Year of \$770,000
5/1/10 – 5/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
6/1/10 – 6/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
7/1/10 – 7/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
8/1/10 – 8/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
9/1/10 – 9/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
Sub-Total SFY 2010:	\$10,196,004.00	\$6,921,000.00	\$17,117,004.00	
10/1/10 – 10/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75	Amounts changed for SFY2011 onward, based on
11/1/10 – 11/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75	CCN1 dated 10/1/2010
12/1/10 – 12/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75	
1/1/11 – 1/31/11	\$723,443.33	\$643,375.42	\$1,366,818.75	
2/1/11 – 2/28/11	\$728,443.33	\$643,375.42	\$1,371,818.75	
3/1/11 – 3/31/11	\$728,443.33	\$643,375.42	\$1,371,818.75	
4/1/11 – 4/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42	No discount applied in Contract Years 3 thru 5
5/1/11 – 5/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
6/1/11 – 6/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
7/1/11 – 7/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
8/1/11 – 8/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
9/1/11 – 9/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
Sub-Total SFY 2011:	\$9,106,319.98	\$7,720,505.00	\$16,826,824.98	
10/1/11 – 10/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
11/1/11 – 11/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
12/1/11 – 12/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
1/1/12 – 1/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/12 – 2/28/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/12 – 3/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/12 – 4/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
5/1/12 – 5/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
6/1/12 – 6/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
7/1/12 – 7/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
8/1/12 – 8/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
9/1/12 – 9/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
Sub-Total SFY 2012:	\$9,511,320.00	\$7,720,505.00	\$17,231,825.00	
10/1/12 – 10/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
11/1/12 – 11/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	

12/1/12 – 12/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
1/1/13 – 1/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/13 – 2/28/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/13 – 3/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/13 – 4/30/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
5/1/13 – 5/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	amounts changed for remaining SFY2013
6/1/13 – 6/30/13	\$792,610.00	\$973,375.42	\$1,765,985.42	due to addl SOWs and AOC for FY13PO
7/1/13 – 7/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
8/1/13 – 8/31/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
9/1/13 – 9/30/13	\$792,610.00	\$973,375.42	\$1,765,985.42	
Sub-Total SFY 2013:	\$9,511,320.00	\$9,370,505.00	\$18,881,825.00	
10/1/13 – 10/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
11/1/13 – 11/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
12/1/13 – 12/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
1/1/14 – 1/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/14 – 2/28/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/14 – 3/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/14 – 4/30/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
5/1/14 – 5/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
6/1/14 – 6/30/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
7/1/14 – 7/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
8/1/14 – 8/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
9/1/14 – 9/30/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2014:	\$9,511,320.00	\$7,720,505.00	\$17,231,825.00	
10/1/14 – 10/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
11/1/14 – 11/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
12/1/14 – 12/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
1/1/15 – 1/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
2/1/15 – 2/28/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
3/1/15 – 3/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
4/1/15 – 4/30/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
5/1/15 – 5/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
6/1/15 – 6/30/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
7/1/15 – 7/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
8/1/15 – 8/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
9/1/15 – 9/30/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2015:	\$9,511,320.00	\$7,720,505.00	\$17,231,825.00	
10/1/15 – 10/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
11/1/15 – 11/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
12/1/15 – 12/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
1/1/16 – 1/31/16	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
2/1/16 – 2/28/16	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
3/1/16 – 3/31/16	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2016:	\$4,755,660.00	\$3,860,252.50	\$8,615,912.50	

Please Note:

This Billing Schedule overrides Monthly Pricing that might be derived from Appendix L, as the Appendix L tables do not readily reflect up front discounts that are provided in Accenture's pricing structure. *In Years 6 & 7, the billing shown here is only an estimate – as a Cost of Living Adjustment will be applied at the beginning of Year 6 for both Contract Year 6 & 7.

Total Contract Value

\$123,305,028.00

to the Contractor for the Data Warehouse related activities referenced in this contract shall no longer be applicable to Contractor in its new staff augmentation role for the Data Warehouse.

Add the following text to section 1.201.A CONTRACTOR STAFF

Effective October 1, 2010, the Contractor will provide to the State the following staff augmentation data warehouse resources (none are to be considered 'Key Personnel' as defined in section 2.062): Data Warehouse Technical Lead, Data Warehouse Programmer Analyst (4), and Senior Business Analyst

Please Note: the buyer has been changed to Steve Motz, and the Contract Compliance Inspector has been changed to Barb Suska.

Steve Motz
517-241-3215
motzs@michigan.gov

Barb Suska
517-335-4067
suskab2@michigan.gov

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

AUTHORITY/REASON:

Per Contractor, DTMB Agency Services and DHS agreement for the Consolidation of the data warehouse activities under one team managed by the Michigan Department of Technology Management & Budget - Department of Human Services Data Warehouse Team.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$123,305,028.00

Appendix L

MiCSES Application Maintenance RFP

TABLE 10 –Fixed Price & Estimated Statement of Work Billing Schedule

Revised: 10-27-2010; Reason: CCN 1 effective 10/1/2010

<u>Billing Period</u>	<u>Fixed Price Payment Amount</u>	<u>Estimated SOW Payment Amount</u>	<u>Total Payment Amount</u>	<u>Explanation</u>
4/1/09 – 4/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	Discount applied in first Contract Year of \$624,400
5/1/09 – 5/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
6/1/09 – 6/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
7/1/09 – 7/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
8/1/09 – 8/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
9/1/09 – 9/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
Sub-Total SFY 2009:	\$5,134,402.02	\$3,460,500.00	\$8,594,902.02	
10/1/09 – 10/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
11/1/09 – 11/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
12/1/09 – 12/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
1/1/10 – 1/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
2/1/10 – 2/28/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
3/1/10 – 3/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
4/1/10 – 4/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	Discount applied in second Contract Year of \$770,000
5/1/10 – 5/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
6/1/10 – 6/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
7/1/10 – 7/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
8/1/10 – 8/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
9/1/10 – 9/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
Sub-Total SFY 2010:	\$10,196,004.00	\$6,921,000.00	\$17,117,004.00	
10/1/10 – 10/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75	Amounts changed for SFY2011 onward, based on
11/1/10 – 11/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75	CCN1 dated 10/1/2010
12/1/10 – 12/31/10	\$723,443.33	\$643,375.42	\$1,366,818.75	
1/1/11 – 1/31/11	\$723,443.33	\$643,375.42	\$1,366,818.75	
2/1/11 – 2/28/11	\$728,443.33	\$643,375.42	\$1,371,818.75	
3/1/11 – 3/31/11	\$728,443.33	\$643,375.42	\$1,371,818.75	
4/1/11 – 4/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42	No discount applied in Contract Years 3 thru 5
5/1/11 – 5/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
6/1/11 – 6/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
7/1/11 – 7/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
8/1/11 – 8/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
9/1/11 – 9/30/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
Sub-Total SFY 2011:	\$9,106,319.98	\$7,720,505.00	\$16,826,824.98	
10/1/11 – 10/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
11/1/11 – 11/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
12/1/11 – 12/31/11	\$792,610.00	\$643,375.42	\$1,435,985.42	
1/1/12 – 1/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/12 – 2/28/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/12 – 3/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/12 – 4/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
5/1/12 – 5/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
6/1/12 – 6/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
7/1/12 – 7/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
8/1/12 – 8/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
9/1/12 – 9/30/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
Sub-Total SFY 2012:	\$9,511,320.00	\$7,720,505.00	\$17,231,825.00	

Billing Period	Fixed Price Payment Amount	Estimated SOW Payment Amount	Total Payment Amount	Explanation
10/1/12 – 10/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
11/1/12 – 11/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
12/1/12 – 12/31/12	\$792,610.00	\$643,375.42	\$1,435,985.42	
1/1/13 – 1/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/13 – 2/28/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/13 – 3/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/13 – 4/30/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
5/1/13 – 5/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
6/1/13 – 6/30/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
7/1/13 – 7/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
8/1/13 – 8/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
9/1/13 – 9/30/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
Sub-Total SFY 2013:	\$9,511,320.00	\$7,720,505.00	\$17,231,825.00	
10/1/13 – 10/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
11/1/13 – 11/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
12/1/13 – 12/31/13	\$792,610.00	\$643,375.42	\$1,435,985.42	
1/1/14 – 1/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
2/1/14 – 2/28/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
3/1/14 – 3/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	
4/1/14 – 4/30/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
5/1/14 – 5/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
6/1/14 – 6/30/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
7/1/14 – 7/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
8/1/14 – 8/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
9/1/14 – 9/30/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2014:	\$9,511,320.00	\$7,720,505.00	\$17,231,825.00	
10/1/14 – 10/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
11/1/14 – 11/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
12/1/14 – 12/31/14	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
1/1/15 – 1/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
2/1/15 – 2/28/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
3/1/15 – 3/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
4/1/15 – 4/30/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
5/1/15 – 5/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
6/1/15 – 6/30/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
7/1/15 – 7/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
8/1/15 – 8/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
9/1/15 – 9/30/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2015:	\$9,511,320.00	\$7,720,505.00	\$17,231,825.00	
10/1/15 – 10/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
11/1/15 – 11/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
12/1/15 – 12/31/15	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
1/1/16 – 1/31/16	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
2/1/16 – 2/28/16	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
3/1/16 – 3/31/16	\$792,610.00	\$643,375.42	\$1,435,985.42	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2016:	\$4,755,660.00	\$3,860,252.50	\$8,615,912.50	

Please Note:

This Billing Schedule overrides Monthly Pricing that might be derived from Appendix L, as the Appendix L tables do not readily reflect up front discounts that are provided in Accenture's pricing structure. *In Years 6 & 7, the billing shown here is only an estimate – as a Cost of Living Adjustment will be applied at the beginning of Year 6 for both Contract Year 6 & 7.

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

March 30, 2009

NOTICE
OF
CONTRACT NO. 071B9200166
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Accenture LLP 3000 Town Center, Suite 2400 Southfield, MI 48075 Email: Jamie.D.Walker@accenture.com	TELEPHONE Jamie D. Walker (517) 862-0192
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Patty Bogard MICSES APPLICATION MAINT & SUPPORT	
CONTRACT PERIOD: From: April 1, 2009 To: March 31, 2016	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

Estimated Contract Value: \$123,305,028.00

**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. 071B9200166
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Accenture LLP 3000 Town Center, Suite 2400 Southfield, MI 48075 Email: Jamie.D.Walker@accenture.com	TELEPHONE Jamie D. Walker (517) 862-0192 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Patty Bogard MICESES APPLICATION MAINT & SUPPORT	
CONTRACT PERIOD: From: April 1, 2009 To: March 31, 2016	
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 #07118200284, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$123,305,028.00	

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

FOR THE CONTRACTOR: Accenture LLP Firm Name	FOR THE STATE: Signature Greg Faremouth, Director
Authorized Agent Signature	Name/Title IT Division
Authorized Agent (Print or Type)	Division
Date	Date



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

**Request for Proposal No. 071B9200166
MICSES Maintenance and Support Services
for the
Michigan Child Support Enforcement System**

**Buyer Name: Joann Klasko
Telephone Number: (517)241-7233
E-Mail Address: KlaskoJ@michigan.gov**



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DEFINITION OF TERMS and ACRONYMNS

TERMS	Definition or Description
A	
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.
Application Development Manager	Manager responsible for ensuring that the MiCSES application is generated utilizing the required tool set and operates efficiently in the defined environment.
ADS	Appraisal Disclosure Statement
Audit Period	See Section 2.110
B	
BERG	Business Expert Review Group
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Business Day	A day when the state is open for regular business. This is generally Monday through Friday of each week, excepting state holidays.
C	
Cancellation	Ending all rights and obligations of the State and Contractor, except for any rights and obligations that are due and owing.
C.F.R	Code of Federal Regulations
Child Support	Payment of money for a child in a divorce, paternity, or family support act proceeding. Support includes health care, and may include educational and child care expenses.
CI	Configurable Item
CMMI	Capability Maturity Model Integrated is an integrated approach to internal process improvement: http://www.sei.cmu.edu/cmml
Contract	A binding agreement entered into by the State of Michigan resulting from a bidder's proposal.
Contract Administrator	Department of Information Technology employee that is responsible for overall Contract compliance and invoice processing.
Contractor	The successful Bidder who is awarded a Contract.
CorVision	Software language used in the legacy MiCSES application.
Cost Benefit Analysis	An evaluation and comparison of the costs and benefits of alternative approaches.
CSES	Legacy Child Support Enforcement System
CSS	Child Support Specialist for the DHS-OCS
CSENet	Child Support Enforcement Network (federal)
Custodial Party	The person or entity having custody of a child governed by a docket and court order.
Customer	One that purchases or receives a commodity or service; one that is a patron or uses the services of an organization. References end-users of the MiCSES application or those who receive services from MDIT or DHS.
D	
Data Model	A logical construct for the storage and retrieval of information; charts and diagrams that show individual entities and the dependencies that exist between them.
Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).



DHS	Michigan Department of Human Services
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
Disbursement(s)	Payments by the MiCSES through the MiSDU either in the form of a paper check or direct deposit or debit card. Disbursements also go to agencies, returns to NCP, third parties, employers, etc.
Distribution	The determination process within MiCSES for allocating support collection proceeds to the payment of charges that have accrued on a docket.
DIT	Michigan Department of Information Technology
DMB	Michigan Department of Management and Budget
Docket	A court case for child support
DRA	Federal Deficit Reduction Act of 2005
E	
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Expiration	Except where specifically provided for in the Contract, the ending and termination of the Contractual duties and obligations of the parties to the Contract pursuant to a mutually agreed upon date.
Excusable Failure	See Section 2.244.
ER	Entity Relationship
F	
FAQ	Frequently Asked Questions
Fees	A charge fixed by law for services
FIDM	Financial Institution Data Match is the process by which a lien is placed upon the financial resources of an obligor that has arrears on a support case in MiCSES
FOC	Friend of the Court
FSA '88	Family Support Act of 1988
FTE	Full Time Equivalent
G	
H	
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
I	
ILT	Instructor Led Training
Incident	Any interruption in Services.
Incumbent Contractor	A Contractor(s) responsible for MiCSES project activities prior to Contract award and during transition to the successful bidder.
IT	Integration Testing
Issue Tracker	MDIT application to track and escalate project issues.
IV-D	Title IV-D of the Social Security Act, which deals with Child Support services.
IVR	Interactive Voice Response
J	
JAD	Joint Application Design sessions
Joint Evaluation Committee	A multi-department committee, which will evaluate the proposals received and



or JEC	recommend an award of the Contract to the Office of Purchasing.
K	
Key personnel	As defined in the Contract, the positions listed in Section 1.201. These positions shall be staffed by personnel approved by the State. They cannot be replaced without permission of the State.
L	
Lason	Lason is the central print and mailing vendor for child support documents produced from MiCSES
LEIN	Law Enforcement Information Network, a computer system containing files on wanted persons; and interface with MiCSES for managing bench warrants.
LMS	Learning Management System
M	
MiCSES	Michigan Child Support Enforcement System; as used in this document it may reference the MiCSES software application(s), or it may reference the DIT-MiCSES project as an organization.
MiSDU	Michigan State Disbursement Unit (MiSDU) is the division within DHS-OCS responsible for centralized collection of child support in Michigan, in compliance with federal and state requirements.
N	
New Work	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.
NCP	Non Custodial Parent
O	
OCS	(Michigan) Office of Child Support
OCSE	(Federal) Office of Child Support Enforcement
Office of Child Support	The office within DHS that administers federal child support program funds, coordinates location of absent parents, manages the process for income tax intercepts, and can initiate complaints under the Paternity Act and Family Support Act.
Office of Child Support Enforcement	Federal level administrative office.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
P	
PAAM	Prosecuting Attorneys Association of Michigan
PA	Local county Prosecuting Attorney Office
Payment	When used in the context of child support, a generic term applicable to receipts and disbursements
PCO	Project Control Office is the MiCSES contractual project management office
PMI	Project Management Institute
PMM	Project Management Methodology
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.



PLG	Child Support Program Leadership Group provides strategic direction for MiCSES
PRD	'Production'; Short hand reference to the MiCSES production database environment
PRO	'Production – Read Only'; Short hand reference to a read-only instance of the MiCSES database. Source for IVR database calls, and made available to users in the event PRD is not available
Project Director	DIT employee who has overall responsibility for the MiCSES project from obtaining needed resources to completion of final deliverables.
Project Manager	DIT employee who has overall responsibility for day-to-day oversight for all activities related to the MiCSES Contract.
PRR	Performance Readiness Review
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
Q	
QRS	Quick Reference Sheet
R	
RDB	Relational Data Base
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Remedy	The Problem Identification Tracking System used by MDIT, the MiCSES Help Desk and the MiCSES project
Repository	Oracle electronic repository containing MiCSES application documentation.
Reserved - Deleted – Not Applicable	Section is not applicable This is used as a placeholder to maintain consistent numbering.
RFP	Request For Proposal – A term used by the State to solicit proposals for services such as consulting. Typically used when the requesting agency requires Contractor assistance in identifying an acceptable manner of solving a problem.
RPG	Release Planning Group
S	
SCAMPI	Standard CMMI Appraisal Method for Process Improvement
SCAO	State Court Administrator's Office
SEM	Systems Engineering Methodology
Services	Any function performed for the benefit of the State.
SOW	Statement of Work
SPI	Earned Value Schedule Variance
SQL	Structured Query Language (also pronounced sequel) used to view and verify data in relational tables.
SS	Support Specialist.
SSA	Social Security Act
State	The State of Michigan; State means the State of Michigan, its departments, division, agencies, offices, commissions, officers, employees, and agents.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Statutes	Laws of the State of Michigan enacted by the Legislature.
Subcontractor	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.
Successful Bidder	The Bidder(s) awarded a Contract as a result of a solicitation.
SUITE	State's Unified Information Technology Environment Methodology is the standard system development lifecycle management tool for IT projects.



T	
TANF	Temporary Assistance to Needy Families
TAG	Ticket Assessment Group, a cross functional team which reviews and prioritizes help desk tickets
TCG	Technical Control Group, the technical arm of the MiCSES Project Control Office
TCT	Technical Communications Team
Test Plan	Detailed steps defining data to use and expected results from a test.
Triage	A team set-up specifically to access, prioritize and route Remedy Tickets.
U	
UAT	User Acceptance Testing
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
V	
W	
WAP	Work Approval Process
WBT	Web Based Training, or CBT, Computer Based Training
WIT	Work Improvement Team
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval. Or, a Deliverable that has been partially prepared and is assumed by the contractor during the contract transition period.
Work Product	Work Product means any data compilations, reports and any other media materials, or other objects or works of authorship created or produced by the Contractor as a result of and in furtherance of performing the services required by this Contract.



Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (State), through the Michigan Department of Management & Budget (MDMB), with assistance of the Michigan Department of Information Technology (MDIT), has issued this Contract for Application Maintenance and Support Services for the Department of Human Services (DHS) - Michigan Child Support Enforcement System (MiCSES).

The services include business requirements validation and verification; applications support and maintenance to include design, development, testing, application, batch and interface support, help desk, training and modifications to the existing MiCSES applications. Services for application enhancements are also included.

The State seeks to have services begin no later than April 1, 2009, with a 30-day transition period. Since the required transition is to a new Contract and not to a new contractor, the scope and responsibilities of transition activities, under Task 1 to be completed by the Contractor and outlined herein, are abbreviated and modified from those outlined in the Request for Proposal. As such, the transition will focus on sustaining project momentum, defining work in progress, implementing changes required under this Contract award, with knowledge transfer required only for any new staff turnover

The Contract has a term of seven (7) years.

The final contract award is subject to review and approval by the federal Department of Health and Human Services. This review will occur after the contract is signed by the contractor, but prior to final signature by the state. This review may take up to 60 days.

1.002 BACKGROUND

State child support enforcement programs were established in 1975 under Title IV-D of the Social Security Act. Its purpose is to locate non-custodial parents (NCPs) along with their income and assets, establish paternity, establish and enforce child support, and collect and disburse child support payments. State Title IV-D Child Support Agencies manage and operate child support programs. For Michigan the designated IV-D agency is the Department of Human Services – Office of Child Support (DHS-OCS).

Because of escalating non-support for children by non-custodial parents, and a public need for responsive child support enforcement programs, the federal executive administration and the Congress have long been interested in improving data systems for child support. As a result of this interest, the Family Support Act of 1988 (FSA88, Public Law 100-485) required each State to develop a statewide automated data system that had the capability to control, account for, and monitor all processes for determining paternity and collecting child support.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA; Public Law 104-193) was enacted on August 21, 1996. This legislation required States to build on existing automation efforts to implement programmatic enhancements for strengthening child support enforcement. It also mandated that States have an automated statewide system that meets all the requirements of both the FSA of 1988 and PRWORA by October 1, 2000.

Michigan successfully attained full federal certification for FSA 88 and PRWORA, effective September 30, 2003.

Following federal certification, the State began a transition of the MiCSES from being primarily a development/implementation environment to a maintenance/operations environment, supplemented by system fixes, improvements and enhancements to meet local business requirements and changes in policy and legislation.



More recent legislation, the federal Deficit Reduction Act of 2005, Public Law 109-171 (DRA of 2005) implements child support policy changes which translate to additional child support system requirements and modifications. Additional information on these requirements should be reviewed at the federal Administration for Children and Families – Office of Child Support Enforcement website, Action Transmittal AT-06-01 at: <http://www.acf.hhs.gov/programs/cse/pol/AT/2006/at-06-01.htm>

During the push to attain federal certification, user and business requirements which were not directly tied to the federal certification requirements were held for later consideration. Subsequent to federal certification, the Michigan Office of Child Support launched a partnership initiative that significantly increased the participation of the child support stakeholders in setting direction for the child support program in Michigan. MiCSES project staff (State and contract staff) support this initiative through participation in the Child Support Program Leadership Group (PLG) and Work Improvement Teams (WITs). In turn, Office of Child Support program staff actively participates in MiCSES status meetings, system prioritization, joint application requirements and design sessions, user acceptance testing, and communications meetings.

Over the course of the Contract, the Contractor will be required to update, enhance and otherwise modify MiCSES in response to the priorities established by the PLG, new or modified State legislation, new or modified State court rules, new or modified federal legislation (including those required by the DRA), new or modified State Court Administrator's Office (SCAO), DHS and OCS policy changes.

1.101 IN SCOPE

The Contractor will provide services for complete application development, maintenance, enhancement and related support of Michigan's statewide automated child support enforcement system, while providing the functionality required for the State's business operations for the Michigan Department of Human Services – Office of Child Support and its partner agencies.

At a high level, this project consists of the following scope:

- Transition
 - Project Initiation
 - Transition from prior contract engagement and requirements to new contract requirements
- Application Maintenance
 - Analysis
 - Business Requirements
 - Functional and Technical Design
 - Construction (Development)
 - Unit and String Testing
- Integration Testing
 - System Testing
 - Regression Testing
 - Performance and Load Testing
 - User Acceptance Testing
- Batch and Interface Support
- User Support
 - Desktop Technical Support
 - Training
 - End user
 - Web training
 - Technical Communications



- System Documentation
- End user web site support
- State Staff Training
 - Contract positions assumed by State staff during contract term
- Reserve Bank of Hours
 - Reserve bank of hours for future significant enhancements, federal or legislative mandates, policy or regulation changes

To meet the State's objectives with this procurement, the Contractor will provide qualified staff to:

- Maintain the federal certification of the MiCSES,
- Achieve support that is predictable and of a consistently high quality,
- Deliver services and support that are measurable and that meets or exceeds the State's performance metrics,
- Operate application maintenance and support organization that is functioning at an appraised Capability Maturity Model Integrated (CMMI) maturity level 4 or higher.
- Operate the MiCSES at costs that are minimal
- Ensure flexibility in terms of the level of application support and services shared between Contractor and State staff,
- Continue to provide and improve upon high quality service levels to the end-customers, and
- Achieve low risk entry into new technologies and/or services.

Included in the ongoing support and maintenance of MiCSES, is the requirement to constantly improve the application by: incorporating local business needs and best practices; addressing new State and federal requirements; improving operational performance; and incorporating new technology as appropriate. As such, the Scope of Work for this Contract has two primary components which will be referenced as "Baseline Application Maintenance and Support" (Baseline) and "Statements of Work" (SOW).

1. Baseline Application Maintenance and Support: This component is inclusive of **all** of the requirements, tasks, services, in scope activities and deliverables outlined herein, except those which are specifically referenced as a Statement of Work scope activity or deliverable.

As specifically related to application development activities, Baseline, is inclusive of project initiation, planning and management, requirements, functional design, system design, construction, testing, implementation and any related batch process support. Baseline for these application maintenance and development activities (as later identified in Section 1.104 - Tasks 2-4) are calculated at an organizational level of effort capable of supporting software releases totaling 100,000 hours annually. Further information on software releases and level of effort is provided in Section 1.104.2.2.

2. Statements of Work and Reserved Bank of Hours: Largely due to a significant backlog of user enhancement requests which accumulated during the time that the MiCSES project focused exclusively on federal certification requirements, the State estimates that up to 100,000 hours per year, beyond and above the baseline application maintenance may be allocated to address application improvements, enhancements and new functionality. These hours will be allocated and included in scope via approved Statement(s) of Work, using the process outlined in Section 1.104.2.7 – Reserve Bank of Hours. Note that the annual reserve bank of 100,000 hours is an estimate only, and that the State is not obligated to purchase any or all 100,000 hours in any given year. This estimate for possible SOW's spans all phases of the system development life cycle (planning and initiation through implementation) and across all functionality within the MiCSES application.

The State has not identified or dictated a specific number of total staff as required for the provision of services outlined in this Contract, with the exception of User Support Task 5 (in Section 1.104.2.5) and its related Sub-



Tasks. For these tasks the required numbers of staff are identified and the State believes these levels need to be maintained at the current time. Contractor staffing recommendations for all other tasks are to be based on the Contractors understanding of the level of Baseline Application Maintenance and Support work and services to be provided, as described in this Contract. The Contractor is expected to provide the required services in a manner that will offer significant cost, quality and performance improvements, while demonstrating an understanding of the resources needed to provide baseline support.

In addition, the Contractor shall investigate and propose new innovative technologies to ensure that MiCSES remains a technically “state of the art” system throughout the Contract period. The State is particularly interested in application improvements and new technologies relating to the following areas:

- Improvements in customer service delivery methods, including interactive web-based services for child support clients
- Improvements in efficiency and effectiveness of caseworker tools
- Enhanced workload management reporting and tools
- Enhanced system performance and operational efficiencies, including data purge and archival
- Improvements in the ease of use of the MiCSES application
- Implementation and / or integration of imaging functionality

The State may require the Contractor to implement a new technology, if the technology has been proven in the market place and if an added value will be realized. Innovations may be implemented on a pilot basis. Where new technology requires the acquisition of commercially off the shelf (COTS) software and software licenses, the State may require the Contractor to make the initial procurement of the software and software licenses via a separate SOW. Ownership of the software and software licenses will transfer to the State upon State acceptance of related implementation milestones and subsequent reimbursement to the Contractor for acquisition costs.

A more detailed description of the scope of services (work) and deliverables required for this project is provided in Article 1, Section 1.104, Work and Deliverables.

The Contractor will place a high value and priority on the effectiveness, timeliness, and quality of the MiCSES release planning and development process. The Contractor will employ professional rigor to guide the requirements traceability process. The Contractor will adopt the Systems Engineering Methodology (SEM) stages and State’s Unified Information Technology Environment (SUITE) processes. The Contractor will consistently employ the principles of Quality Process Improvement (QPI) to maintain CMMI Level 4 compliance.

1.102 OUT OF SCOPE

The Michigan Department of Information Technology and the MiCSES Project Control Office (PCO) provide services to the MiCSES project which are supplementary and complimentary to the services procured under this Contract, and as such, are to be considered Out of Scope for the Contractor. During the course of this seven-year contract, the State intends to competitively re-bid the services being provided by the current PCO Contractor. The Contractor and sub-Contractors for this application maintenance Contract will be precluded from bidding on the PCO RFP. Likewise, the Contractor and sub-Contractors involved in the current Project Control and Infrastructure Support contract (#071B4200381) are precluded from participating in this Contract.

See Appendix D for the scope of State responsibilities and the responsibilities of the MiCSES Project Control Office.

The procurement of hardware and equipment is out of scope.

The direct support of MiCSES hardware, operating systems and systems administration is provided by either State employees or other contractual staff, and is out of scope.

1.103 ENVIRONMENT



1.103.1 Policies and Standards

The links below provide information on the State's Enterprise Information Technology (IT) policies, standards and procedures which includes security policy and procedures, MDIT strategic plan, the MDIT's System Engineering Methodology (SEM), and the State's Unified Information Technology Environment (SUITE).

The State has methods, policies, standards and guidelines that have been developed over the years. The Contractor will conform to State IT policies and standards. All services and products provided as a result of this Contract must comply with all applicable State IT policies and standards in effect at the time the Contract is issued. The Contractor may request an 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>

All software and hardware items provided by the Contractor must run on and be compatible with the MDIT Standard Information Technology Environment. Additionally, the State must be able to maintain software and other items produced as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by MDIT. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's Project Manager and MDIT must approve any tools, in writing, before use on any information technology project.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. Any changes must be approved, in writing, by the State's Project Manager and MDIT, before work may proceed based on the changed environment.

IT Security Policy and Procedures:

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

The State's security environment includes:

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

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

Data security, confidentiality and safeguard requirements specific to MiCSES and the child support program are detailed in Appendix E and additional State security policies are detailed in Appendix F.

State Personal Data and Security Breach Notification

"State Personal Data" or "personally identifiable information" means data and/or information which is provided by or on behalf of the Client and which consists of information or data naming or identifying a natural person such as: (a) personally identifying information that is explicitly defined as a regulated category of data under a data privacy or data protection laws applicable to the State or its customers; (b) non-public information, such as a national identification number, passport number, social security number, driver's license number; (c) health or medical information, such as insurance information, medical prognosis, diagnosis information or genetic information; (d) financial information, such as a policy number, credit card number and/or bank account number; and/or (e) sensitive personal data, such as mother's maiden name, race, marital status, gender or sexuality. The term "State Personal Data" shall not mean to include information or data that is anonymized,



aggregated, de-identified and/or compiled on a generic basis and which does not name or identify a specific individual or person.

Contractor shall maintain procedures to detect and respond to an unauthorized acquisition of or a security breach affecting the State's Personal Data while such data is in its possession or control. Accenture shall promptly notify the Client of an unauthorized acquisition or misuse of the unencrypted State Personal Data in Contractor's possession when it becomes aware of it. Contractor shall promptly furnish to the State appropriate details of the unauthorized acquisition or misuse and shall use commercially reasonable efforts to assist the State in investigating or preventing the recurrence of an unauthorized acquisition or misuse of the State Personal Data. Each Party shall cooperate, as is commercially reasonable, with the other Party to correct an unauthorized acquisition, misuse or other security breaches, and with the other Party in any litigation and investigation deemed necessary by the other Party. Each Party shall use commercially reasonable efforts to prevent a recurrence of an unauthorized acquisition or misuse of the State Personal Data. The State shall determine whether and when to notify any individuals or persons (including governmental authorities) regarding any security breach affecting Personal Data. Notwithstanding the foregoing, Contractor is permitted to comply with all applicable laws to which it is subject, as determined in its sole discretion.

As defined by data privacy laws, the State shall be the data controller/owner of the data and the Contractor shall be the data processor. The Contractor shall comply with all laws and regulations applicable to the State Personal Data. However, the State shall be solely responsible for determining compliance with data privacy laws. In no event, shall Contractor be required to monitor or advise on the data privacy laws. In the event that there are any changes to (including changes in interpretation of) any of the data privacy laws which require a change to the provision of all or any part of the deliverables or services or a method of delivery of such deliverables or services in use by Contractor prior to such change, the State shall bear the cost of such changes and the parties shall make appropriate adjustments to the terms of this Contract and the services or deliverables (and corresponding fees) in accordance with the change control process

MDIT Strategic Plan:

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

State Unified Information Technology Environment (SUITE) Standards and Processes:

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

The State of Michigan requires the Contractor's adherence to the Michigan Department of Information Technology (MDIT) Systems Engineering Methodology (SEM) and the State's Project Management Methodology (PMM) for all IT contracts for application maintenance and development.

Systems Engineering Methodology (SEM)

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

In March 2007 MDIT published its SEM to provide guidance for information systems development related activities and software quality assurance practices. The primary purpose of the SEM is to promote the development of reliable, cost-effective, computer-based solutions while making efficient use of resources. The SEM is a structured software development life cycle process that relies on industry best practices.

Project Management Methodology (PMM)

http://www.michigan.gov/dit/0,1607,7-139-30637_31101-58009--,00.html

The PMM was adopted as a State standard in May 2000 and revised in May 2001 and December 2004 to reflect experiences and lessons learned in using the prior releases. The PMM is closely aligned with industry best practices promoted by the Project Management Institute (PMI).



Current MiCSES processes are well documented and compliant with SUITE. It is mandatory that the winning Contractor understand and adopt the SUITE, SEM and PMM processes and templates in its daily work practices.

1.103.2 MiCSES Technical and Operational Environment

MiCSES operates under three application environments:

- Oracle Developer (HP UNIX servers with Oracle database)
- CorVision (VAX VMS servers with RDB database)
- Data Warehouse (NCR Teradata environment)

In this Contract, MiCSES generally refers to the entire application environment, unless an environment specific reference is made to Oracle, Data Warehouse (DW) or CorVision (VAX) to clarify a requirement or description details.

The MiCSES production, development, testing and disaster recovery hardware and software environments are housed at Department of Information Technology Data Centers, located in the Lansing area. Administration and direct support of the hardware and operating systems is not a part of this contract, and is supported either by State employees, or other contractual staff.

All of MiCSES application development, maintenance and support activities are to be conducted on-site at the State's offices in the Lansing, Michigan area.

There are four primary categories of users of MiCSES: 1) DHS- Office of Child Support Staff (SS); 2) local, county Friend of the Court (FOC) office staff; and 3) local, county Prosecuting Attorney Office (PA) staff; 4) a small number of specially classified users, such as the Office of the Attorney General and certain audit staff. Each class of users has unique roles within Michigan's child support program structure, and therefore, unique defined roles within the MiCSES application.

MiCSES users are spread across the State, in all 83 counties. The number of users in each office is dependent upon the respective child support caseload. There are approximately 2311 users statewide: FOC \approx 1,937; SS \approx 109;

PA \approx 265.

Appendix G is a reference for additional detail, including diagrams and charts regarding the **current** components of the MiCSES operational and technical environment. The specific technical environments to be supported by the Contractor may evolve and change over the duration of the contract.

1.104 WORK AND DELIVERABLES

This section is a description of the major tasks involved and required for successfully maintaining and operating the MiCSES, inclusive of specific requirements (technical, functional, and performance metrics); services (work) to be provided and related deliverables.

The Contractor must perform each and every task in Article 1.104. In addition to all of the requirements and tasks identified in Section 1.104, during the operation of the system and for all enhancements and maintenance to the system, the Contractor shall ensure the system continues to meet the all of the technical and functional requirements necessary to maintain federal certification. These requirements are outlined by the federal Department of Health and Human Services – Administration for Families and Children – Office of Child Support Enforcement – State and Tribal Systems. The full set of requirements is viewable and available for download at:

http://www.acf.hhs.gov/programs/cse/stsys/dsts_cert.html

The Contractor is not constrained from supplementing the tasks with additional steps, subtasks or elements deemed necessary to permit the development of alternative approaches. Proposals for additional services will be considered or included at the sole discretion of the State. However, as previously referenced, all work must



adhere to and be performed within the context of the State's standards for SUITE, Systems Engineering Methodology, and Project Management Methodology.

Supplemental project work plans must be developed as a basis for executing each of the contractual tasks and subsequent steps as the project progresses. Essential to the efficacy of the work plan is the preparation of a sound approach to attaining the objectives of the project.

1.104.1 General Service and Process Requirements

This section describes the MiCSES project context, framework and the common general requirements which are applicable to all Tasks.

1.104.1.1 Release Planning and Management

The MiCSES Project is primarily in a maintenance phase of the systems engineering life cycle, providing ongoing enhancements and maintenance support to the overall MiCSES application. Modified application components, whether modified for enhancement or maintenance, are bundled into periodic releases for delivery into production. A release is a collection of service requests (e.g. enhancements, fixes, infrastructure modifications, or contractor upgrades) that are packaged for testing and deployment purposes.

The MiCSES Project utilizes the SEM Stages (Initiation and Planning, Requirements Definition, Functional Design, System Design, Construction, Testing, Implementation) as defined in the SUITE Stage Exit Process Guide, for each "unit of work" to be contained in a release. Each minor or major maintenance release goes through Initiation and Planning to create the initial Release Plan, which includes the significant release milestones, scope summaries for the initial units of work, assumptions, and risks related to the specific release. Not all units of work for the release are defined in the initial Release Plan. Additional units of work are added to the release, as the development life cycle progresses from Requirements Definition through a release "cut-off" point, which is toward the end of construction. Prior to System Testing, the units of work are "packaged" for the release, and no additional units of work are added to the release.

At any given point in time, MiCSES generally has multiple sub-projects underway, which may include, but are not limited to: application modifications in various stages of the system development lifecycle, hardware/software upgrades, interface modifications, emergency maintenance, integration with ancillary applications, ongoing forms and reports modifications, or related activities in support of Department of Information Technology enterprise projects.

MiCSES application development, specifically, is a 'continuous process'. MiCSES may have various units of work related to application modifications in process simultaneously, with each being in different phases of the system development life-cycle (Requirements, Functional Design, System Design, Construction or Testing). Software release target dates for up to six releases which contain large units of work from the PLG priority list and/or date driven system modifications are tentatively set 6 to 18 months in advance. Additional unplanned or emergency releases may be added to the schedule to address break/fix issues, system abends, unanticipated external interface modifications, Urgent or High priority help desk tickets. Release dates may be determined on the size and complexity of the units of work involved, or the dates may be driven by date sensitive State and Federal legislation, mandates and policy changes.

The units of works included in a software release may be identified as:

- Break/Fix – Issues that stop or have a significant impact on business operations. These would include critical application or technical failures, immediate data corruption or data integrity issues, system abends, or selected system or warranty defects meeting Urgent or High criteria. Typically break/fix units of work involve a coding fix to an existing design and utilize only the relevant SEM processes for implementation.
- Corrective Maintenance – Minor modifications to existing application code for non-break/fix defects; improves the system without changing functionality; improves performance, efficiency and usability. These issues are grouped into planned, scheduled releases by priority, and follow full SEM processes.
- Perfective Maintenance – Improves the system without changing its functionality; improves performance, dependability, maintainability, safety, reliability, efficiency or cost-effectiveness of



operation.

- Adaptive Maintenance – Modifies the system to keep it up to date with its environment; adapt to a new/upgraded environment by providing new functionality to address requirements due to changes in the environment (hardware, interfaces, operating system, middleware) or new regulations that impact client operations.
- Preventative Maintenance – Identifies and detects latent faults. Changes to the existing system so as to reduce the risk of failure while operating.
- Enhancements – New functionality or significant changes to existing functionality resulting from new requirements, to adapt to changes in State or federal regulations; to adopt or adapt to technical environmental changes. These issues are grouped into planned, scheduled releases by priority, and follow formal SEM processes.

MiCSES software releases may be classified as Emergency, Minor/Maintenance or Major.

- Emergency releases are of very limited scope and focus for specific break/fix issues only, which must be put into production at the earliest possible date. These releases follow SEM processes for break/fix, existing configuration management and code promotion processes.
- Minor/Maintenance releases include one or more of the maintenance categories identified above and follow full SEM or SEM Express processes. Break/fix items may be included in a final minor release package. Historically, MiCSES Minor/Maintenance releases have been in the range of 2000 – 5000 effort hours.
- Major releases focus on a specific, or group of specific, significant system enhancements and/or maintenance item which exceed the capacity of a typical minor release. Major releases start with a formal Initiation and Planning stage, with priorities set by the Child Support Program Leadership Group, 6 to 18 months in advance of the proposed release date. Full SEM processes are followed, inclusive of Structured Walk-Throughs and Stage Exits. Various smaller maintenance or break/fix items may be added to the release package at later stages. Historically, MiCSES Major releases have been in the range of 10,000 – 60,000 effort hours.

1.104.1.2 Assumption of Work in Process

At Contract inception, certain projects and releases will be in process. Dependent upon the timeline for completion of these projects, and the timing of the contract award, the Contractor will be required to assume and successfully complete certain “in process” projects from their state as of the contract award. During the first 6 to 9 months of the contract period, the Contractor should plan on potentially performing one or two minor maintenance request and one or two major application releases. A significant portion of the work being assumed will be in some stage of the SEM process.

- MiCSES Analysis – As a first step to initiating a sub-project of significant scale, MiCSES initiates a formal Analysis process to provide a preliminary scope and estimate of the level of effort. The Analysis may include feasibility analysis. Analysis work underway, may include, but is not limited to:



Unit of Work	Description
FN 67 Enable EFT payment to OTHP recipients and other tickets	<ul style="list-style-type: none"> Allow EFT payments to be set up for recipients other than just CPs. IV-D will be able to distinguish if an electronic payment was sent via direct deposit or debit card
EF 62 Medical insurance and enforcement	<ul style="list-style-type: none"> Federal and state law require establishment and enforcement of parents' obligations to provide health care insurance and to pay health care costs that are not reimbursed by health care insurance.
CM 62 Locate	<ul style="list-style-type: none"> Automate the Child Support System's locate process in a way that helps reduce user interaction while adhering to the Federal Certification locate requirements.
CM 60 CPRO Screen Enhancements and Corrections	<ul style="list-style-type: none"> Increase the accuracy and efficiency of numerous case management processes in MiCSES
CMT_031 SORD Popup for a case that is in NONCO status	<ul style="list-style-type: none"> Create pop-up a warning message to the FOC worker when a SORD record is added to a case in "noncooperation" (meaning a cooperation notice has not been generated for the case).
FN 72 DRA Assignment and Distribution	<ul style="list-style-type: none"> Final modifications of MiCSES for compliance with the Deficit Reduction Act (DRA). DRA requires states to eliminate the assignment of Pre-Assistance Arrearages when a case goes on assistance.
CM 65 Web Based Application	<ul style="list-style-type: none"> Create a IV-D support services application (1201 form equivalent) that can be completed by requesters using the web. Data will be transmitted to MiCSES and used to create new members/cases and update existing information.
LGT_024 Data Privacy	<ul style="list-style-type: none"> Address concerns regarding Identity Theft when using a snapshot of production data for training
LGT_026 QUICK	<ul style="list-style-type: none"> Interface with QUICK (created by OCSE) via Web Services, to facilitate interstate communication and data sharing.
CM 66 Add Tertiary FV Status	<ul style="list-style-type: none"> Use T (tertiary) as the third generation FV relationship code to assist with propagation rules. Other aspects/issues with the propagation of family violence will be reviewed and discussed.
TE 06 Disconnect FRM 92100	<ul style="list-style-type: none"> Resolve all MiCSES application FRM 92100 disconnect errors

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- MiCSES Software Releases version 5.2 was implemented in December, 2008.
- MiCSES Software Release version 5.3 was completed in February 2009. The primary content of this release was an upgrade of the MiCSES application servers from Oracle 9i to Oracle 10g.
- MiCSES Software Release version 5.4 is currently in planning, for a potential release in June 2009.
- The federally mandated changes to financial distribution must be implemented by October 1, 2009. (Tentatively, Release 5.5). This specific unit of work must be assumed by the Contractor, from its state as of the contract award, and must be successfully implemented prior to this date.

1.104.1.3 Service Level Requirements

In addition to the performance metrics identified with each the specific work to be performed and deliverables associated with the Tasks identified in Section 1.104.2, the Contractor must meet the service levels outlined and described in this section.

The Contractor's project director and leadership team will attend weekly project leadership meetings which are also attended by, Project Control Office (PCO) representatives, PCO Technical Control Group (TCG) representatives, the State MDIT-MiCSES management team, and the DHS – Office of Child Support management team. At these meetings the Contractor, as well as MDIT, PCO and DHS staff, will report on the status of all projects in process. In addition, the Contractor will attend and provide information at the Program Leadership Group (PLG) meetings, as requested.

Based on information reported by the Contractor to the PCO which is entered into the Project's automated project and time tracking system prior to the weekly status meeting, project scorecards will be developed based on the criteria shown in the table below.

Status reports for projects in Yellow status must include specifics as to the conditions and events which are the cause, and what actions will be taken or are underway to bring the status back to Green. It will be the Contractor's responsibility to identify for, and request assistance from, the leadership team to address any external dependencies which are at cause.



Status reports for projects in Red status must include specifics as to the conditions and events which are the cause and must include a written corrective action plan to address bringing the project back to Green status, within a timeframe necessary to meet the next major and/or the project's scheduled completion date.

At the State's discretion and approval, the project's Change Control Process may be invoked as part of the corrective actions for Yellow or Red status projects.

For units of work and releases that are flagged yellow and in danger of moving to red, the Contractor will assign specific corrective actions to one team manager. From that point forward, the designated manager is accountable for getting the item to green. The Contractor must determine what has caused the issue, and identify any actions required by the Contractor, MDIT, OCS, or the PCO. The assigned manager will coordinate activity as the Contractor and State teams work together to resolve the issue, reporting on the status until it is green.

Red units of work and releases require immediate attention because they put the overall MiCSES project at risk. The Contractor must maintain MiCSES services without interruption, and place extra attention on issues flagged as red. The Contractor's manager responsible for the issue writes up a corrective action plan that includes the cause, next steps, and a specific timeline for resolution that includes interim dates for corrective actions. When reporting on red issues, the Contractor will also report on the status of the activity in the written corrective action plan.



	Green	Yellow	Red
Milestones Missed	The major milestones for String, System Test, and UAT are on schedule		The major milestone was missed for String Test, System Test, or UAT.
	All Unit of Work milestones for Functional Design are on schedule	A Unit of Work milestone was missed for Functional Design	A Unit of Work milestone was missed by over 1 week for Functional Design
Milestones Scheduled to Miss	The major milestone for String is on schedule	The schedule indicates that the major milestone for String Test will be missed	Within 2 weeks of the major milestone for String Test, the schedule indicates that the major milestone for String Test will be missed
	Over 70% of the Unit of Work milestones for String test are on schedule	The schedule indicates that 30% or more of the Unit of Work milestones for String Test will be missed	Within 2 weeks of the major milestone for String Test, the schedule indicates that 30% of the Unit of Work milestones for String Test will be missed
Testing Progress	The percent completion of planned test execution minus percent completion of actual Test Execution < 20%	The percent completion of planned test execution minus percent completion of actual Test Execution >= 20%	After surpassing 75% of the planned test duration, the percent completion of planned test execution minus percent completion of actual Test Execution >= 20%
Earned Value Schedule Variance (SPI)	.9 <= SPI <= 1.2	.8 <= SPI < .9 or 1.2 < SPI	SPI < .8
Escalated Issues		Escalated issues, designated as critical or high priority, remain unresolved for more than one week after the target date, resulting in a high level of risk to the project	Escalated issues, designated as critical or high priority, remain unresolved for more than two weeks after the target date, resulting in a high level of risk to the project

In addition, the Contractor will establish a detailed performance measurement matrix that defines and assigns key metrics and their owners. This data will be collected from multiple sources, including the PCO-managed work plan, Remedy, and nightly batch reports. As a CMMI Level 4 organization, the Contractor must be able to generate predictive metrics from data that serve as indicators for future performance, not just current status. Recognizing the value of predictive metrics, the State adopted Schedule Performance Index (SPI) as an SLA.

The Contractor will leverage these additional metrics in the development of an enhanced monthly view of cost, schedule, quality, and requirements traceability performance. The enhanced monthly status report will provide the PCO with the information needed to gauge the Contractor’s progress in cost, schedule, and quality performance. In addition, it will help the State drive strategic goals and objectives that would facilitate future project success.

1.104.2 Services (Work) To Be Provided and Deliverables

1.104.2.1 Task 1 - Project Initiation and Contract Transition

Since the required transition is to a new Contract and not to a new contractor, the scope and responsibilities under Task 1 to be completed by the Contractor and outlined herein, are abbreviated and modified from those outlined in the Request for Proposal. As such, the transition will focus on sustaining project momentum, defining work in progress, implementing changes required under this Contract award, with knowledge transfer required only for any new staff turnover.



The number of Contractor staff to be involved in the transition will be determined during transition planning.

In the earliest stage of Project Initiation, the Contractor's project manager shall meet with the MDIT MiCSES project manager to:

- o Become familiar with, and develop a plan to implement changes required in the transition to this Contract,
- o Affirm the State's expectations regarding the level of cooperation and interaction between the PCO and the Contractor,
- o Review the preliminary project plan submitted by the Contractor, make any necessary adjustments to timeframes and tasks, and
- o Set exact dates for meetings for the duration of the project initiation task.

Within ten (10) calendar days of the Contract execution date, the Contractor shall submit the detail transition work plan to the State.

Within 15 calendar days of the Contract execution date, the Contractor shall conduct a Project Kickoff Meeting at the project office in Lansing. All of the Contractor's key personnel shall attend. Using the State's PMM, Contractor shall present an overview of the project plan including the project schedule, plans for submitting deliverables, plans for MDIT and DHS review and approval of deliverables, plans for all transition activities, and other areas of coordination between Contractor and the State. Key MDIT, DHS, and incumbent Contractor staff will attend. The project kick-off will include the Contractor's approach to implementing any knowledge transfer that needs to occur for any staffing changes related to the new contract.

The Contractor will conduct formal status meetings with the State regarding all transition activities. The Contractor shall generate a Status Report as the basis for the status meeting. In the Status Report, the Contractor shall address:

- o Project schedule (current status of all tasks)
- o Deliverables (submitted, due, overdue, approval status)
- o Staffing (planned labor hours and actual labor hours)
- o Project risks (including mitigation status)
- o Quality assurance (tasks and status)
- o Oversight of subcontracts
- o Issues (log of identified issues with status of each)
- o Action items (log of items with status of each)
- o Other topics requested by the State

The Contractor shall generate minutes for all status meetings and distribute the minutes via e-mail within two business days of the meeting for the State's review and approval.

During the transition period, and continuing as needed, Contractor key personnel, supervisors, team leaders and appropriate technical staff will meet with DHS-OCS business experts (functional owners) and MDIT project staff to review all "work in progress" that will be continued by the Contractor. The work in progress to be reviewed will include: in process or completed requirements for specific units of work; in process or completed functional designs for specific units of work; in process system designs for specific units of work.

The Contractor must complete the following performance readiness review subtasks in order to demonstrate readiness to begin the remaining tasks required for complete support and control of the MiCSES:

- o Demonstrate an understanding of the State's PMM and SUITE processes and templates, by training all of the staff being assigned to the MiCSES project, with the State's designated SUITE liaison in attendance
- o Complete the mapping of MiCSES methodologies to SUITE
- o Update previously submitted deliverables for new Contract – Some deliverables previously submitted and approved will require an update to reflect changes in the new contract (i.e., references to previous enhancement schedules)



- Develop a detailed work plan for the activities that will be undertaken and completed during the first three months after Contract startup, including all assumed work in progress, and specifically addressing all items that will be included in the first release of the system after the new Contract is signed

The following transition activities and tasks proposed by the Contractor will be reviewed and discussed with MDIT-MiCSES and DHS -OCS during the transition period for potential implementation:

- Re-invigorate Continuous Improvement Initiatives – Leverage the transition period as an opportunity to put even more focus on continuous improvement; including a plan to increase batch automation, re-invigorate training on recently released functionality, and renew focus on federal incentive dollars.
- Arrange meetings between the Contractor's Quality and Process Improvement (QPI) and the MiCSES team, MDIT, OCS, and the PCO to identify new ways to increase quality and productivity.
- Plan MiCSES Virtual Town Halls – Develop and facilitate in-person and/or teleconference meetings with MiCSES users to discuss system successes, issues and enhancements, looking ahead to future innovation.
- Schedule Innovation Workshop – To encourage the development of fresh ideas and new ways to leverage technology, the Contractor will organize and conduct an "Innovation Workshop" shortly after the transition period. The Contractor will bring public service and technology professionals to Lansing for brainstorming sessions with the MiCSES team, OCS, and MDIT. The workshop will explore and document opportunities to improve MiCSES and the administration of child support in Michigan.

All Contractor staff with scheduled tasks in progress will be working on site at the State's designated location.

The following deliverables will be provided by the Contractor as directed by the State:

1. Kickoff Meeting
2. Within ten (10) calendar days of Contract initiation, the Contractor shall submit the detailed transition plan to the State.
3. Approved Final Transition Work Plan
4. Approved Formats for Status Reports
 - Weekly Status Reports - The Contractor shall generate a Status Report as the basis for the status meeting. See Section 1.302, Reports, for further description of status reports.
3. Weekly Meetings - The Contractor shall generate minutes for all status meetings and distribute the minutes via e-mail within two business days of the meeting for the State's review and approval.
4. Approved Final Organization Chart
5. Approved Procedures for Project Management, Control and Documentation
6. Personnel Presence at the MiCSES location
7. Work Plan for the first quarter following transition

Acceptance Criteria

Acceptance criteria for Deliverables are listed in Section 1.501

Performance Metrics:

Successful completion and approval of all deliverables within designated or agreed upon timeframes.

1.104.2.2 Task 2 - Application Maintenance

MiCSES meets the federal certification requirements mandated by the Family Support Act (FSA) of 1988 and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 and the general business needs of Michigan's child support program.

The Contractor is required to maintain and support the certified system, including system changes and functional modifications that may be required to meet new or changing federal and State requirements, including the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171 (DRA of 2005). The State, however, shall be solely responsible for determining compliance with new or changing federal and State requirements. The Contractor is required to maintain adherence to MDIT's SEM, PMM and SUITE processes for all application maintenance and development.



As outlined in Section 1.103.2, MiCSES operates under three application environments. The Contractor must provide qualified and experienced personnel to maintain, support, update, and modify MiCSES applications in the three environments. At a minimum, the Contractor must provide staff experienced in all of the development and ancillary software tools identified in Appendix G.

The Contractor shall maintain applications in all data regions of the certified system (including but not limited to Development, Testing, Production, and Training) at the appropriate release and version status. The Contractor shall ensure that changes made to any of the MiCSES environments will maintain or improve, and do not degrade MiCSES operability and functionality.

Within the Application Maintenance task, for all application environments, the Contractor is required to complete all activities necessary to accomplish the following processes:

- Management of resources and tasks
- Update and/or create application documentation
- Business Analysis, including translation of DHS-OCS provided IV-D policy interpretation
- Requirements
- Functional Design
- System Design
- Development of Application Code (Construction)
- SEM Structured Walkthroughs and Stage Exits
- Technical Documentation
- Unit and String Testing
- Batch Processes
 - New batch process development and maintenance
 - Batch performance tuning
 - Batch process documentation
- Interface Processes
 - Interface design
 - Interface maintenance
- Federal Reports
- Ad Hoc User Reports
- Updates and maintenance of the Documentation and Data Repository

Planning activities must be performed for all functional areas so that multiple “tracks” of work proceed concurrently. The scheduling of work within each business area must be dynamic and reviewed frequently to accommodate new work items and revised priorities set by the State. Accordingly, the Contractor is responsible for the following planning and analysis activities:

- Contractor business analysts and subject matter advisors shall help assist the State to translate changes in child support enforcement policy and procedures into recommendations for application changes. The Contractor shall help assist the State to translate policy interpretation of new child support legislation and/or requirements provided by the DHS-OCS into system requirements and develop MiCSES impact analyses. The Contractor shall develop feasibility studies and cost benefit analyses for new initiatives. The Contractor shall also work with MDIT/DHS to avoid any adverse impact on the existing federal certification compliance by future enhancements to be done to MiCSES.
- The Contractor will obtain input State staff and identified system partners to perform complete business analysis, system analysis and detailed design for each unit of work. It is the responsibility of the Contractor, prior to the participation in Joint Application Design sessions, to validate current code functionality as related to any proposed changes, fixes, or enhancements, and to subsequently inform JAD participants of current functionality and system states to reduce the possibilities of unforeseen consequences of code changes.



- The Contractor will participate in OCS Work Improvement Teams (WITs) and other User Sessions as requested. The Contractor shall participate in and assist with work sessions with appropriate user groups to ensure that the application and solutions being provided address all user requirements and are clearly understood.
- The Contractor will participate in meetings with the State to prioritize and schedule work; to coordinate and prioritize proposed changes; to create, review and approve hourly estimates for changes; and to schedule approved work.

During the design phase, for each system modification the Contractor shall produce the following items, at a minimum or as otherwise defined in the State's required SEM:

- A pictorial representation of all screen forms and reports and a description of other processing
- A detailed database description in the form of a logical database design and a machine-readable data dictionary, which should include an entity relationship (ER) diagram generated by using ERWin or a tool that generates an ERWin readable document
- A description and diagram of control and data flow
- A plan and diagram for all batch processing, defining processing to be performed and allocating time budgets
- Approach to ensuring data integrity during data import from interfacing systems, and during data entry and modification by users
- A security management approach that ensures data security
- A traceability matrix for all requirements
- All updates will be maintained in the appropriate repository, using the prescribed format, templates and change control procedures.

When performing new development tasks, the Contractor shall include requirements definition/revision, design, code development, testing, regression testing, integration testing, user acceptance testing, user documentation updates, training material updates, retraining, quality assurance, and configuration management. If any previously generated deliverable is affected by new development, the Contractor shall update the affected deliverable as part of the new development task. With the prior approval of the MDIT MiCSES project manager, updates to deliverables may be accumulated across multiple related new development tasks.

For minor/maintenance release content, the Contractor's Application Development Managers shall work with the MDIT MiCSES project manager to set release dates for break/fix and approved changes. Release dates are set by formal schedule. However, at times a system correction must be made prior to the date of a scheduled release. When this becomes necessary, Contractor management staff shall work with the appropriate parties (MDIT, DHS) to assess the necessity, coordinate efforts with technical teams and the PCO to determine a proposed release date, and obtain MDIT MiCSES project manager approval to schedule an emergency release.

The State anticipates a schedule of 3 or 4 major releases per calendar year and an unspecified number of minor/maintenance and emergency releases. Emergency, corrective maintenance and other units of work planned for software releases will draw upon the 100,000 annual hours estimated for baseline application maintenance and support until all baseline capacity is exhausted. For Units of Work (generally significant enhancements) that result in estimates over and above the total hours allocated for baseline application maintenance, the State may elect to draw on the 100,000 hours per year allocated to Statements of Work. These SOWs may be fixed price for discreet units of work, or staff augmentation to support large units of work in a major release.

All application development work originates and is tracked via Help Desk tickets using the Remedy software application. The MiCSES Help Desk functions as Tier One resolution. Most help desk calls will result in an immediate resolution, either directly by the Tier One help desk staff, or through a consultation with the appropriate application functional expert. This real-time or follow-up consultation (Tier 2) may be with the Contractor's business analyst, programmer analyst or DHS-OCS policy analyst.



For calls which can not be resolved at Tier One/Tier Two, Help Desk staff assigns the ticket one of the following defined priorities:

Urgent or High priority tickets require immediate attention. The Contractor shall analyze and provide an initial assessment for all urgent tickets within 2 hours and high priority tickets within 4 hours of the situation becoming tagged with these priorities. The Contractor must first notify MDIT and DHS-OCS, soon as it is known that an Urgent or High priority problem exists. Notification is not to be delayed, pending analysis. The assessment is to be communicated to the MiCSES Project Director and a course of action determined. Depending on the nature and severity of the issue, DHS-OCS will be notified and an appropriate communication sent to all MiCSES users.

Following the initial assessment of urgent and high priority tickets, the MiCSES Project Director will determine if additional research is to be accelerated, and resources brought in to attain a quick resolution. If an emergency release is required to correct the issue, the ticket will be escalated to the Release Planning Group (RPG) for planning and scheduling the release.

High (non-emergency), medium and low priority tickets are assigned to the Ticket Assessment Group (TAG). The TAG is a cross functional team of MiCSES user representatives, DHS-OCS policy and functional experts from the application development teams. The TAG is facilitated by the MiCSES PCO. At regularly scheduled meetings, the TAG assesses all new tickets, assigns a priority, and makes recommendations to the RPG. Prior to the TAG meetings, functional experts from the application development team will review and research tickets within their respective areas to assist TAG in prioritizing and recommending tickets for release planning.

The MDIT definition of priority (urgent, high, medium, and low) for entry in Remedy Help Desk tickets is:

- Urgent: issue/problem has potential to cause loss of life or risk of injury.
- High: issue/problem directly impacts the public or a large number of users are down.
- Medium: all other issues/problems.
- Low: all service requests.

High priority problems include those that render a site unable to function, key functions of the system inoperable, significantly slow processing of data, severely impact multiple counties, lead to federal penalties, stopped, late or misdirected payments, late or misdirected forms, or severely corrupt data.

Medium and low priority problems include those programming errors that slow the processing of data by a small degree, render minor and non-critical functions of the system inoperable or unstable, or require users or administrators to employ workarounds to fully use the application. Medium and low priority problems are referred to the Work Approval Process (WAP) immediately upon completion of the analysis conducted by the Contractor.

The Contractor shall follow the State's system engineering methodology for the correction of all application defects. By definition, a defect is a deviance in the function of the application from its design. Accordingly, no requirements or design changes other than clarifications are involved in the warranty correction of application defects. In these situations, the Contractor must follow the State's system engineering methodology beginning with the construction stage. The Contractor must correct the source code so that it performs as designed. New or modified code which is placed into production which negatively impacts performance or causes errors in other pre-existing code will also be considered warranty defects.

Defects found in User Acceptance Testing (UAT), which are directly attributable to a documented but missed requirement, or a design flaw related to a documented and traceable requirement, and were not discovered in unit, string or system test, and cannot be corrected prior to the scheduled release date for the unit of work in which the defect was found, will be considered Warranty items, regardless of whether or not the defect is accepted by the State for deployment without correction.

The 90-day warranty period for software releases code begins when it is promoted to production. Warranty resolution is performed at no additional cost to the State and without impact to any plans, schedules,



milestones or delivery dates. The MiCSES PCO, as part of the TAG process, tracks potential warranty items and all hours logged against those tickets for resolution and implementation.

The Contractor must correct system fatal errors and abends and the software problems causing such problems. On-line fatal errors and abends must be diagnosed within 24 hours from the time that the problem occurs unless the MDIT MiCSES project manager has approved additional time for corrective action. Batch abends that are critical for processing must be fixed and the batch cycles must be completed before the time the system is scheduled to be available on-line.

Whenever an operational problem results in inaccuracy, data corruption, delay/interruption in online availability, or delays in benefits, notices, reports or other output, the Contractor must immediately notify the MDIT MiCSES project manager and the designated DHS-OCS system liaison via telephone and follow-up e-mail. This notification must also include distributing information to the help desk, the State and Contractor subject matter experts, and subsequent updates to State staff via a daily production status report. The notification must include a description of the problem, the expected impact on operational functions, a corrective action plan, and expected time of problem resolution. Upon correction of the problem the Contractor must notify the above-mentioned staff that the problem is resolved.

In addition to Baseline maintenance and support of the certified system, there will be any number of application modifications needed to address new requirements, improve system usability for workers, and improve overall technical performance, which may exceed the total annual hours allocated for baseline application maintenance. During the term of the Contract, the State will issue Statements of Work (SOW) which may be either fixed price for a specific unit of work, or time and materials for a set period of staff augmentation.

Possible SOW's currently contemplated include: modification of child support distribution as required by the Deficit Reduction Act; management, county and worker level reports for caseload management; development and implementation of interactive self-service web applications for child support customers, and upgrades to the MiCSES Oracle and operating system environments. The Contractor may also supply unsolicited proposals for SOWs especially as related to the PLG priority list.

For further information on Statements of Work, especially as related to cost estimates, refer to Section 1.104.2.7 – Reserve Bank of Hours.

The State's data warehouse (DW) is a significant component of MiCSES and includes both transactional processes and data stores. The MiCSES DW current or planned capabilities include processing related to: retention of case information, absent parent locate matching and locate results, enforcement compliance matching and results, activity logging, certain case actions, caseworker actions, selectable and ad hoc reports, and child support order maintenance results. The DW also provides or plans to provide standard data warehouse capabilities for data retention, data mining, trends analysis, forecasting, simulations (or "what if" analysis), and automated reporting functions.

The Contractor will support and supply regular data updates from MiCSES and MiCSES interfaces to the DW in the format and the schedule approved by MDIT. As changes are made to the MiCSES, the Contractor will be responsible for determining impacts to the DW and making appropriate recommendations to the State (e.g., required changes to the DW data model, changes to DW load files), and implementing approved recommendations.

In addition to TeraData experience, application development in the DW environment requires the Contractor to have expertise in Business Objects. Data Warehouse development will be done in coordination with the MDIT-DHS and MDIT Enterprise staff, and within the MDIT strategic direction for an enterprise DW, following all of the same processes applicable to the Oracle environment.

The Contractor, in conjunction with its approved sub-Contractor for Data Warehouse services will enhance the management of the MiCSES Data Warehouse. Specifically, the Contractor's Data Warehouse team will supplement their knowledge of the existing Data Warehouse environment with an array of data analytics and



other front-end reporting tools with enhanced reporting capabilities, to bring additional value and benefit to the project and its stakeholders.

The Contractor will help MDIT and OCS enhance the Data Warehouse with the ability to mine the data to improve Michigan's Federal Incentive Metrics, as well as other useful statistical analysis measurements by leveraging the experience and tools available through the Contractor's approved sub-Contractor for Data Warehouse Services.

Specifically, these tools will give the State the ability to:

- More efficiently load data from the Oracle database to Teradata.
- Improve existing, and optimally design new data warehouse data structures to improve both performance and disc space.
- Increase accuracy of data that is loaded into the Data Warehouse from State and Federal agencies, reducing time by MiCSES users to find and use data.
- Migrate to the MDIT/CSS address standardization process.
- Provide an array of data profiling and mining functions, ranging from data exploration and transformation to analytic model development. Implement detailed trending, drill-down and other research functions against the MiCSES data set within Teradata.

The Contractor shall define and document all new system interfaces, including diagrams. Appendix G provides information related to all existing interfaces. Each interface shall be described in detail, specifying purpose, format, content, frequency, and processing for each interface transaction. The Contractor shall use existing external interfaces where they already provide the information needed by MiCSES. For any new required interfaces, concurrence on the interface description will be required from the agency that controls the interfacing system. The MDIT MiCSES project manager will coordinate data share approval from the agency in these instances. The Contractor shall coordinate with the MDIT MiCSES project manager when interface changes and approval is needed. The Contractor shall support all meetings on the interface, prepare meeting minutes, and track interface coordination status in the status meetings. The DHS-OCS is responsible for the final draft and approval of inter and intra agency data share agreements.

The Contractor shall maintain all technical processes and interfaces, and set the batch execution schedule. Task 6 of this Contract includes details on batch monitoring and interface processing responsibilities. This task (Task 3) is specific to the development and maintenance of batch and interface processes rather than the actual execution of those processes. Execution of batch processes is primarily the responsibility of the State and/or the PCO-TCG

All new development work, including changes or modifications to existing code must be evaluated and tested for impact on application performance, batch processes and the batch processing windows. The existing daily batch window is 6: 01 p.m. to 6:59 a.m., EST. The MiCSES production application and database environment (PRD) must be available to the users from 7:00 a.m. to 6:00 p.m., EST., Monday through Friday, and a minimum of one scheduled week-end per month, during which time data can be viewed, modified, and updated and reports, forms, and documents generated. The Data Warehouse (Business Objects) is to be available 24 hours per day, Monday through Sunday. The MiCSES read-only database environment (PRO), which is also accessed by the current Interactive Voice Response (IVR) systems, is to be available 24 hours, Monday through Sunday. Scheduled and unscheduled software releases, exceptional batch runs, or system maintenance may impact availability.

1.104.2.2.1 Task 2A — Application Architecture

Application Architecture is the responsibility of the Contractor and is a function of the Contractor's application development management team. These activities require a high level of coordination, cooperation, and integration with both MDIT and the PCO –TCG:

- Definition of the application architecture
- Determination of how technology can be applied to meet the business needs
- Determination of data requirements, structure, and distribution
- Determination of frameworks, objects and classes for re-use



- Guidance in the configuration of the packaged application solution
- Presentation of application solutions and any related risks and issues
- Insurance in the continuity in the use of application development and usability standards
- Ensure continuity in all major application solution decisions
- Ensure integration across all MiCSES application environments (MiCSES Oracle, CSES Legacy, Data Warehouse and related ancillary applications)
- Guidance to the functional leads on development solutions and application continuity

Throughout the term of the Contract, the Contractor is expected to understand and consult with the State regarding MiCSES application architecture, advising the State of any anticipated performance problems, integration issues, and recommending development strategies, changes, and upgrades to the architecture as appropriate. Contractor responsibilities shall include understanding the impact of coordinating multiple development and maintenance database regions and application versions simultaneously, identifying the need for region creations, refreshes, data loads, etc. as required to meet project deadlines, and ever-changing conditions or requirements. The Contractor staff shall manage the MiCSES applications to the extent required to support the development and maintenance efforts of MiCSES, determining when planned activities conflict or otherwise require contingency planning.

The architecture must be maintained in a manner that will allow the State to grow, protect, and edit child support enforcement data in a manner that is cost effective, efficient in the use of hardware/software resources, provides for ease of use, and ensures high performance and availability.

1.104.2.2.2 Task 2B - Web Application Support

MiCSES currently has an internal (intranet) web site for state, county and MiCSES project staff, and is in the process of developing client facing, customer self service applications for the internet. The web application development and support is currently provided by a combination of State and contract staff. It is the intent to fully staff web maintenance and development (Internet and Intranet) with State staff resources. However, in the event that OCS and MDIT are unable to provide all web services by State employees, the Contractor should include these services as a part of their proposal.

The following paragraphs describe the requirements for Web Maintenance and Development that will be required by the Contractor in the event that the State decides to require that the Contractor provide this support.

The Contractor is responsible for providing technical assistance in maintaining the MiCSES web components and continuing the development, implementation and maintenance of the MiCSES portals and portal applications. Currently, MiCSES provides information to the users through an intranet application that operates on a server on the State network. This is the Mi-Support intranet website and is used mainly as a communication tool for partners throughout the State. There is also a MiCSES public-facing portal that provides general child support information and customer specific information to clients, employers, and business partners. It also provides the main access point for public-facing online web applications.

The State MiCSES project recently augmented the web development team to support the web initiatives requested by the Office of Child Support.

The MDIT Web Specialist Position administers the website software and application security and also provides expert technical support and guidance for new application design and hosting. The Information Technology Analyst Position provides additional MDIT web staff with design, support, and development of interactive web applications, static web page changes, and graphic design. These team members will also provide the Contractor with technical guidance and support with expanding the Child Support online services. Server hosting of the State-MiCSES web applications and websites is currently done at the State Of Michigan data center and is a MDIT responsibility.

In the execution of all application maintenance activities, the Contractor will employ the methodologies, metrics, training, tools and processes required to maintain compliance with CMMI Level 4.

**Deliverables**

1. Requirements Analysis Documents
2. Application Documentation
3. Functional and Technical Design Documents, including website taxonomy diagrams.
4. System Procedure Documentation
5. Functional Area Documentation
6. Completed Application Code, through successful Unit and String Testing using various browsers (Internet Explorer testing for internal applications, various browsers for external public-facing applications)
7. Unit Test Results
8. String Test Results
9. Reports from the Data Warehouse
10. Updates to the Repository
11. Recommendations, as needed, to improve the effectiveness, efficiency and integration of the application architecture to improve performance or usability, address new requirements, or incorporate new technology
12. Website graphics
13. Marketing of new public-facing web initiatives
14. Monitoring and providing feedback of web site comment / suggestion mailboxes
15. Operational readiness plans for all software releases

Acceptance Criteria

Acceptance criteria for Deliverables are listed in Section 1.501.

Performance Metrics

1. On-time delivery of application releases per agreed upon schedule
2. The Contractor, in conjunction with the PCO, shall track and report on code returns from testing. If rework hours appear to jeopardize on-time release delivery, the Contractor project manager shall present a written mitigation plan to the MDIT MiCSES project manager, including the provision of additional resources at no additional cost to the State.
3. Notification to MDIT and DHS management of Urgent and High priority tickets within 1 hour of Contractor awareness of such issues.
4. Initial review and analysis report on Urgent and High Priority Help Desk tickets within 2 hours of Contractor notification.
5. The Contractor, in conjunction with the PCO, shall track and report on defects introduced in the production environment. Defects, as defined, shall be corrected under the Warranty provisions. The MDIT – MiCSES project currently has an average 98.6% success rate for software code promoted to production over 23 major/minor software releases as measured by the configurable items released to production have required re-work under contractual warranty provisions. The Contractor is required to meet an average success rate of 98%. Warranty provisions apply to all required rework.
6. To the degree that the MiCSES application is a component of the overall MiCSES architecture, the Contractor is responsible to ensure 99.5% application availability to MiCSES users Monday through Friday, 7:00 a.m. to 6:00 p.m., and at least one Saturday per month, 7:00 a.m. to 3:00 p.m.
7. To the degree that the MiCSES application is a component of the overall architecture, application architecture maintenance provides for the growth, protection, and operability of the MiCSES via the monitoring and provision to the state of appropriate performance statistics.

1.104.2.3 Task 3 - Integration Testing

The Contractor is required to complete all activities necessary to support the following testing and quality assurance processes:

- Test case development
- Integration testing
- System testing
- User acceptance testing
- System performance and load testing
- Regression testing



The State requires that all Contractor programmer/analysts be trained in unit testing and string testing techniques prior to arrival on site at the MiCSES project office in Lansing. Contractor management shall monitor the testing process to ensure that all programming modifications are appropriately unit tested and string tested before being migrated to system test.

During this task the Contractor must validate that the program(s) that have passed unit testing and string testing performed during baseline application maintenance and support (Task 3) will perform without error when integrated with the rest of MiCSES. The Contractor shall also validate that the new business functions introduced via the SOW process are performing as specified.

The Contractor will be responsible, as assigned, to perform testing for MiCSES-related applications and functionality which were modified or introduced by MDIT staff, one of the MiCSES Contractors, or one of the MiCSES interface partners. Examples would include: web applications created by MDIT State staff, which access MiCSES data; IVR script modifications which attach to MiCSES stored procedures.

The Contractor shall perform regression testing to assure that the new software causes no degradation or errors elsewhere in the system. The system testing function is to be performed by staff independently of the programmer/analyst staff that performed unit testing. Testing consists of:

- Integration testing
- System testing,
- System performance testing
- Regression testing
- User acceptance testing

The Contractor is required to use the Compuware testing tools and scripts already owned or developed by the State. A listing of such tools is described in Appendix G. However, this does not preclude the Contractor from recommending and implementing supplemental alternative testing strategies. It is the desire of the State to maximize the use of automated testing tools and reduce the percentage of level of effort for testing vs. application development, without reducing the very high quality of code implemented in production currently being attained (98.6% of CIs without re-work/warranty).

The Contractor's testing manager will coordinate all the activities related to software testing. Team leaders and testers report to the testing manager, who provides them with technical guidance and mentoring. This role requires experience in project management, software testing methodologies, and software development lifecycle methodologies. The testing manager provides assistance in devising testing strategies for each type of testing (integration testing, system testing, regression testing, load and performance testing). The testing manager is responsible for the testing schedule (as part of the overall project schedule) and report the level of application readiness to the PCO and the MDIT MiCSES project manager.

Contractor staff are responsible for executing and expanding upon the existing automated testing strategy. The regression testing process is currently completely automated. This level of automation is to be maintained and updated. With each release of the MiCSES application, the regression test bed is expanded to include areas in which production defects were found. The Federal Certification Test Deck is also fully automated to ensure that it can be reproduced in a timely manner. Load testing is performed by using QA/Load. Results of load testing will be used to identify areas of the application in which performance may need to be improved prior to deployment.

The Contractor shall coordinate with the PCO technical team to maintain the testing environments that the different testing teams use. Overnight batch processing requirements for the testing environments must be coordinated with the appropriate MDIT, Contractor, and PCO – TCG staff. The testing databases must be established to be of manageable size, requiring data reduction efforts on the testing databases, including the MiCSES, CSES legacy, Data warehouse and IVR.

The Contractor is responsible for timely and accurate completion of decision trees, Microsoft Excel spreadsheets, and other test case documents to provide complete and accurate documentation of all test



results or as otherwise specified by the State's SEM. Test cases are used during test execution to compare application functionality with expected results. The testers shall create a defect report based on the deviation from expected results (according to functional and system design documents). The Contractor testing staff shall report progress of the remediation of the defect logs that they created.

Before beginning the system test phase, the Contractor shall present a system test plan to be reviewed and approved by the MDIT MiCSES project manager and any designees, such as functional (business) owners of the unit of work, as appropriate. The functional owners of a unit of work are typically designated DHS-OCS staff. The test plan shall include details on the tests to be performed on each individual piece of new or changed logic. The plan must provide a detailed description of testing situations and expected test results, a copy of all test data and input forms, and an organizational chart depicting Contractor personnel responsible for testing. Individual test scenarios must be documented and stored in the documentation library.

After performing the system test, the Contractor shall present system test results to the State by conducting walkthroughs and demonstrations of new functionality, providing outputs (such as reports using actual test case data and results), simulating production case scenarios, and showing before and after images of databases. The system test results for each test scenario must be documented and stored in the documentation library.

The Contractor shall implement user acceptance testing for all major development efforts or as determined by the MDIT-MiCSES project manager. User acceptance testing is a required phase for the release of applications developed through the baseline application maintenance and support and the SOW process and all change requests unless waived by the MDIT MiCSES project manager.

User acceptance testing (UAT) is user testing and verification of the system prior to going "live." This process provides users with the opportunity to assure themselves that all requirements of each SOW or change request to MiCSES are met, and that the system can be moved to production.

After the Contractor confirms through system testing that all components of the system are working according to approved business and technical requirements, State staff will work with the Contractor to perform user acceptance testing according to the User Acceptance Test Plan.

The User Acceptance Test Plan is created by the Contractor, in conjunction with the child support program's assigned functional owner, based on the written definitions identified during the requirements phase for the system change. The User Acceptance Test Plan, scripts and scenarios will be provided for the State's final review and approval at least 10 business days prior to the start of the UAT period. Generally, the time period allocated to UAT is a minimum of 5 business days. However, the duration of UAT for each application release will be determined by the State, and will depend on the scope and complexity of the software changes being introduced.

The User Acceptance Test Plan will contain the following:

- UAT schedule, including timeframes for delivery of code and the State's acceptance process
- Identification of the MiCSES users who will be involved in the testing
- A training schedule (as necessary) for these identified users
- Definition of the UAT scripts, to include:
 - Online tests and validation criteria
 - Batch tests and validation criteria
 - A definition of the acceptance criteria

During the UAT phase, the Contractor shall plan, conduct, and report on acceptance testing to demonstrate that all requirements are met. The Contractor shall conduct acceptance testing in a test environment that duplicates the operational environment to the greatest extent possible. The Contractor shall confirm that acceptance tests have been planned for all requirements by tracing the requirements to the planned



acceptance tests. The State may identify additional tests during review of acceptance test planning to ensure that the acceptance tests are robust and complete. The Contractor shall develop test scripts for any tests added by the State. Acceptance testing is conducted by joint test teams consisting of Contractor personnel, child support program and State designated staff with background appropriate to the software module being tested.

The Contractor shall record all problems identified during UAT. The joint test team will troubleshoot all test result anomalies to determine the source of the problem, revising test plans and test scripts if necessary.

During the execution of the User Acceptance Test Plan, the Contractor and State staff will run various cycles using the test plans and test cases created by the Contractor for MiCSES. The Contractor and the State will engage in a series of user acceptance walkthroughs in order to validate that the system meets all requirements as defined and documented in the business and system design documents.

User Acceptance Testing subtasks to be conducted by the State will include:

- Assigning designated staff to the joint test team
- Providing oversight for the user acceptance test and reviewing the results with assistance from the Contractor
- Assisting the Contractor to document the test results
- Reviewing the final documentation of the results of each test and assisting the Contractor to document issues/bugs
- Supporting the Contractor in the resolution of discrepancies
- Re-testing previously resolved issues/bugs with Contractor assistance until there are no unresolved discrepancies
- Signing off that the functionality delivered meets the requirements as described in the change request and SOW documents

The Contractor shall not consider any acceptance test case complete until the State representatives of the joint test team concur and provide written sign-off. The Contractor shall refer any disagreements within the joint test team regarding test case completion or test case success to the MDIT MiCSES project manager and the designated DHS-OCS system liaison for resolution. The Contractor shall record all problems identified during acceptance testing in the problem reporting system. The Contractor shall troubleshoot all test result anomalies to determine the source of the problem, shall update test plan and test scripts if necessary, and shall modify and retest MiCSES if necessary.

Following any software change or test script change made during the acceptance testing period, the Contractor shall perform a regression analysis of tests already executed to determine which test results may have been affected by the change and need to be re-executed. The Contractor shall create a regression test plan detailing testing to be performed to ensure that the unchanged areas of the system continue to operate correctly. Regression test scenarios will be documented. The Contractor shall review the planned regression tests with the State staff and receive verbal approval for the retest plans before proceeding with the regression testing. In order to accomplish regression testing, the joint test team shall recreate test conditions, re-execute tests, and confirm that test results have not changed from the expected results. The Contractor shall present Regression Test Results in summary in the weekly status reports and in detail in a walkthrough format for the MDIT MiCSES project manager and members of the joint acceptance testing team.

The completion of UAT shall require a high level of involvement from the PCO, and the State DHS and MDIT management and staff to ensure that the schedule commitments of each systems change are met. The MDIT MiCSES project manager will not allow the Contractor to implement the change in the production environment until sign-off of the UAT results.

System performance testing requires that the Contractor validate that the programs that passed system testing will perform without error or degradation of response performance when implemented in production. It is critical that the Contractor provides a completely independent testing process. Contractor staff not involved



with unit and system test shall perform this final testing function. MDIT and DHS staff will work closely with the Contractor's systems performance testing unit to provide monitoring, direction and assistance.

The system performance test phase requires the following activities:

- Developing Systems Performance Test Plans. The Contractor is responsible for developing systems performance plans. Before application software packages are migrated to production, the Contractor plans and prioritizes the work to be completed and assigns the work to staff for testing. Policy and design documents and meeting minutes must be reviewed. The Contractor must seek any needed clarification of the application to be tested from the development team and State staff. Test plans detail the scenarios and expected results that will be used to test the change and documents the test data that will be used in testing. Test cases must be customized to replicate the described change or incident.
- Documentation and communication of testing issues. The Contractor must perform the actual test and compare the results to verify the validity of the application change. If the actual result is not achieved, the application change is returned to the MiCSES application team for rework. The Contractor shall provide a Rework Report with a detailed description of issues discovered during testing, the systems performance testing member, application developer, and test Case IDs. If the anticipated result is achieved the application is migrated into the production environment. The Contractor is responsible for coordinating the release for production software application with the PCO and MDIT. The Contractor shall provide the following reports: Management Summary, Migration Schedule, Testing Completed Report and Incidents in Rework.
- Correction of Problems Identified by Testers. Problems identified through test discrepancy reports must be documented in the test results tracking database. The Contractor must make the necessary corrections and test the fixes through unit test and the system test phase before migration of the corrected software back into the systems performance testing environment.

Deliverables:

1. System Test Plan
2. System Test Results
3. Test Team Meetings
4. User Acceptance Test Plan
5. User Acceptance Test Results
6. Systems Performance Test Plan
7. Systems Performance Test Results
8. Updated Job Documentation, if applicable
9. Status Reports
10. All SEM reports required at Testing Stage Exit

Acceptance Criteria

Acceptance criteria for Deliverables are listed in Section 1.501.

Performance Metrics

1. The Contractor, in conjunction with the State's PCO, will track and report on the progress of testing, for each release as related to: the number of test cases and scenarios to be executed, the number defects reported, the turn-around time for defects, and total test percent complete.
2. The Contractor, in conjunction with the State's PCO, will track and report on all application defects introduced in the production environment. Defects will be corrected under the Warranty provisions.
3. Defects found in User Acceptance Testing (UAT), which are directly attributable to a documented but missed requirement, or a design flaw related to a documented and traceable requirement, and were not discovered in unit, string or system test, and cannot be corrected prior to the scheduled release date



for the unit of work in which the defect was found, will be considered Warranty items, regardless of whether or not the defect accepted for deployment without correction by the State.

1.104.2.4 Task 4 – On-Line, Batch, and Interface Support

The Contractor shall coordinate with the PCO Technical team and with MDIT Infrastructure support teams in performing this task. MiCSES is a 24 x 7 operation and batch processing is a mission critical function. The Contractor shall provide appropriate technical expertise on-site during business hours and, at a minimum, on-call for all other hours to address issues which can not be resolved by the MDIT and/or PCO – TCG batch operators.

Automated child support systems are highly dependent upon interaction and interfaces with other systems, both within the State, and at the federal level. Critical interfaces and application integration processes that must be supported and maintained by the Contractor include but are not limited to:

- Integration between the MiCSES Oracle production environment, the State's TeraData Data Warehouse and the remaining remnants of the CSES CorVision legacy application
- Interfaces with the State's Unemployment Agency, Department of State, Department of Treasury, State Police, Worker's Compensation, Department of Natural Resources, Department of Corrections and the Department of Community Health
- Interfaces to other Department of Human Services systems for Medicaid, TANF, Foster Care, and Child Day Care programs.
- Integration with ancillary applications, including Integrated Voice Response, Postal Address Cleansing and Verification, Central Printing and Mailing Services
- Interface with the Michigan State Disbursement Unit (MiSDU)
- Financial Institution Data Match (FIDM)
- Interface with the State's New Hires processing Contractor
- Interface with Federal agencies and data sources, including Social Security Administration, DHHS-Office of Child Support Enforcement; Federal Case Registry, National Directory of New Hires, Federal Parent Locator Service, Child Support Enforcement Network
- Interface with the public-facing interactive website and user-facing intranet website Mi-Support.

Appendix G to this CONTRACT provides a listing of all batch processing jobs, their names, description of the process, frequency and scheduling constraints. This Appendix lists jobs by function such as Case Management, Interfaces, Enforcement, Establishments, Forms and Financials.

The Contractor shall set the schedule for all batch and interface processes and provide detail instructions (including a "Batch Run Book") for batch execution. Execution of the batch schedule is the responsibility of the MDIT and/or PCO – TCG. The general Batch Schedule will be set for up to a year in advance, with specific identification of those processes which must be run weekly, quarterly, annually and/or on dates certain, to be confirmed by MDIT, DHS-OCS and Michigan State Disbursement Unit (MiSDU). The batch schedule will be verified daily to ensure all jobs are properly included and sequenced.

The Contractor is responsible for monitoring batch performance for anomalies as well as providing input to the PCO- TCG regarding tuning and performance improvements. The Contractor staff shall assist the PCO – TCG with performance improvement efforts and will be responsible for developing new releases that will enhance the batch window.

Contractor application staff shall provide application proficiency and have advanced knowledge of the batch programs and system interfaces (file transfers to the State's Central Print Contractor (Lason Systems, Inc), Law Enforcement Information Network (LEIN) interface, inbound file processing, MiSDU). Team members shall apply their proficiency to resolve batch failures when notified by the designated Batch Execution staff of errors which are beyond their responsibility and ability to investigate. The MDIT – Data Center Operations and PCO technical teams are available for batch problem resolution related to network, hardware, operating system, and database issues.

The Contractor shall maintain and revise as necessary Batch and Interface Job Documentation. For this deliverable, the Contractor must maintain system and subsystem job streams identifying programs, inputs and



outputs, controls, job streams, job control language, operating procedures, error correction procedures, error and recovery procedures, estimated run times, file size, storage requirements and average control counts, list of input, output, and intermediate files with job, procedure, and program origination and destination, file specifications, record layouts and descriptions, listings and description of each control report. This documentation may be included in System designs, Operational Readiness Plans, and/or Batch Operations Documentation, as appropriate.

If the batch processing schedule is affected by new or changed requirements and designs, the Contractor must submit an updated schedule of jobs. This information shall also be provided to the PCO – TCG during design and thereafter as changes occur for purpose of planning and readiness of the system to implement the changes.

During ongoing operations for the term of the Contract, the Contractor shall develop a monitoring plan for all batch processing, defining processing to be performed, and allocating time budgets. This plan shall ensure that MiCSES will provide the:

- Capacity to complete all batch operations without impacting normal operations
- Ability to complete all batch operations without impact to normal operations.

The Contractor is responsible for the establishment and timely processing of child support referral and payment data between MiCSES and the various DHS systems, federal child support enforcement network (CSENet), the Data Warehouse, the Interactive Voice Response System (IVR) and Michigan State Disbursement Unit (MiSDU). Appendix G provides all description of the MiCSES Interfaces.

Current batch and interface processing requires active monitoring by operations staff. Fewer than ten (10) batch processes currently require operator intervention. The State desires to continuously improve the stability, reliability, and predictability of batch and interface processing to the greatest extent possible. One measure of such stability is the completion of batch processing in an unattended mode. The Contractor's is to implement additional improvements in batch stability, with a goal of 100% of jobs to run in a fully automated, unattended mode. This includes completing a migration of all UNIX scripts, SQL scripts and customized reports in to MiCSES Application Configuration Items and completing the automation of all interfaces.

Any and all batch processing errors and abends are to be reported to MDIT and DHS-OCS management staff on the date of occurrence along with a corrective action plan. Daily operational status calls are to be facilitated by the Contractor, and will be attended by MDIT and DHS-OCS staff. Uncorrected batch processing errors, introduced by the Contractor may invoke contractual warranty or standard of performance clauses.

Deliverable(s)

1. Management reports
2. Monitoring plans
3. Production reports
4. Daily System Operational Status Report (Conference Call)
5. Weekly meetings, as needed.
6. Technical interchange meetings
7. Updated job stream documentation, as necessary, if batch and interface processes are impacted by application releases
8. Master Batch Schedule report, which includes the last batch run time
9. Plan for attaining fully automated, and unattended batch processing

Acceptance Criteria

Acceptance criteria for Deliverables are listed in Section 1.501.



Performance Metrics

1. On-time completion of batch and interface processing per the agreed upon schedule.
2. On-line availability of the MiCSES production system (PRD) for use by end-users for 99.5% of the monthly hours from 7:00 a.m. until 6:00 p.m. Monday through Friday and from 7:00 a.m. until 3:00 p.m. on a minimum of one Saturday per month. The Contractor’s responsibility does not extend to down time caused by hardware failure, network outages or planned outages.
3. Availability of the read-only system (PRO) for use by end users, refreshed with the most current production data, for 99.5% of the time during which the production system is unavailable. The Contractor’s responsibility does not extend to down time caused by hardware failure, network outages or scheduled down time.

1.104.2.5 Task 5 – User Support

The Contractor shall coordinate with the State in the provision of all user support services. MDIT-MiCSES is seeking approval to staff a significant portion of the user support functions with State employees. The approval process has been initiated, but approval is not certain. However, even if approval is attained during this procurement, the process of interviewing, hiring and training new State staff may not be completed prior to Contract award and inception. Therefore, Contractors are required to describe how they will address all of the tasks included in this section.

The Contractor will be notified during the procurement process, but not later than 60 days before the end of Task 1, if the State will assume responsibility for Application Help Desk Tier One, MiCSES Desktop Integration Support, User Training, and/or Technical Communications. If the State determines that the Contractor shall provide these services, a 60-day notice will be provided to the Contractor of any change in the required level of services for this task.

User Support functions includes all of the following:

- Limited Desktop Integration Support: MiCSES integration issues with desktop applications
- End User Training: new user, remedial, and refresh application training
- Technical Communications: Systems documentation; customer notifications

Following are the current and, if applicable, where State staffs are being **proposed** for a potential transition from contract staff. Where management of the function is noted as “State,” these contract staff at the worker level positions are effectively staff augmentation and the contract staff in these positions will receive the majority of their assignments and direction from a State manager.

- Desktop Integration Support
 - Management - State (1 FTE)
 - Technician – Contractor (1 FTE)
- User Training
 - Management – State (1 FTE)
 - Training Development and Delivery – State (5 FTE) and Contractor (5 Training FTE and 1 Technical Writer/Editor) / **State staff being proposed**
- Technical Communications
 - Management - – Contractor (1 FTE) / **State staff being proposed**
 - Support Staff - Contractor (2 FTE) / **State staff being proposed**

1.104.2.5.1 Task 5A – Help Desk (Deleted)

1.104.2.5.2 Task 5B - Desktop Integration Support

The MiCSES application runs in varied desktop environments. While the State is the provider of the desktop hardware and the wide area network connections, the user level desktop environment may be totally managed by the State or it may be managed by the county’s IT provider. This can present challenges when trouble



tickets are reported to the MiCSES help desk and it cannot immediately be determined if the issue is application, desktop hardware or network related.

This position functions as technical liaison to the appropriate groups within MDIT, MiCSES, third party contractors and county IT providers which have direct responsibility for desktop hardware, software applications and network connectivity, to trouble shoot reported problems, identify and recommend possible solutions.

Desktop integration support services are currently provided by a single Contractor FTE which reports to a State manager for specific assignments. This position requires travel to local sites in order to assess local office configurations, to witness reported problems and to maintain working relationships with county IT providers.

1.104.2.5.3 Task 5C - User Training

User training is to be delivered through a work unit consisting of 6 current State staff [Office of Child Support (OCS)] and 6 Contractors. The unit is managed by an OCS Training manager with assistance of a contract staff team lead, which are included in these staff counts.

The work unit develops e-learning, including simulations and web-based training (WBT); and instructor led training (ILT) for regular and internet classroom sessions. The training unit delivers training to: OCS staff, Friends of the Court, and Prosecuting Attorney staff, MiCSES project staff, State Court Administrative Office staff, Centralized Operations, Central Enforcement, Central Functions, Contract Management Unit, Budget and Procurement, OCS Policy and Program Development, as well as select DHS staff.

The State requires a technologically advanced training delivery approach that blends classroom training with self study materials, e-learning modules, lab sessions, Q & A conference calls, and other modalities. The Contractor staff shall participate in all areas of development, delivery (all delivery methods), and documentation for IV-D policy and program training, systems training, and to a limited extent, non-system related training. The training staff shall update and maintain classroom training modules and E-learning modules, which may include on-line courses, web-based training (WBT), webinars, etc.

The Training Services Team has developed WBT on a variety of topics from basic overviews to more complicated focused training topics. Current WBT have been developed to be stand-alone training, or to enhance ILT classroom training sessions. WBT may include video, audio, simulations, demonstrations, and other on-line interactive learning methods. WBT offerings are made available to users on the mi-support website. The goal of all the instructional material, technical documentation, and published policy is to provide accurate, consistent, and timely information to the child support community

Training staff develop and deliver classroom training and “hands-on” lab sessions in State operated training centers located throughout the State. These classrooms are equipped with computers and are connected to the State network.

The Contractor shall provide leading edge expertise to best utilize existing tools and software to enhance participant learning and retention. The Contractor shall also provide expertise in administering a Learning Management System (LMS). The State currently has a custom designed system for participant training registration-only. The State anticipates a possible implementation of a state of the art LMS during the course of this contract. The State will require that the Contractor assist with the state-wide roll-out of the LMS, should this occur.

Appendix G provides a list of available tools for the maintenance and development of training materials.

In addition to the responsibilities previously listed, the training staff provides business process impact analysis, problem solving, and software release support, and represent the MiCSES project to the user community, as well as:



- Input and feedback for user impact, usability, and flow of a functional design during joint application design (JAD) sessions.
- Maintaining working relationships and rapport with the Friend of the Court, Support Specialist, Prosecuting Attorney, Central Units, and MiCSES teams to ensure information and process consistencies
- Facilitating the MiCSES Business Expert Review Group (BERG) conference call on a monthly basis.
- Troubleshooting escalated calls from users.
- Developing technical documentation on complex topics, including manuals, customer information guides, and related documentation
- Facilitating learning and other IV-D related sessions for groups (for example Interstate User Group), including teleconference sessions with other States and related sessions
- Creating and maintaining technical expertise for e-learning and training web-page design
- Managing TOAD system queries, training region management – including password maintenance, and other technical system-related tasks

Additional training staff objectives include:

- Develop more e-learning, new internet classroom, and AT & T webinar training sessions
- Provide timely application release training with various e-learning and ILT
- Develop intermediate and advanced classes for key topics, including PA training, FOC enforcement and financials, foster care, review and modification, child support formula (guideline), and certification and decertification.
- Enhance and maintain existing training materials and delivery methods.
- Institute a state-of-the-art Learning Management System

The training team also provides a designated Technical Writer/Editor to the Office of Child Support's Program Development Division. This position performs substantive editing, writing and document management, ensuring that documents meet professional requirements for organization, grammar, style, format, and presentation.

The Contractor team lead shall work with the State training manager to develop an annual user training plan, manage staff resources, schedule training rooms, manage training registration, post training notifications for users, manage training requests through Remedy, manage evaluations, and other duties assigned by the state training manager.

1.104.2.5.4 Task 5D – Technical Communications

MiCSES Technical Communication tasks are currently performed by a contract team lead and two support staff. The successful implementation of these responsibilities includes a high degree of coordination with the State's Training Manager, MDIT-MiCSES web development staff, and the DHS-OCS Information Coordinator. The Technical Communications Team (TCT) supports all Michigan Child Support Enforcement System (MiCSES) end-users and the Office of Child Support by providing technical expertise to deliver end-user system documentation and notifications; interactive web-based training tool development; and system and communication web support. MiCSES end-users include: Friend of the Court, Prosecuting Attorneys, Office of Child Support – (Support Specialists and other Centralized Units), State Court Administrative Office, MiCSES Project Teams and other stakeholders.

Web tools developed and supported on the Mi-Support website include:

- MiCSES System Documentation search page
- MiCSES Activity Chain page



- MiCSES Forms page
- MiCSES FAQ page
- MiCSES Alerts page
- MiCSES Tutorials
- Data Warehouse Helpfile
- Contact Hotline page
- Interactive web system tutorials
- Various Online Databases , Mi-Support static content and graphics

User Documentation developed and supported include:

- MiCSES System Documentation: Alerts, Codes, TIPS, Frequently Asked Questions, Quick Reference Guides, Workarounds, Report Descriptions, Screen Descriptions, System Procedures, Customer Information Guides, Production Updates, Release Notes, etc.
- Data Warehouse Documentation: Helpfile, Customer Information Guide, Lesson, Quick Reference Sheet, etc.
- CSES 1.5.1 Documentation: Customer Information Guide, Lessons, Quick Reference Sheet, etc.
- MiCSES Project Presentations

TCT works with the OCS Communications Manager to develop, review, and deliver all MiCSES related notifications and coordinate internal quality reviews to assure accuracy. All notices and communications to the MiCSES user community are written and reviewed following established processes and procedures which are available on the project's Sharepoint site.

TCT also works closely and shares resources with the Training Services Team. User Documentation and web based training are collaborations of the two teams. Development and maintenance resources are coordinated around identified tasks and resource availability.

TCT works with the State web resources and is responsible for the Mi-Support website. This Intranet site is the primary communications vehicle for delivery of customer notifications, end user documentation, program communications, and various critical customer information to the end users throughout the State. Mi-Support development is done following similar systems engineering methodology utilized by the MiCSES application. Tickets are opened for enhancements and corrections, reviewed by TCT technical staff, and referred to the Web Ticket Assessment Group (Web TAG) to determine the level of urgency and timeframe for the needed item. Prioritized tickets are added to the work plan for the web development and TCT areas, developed, promoted to a test area, and then released to the production intranet web site. Job responsibilities including code promotion between the various environments, support of the development environments, web application security, and defining associated processes are roles of the State of Michigan MDIT resource (Information Technology Specialist position). All website development must follow the State's e-Michigan website development standards. These are located on the public website at:

http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf

Deliverable(s)

1. Training Manuals, training plans and documentation
2. End User and MiCSES project staff training
3. End user documentation
4. System communications
5. mi-Support content management

Acceptance Criteria

Acceptance criteria for Deliverables are listed in Section 1.501.

1.104.2.6 Task 6 - Training of State Staff



The State retains the right to assume or reassign selected functions and job responsibilities outlined in this Contract to State classified positions.

Under this task, the Contractor shall complete all activities necessary to support and affect a knowledge transfer from contract staff to identified State staff:

- Management oversight
- On-the-job training via job shadowing and mentoring
- Skills transfer
- Classroom training

At the request of the State the Contractor shall support the operation of the MiCSES during the Contract term by training State staff in the development, testing, maintenance or related support functions. The Contractor shall provide assistance to MiCSES State system developers, testers and business analysts by providing “over the shoulder” assistance and training.

This informal training shall prepare State staff to provide technical and operational support for MiCSES. Dependent upon the responsibilities being migrated to or assumed by State staff, the training may include, but not limited to, instruction in:

- Orientation to all developed software
- Operating systems used
- Programming languages used
- All software tools used
- All MiCSES business rules
- Database design, operation, and standards
- System build procedures
- Testing procedures
- Security management operations and maintenance
- All aspects of printing and print domains, languages, and protocols
- MiCSES operating procedures
- Batch process execution
- Interface processing
- Application support procedures

Training will be provided by Contractor’s staff that are engaged and on-site under this contract, with responsibilities re-directed to this effort. Therefore, there will be costs incurred to the State for this task. Should additional training be required, at the State’s discretion, above and beyond that which can be provided by Contractor’s on site staff, the State may use the SOW process to secure additional training from the Contractor.

Deliverable(s)

1. Job Shadowing Activities
2. Formal Training Classes
3. Informal Training Sessions
4. Status Reports
5. Technical Interchange Meetings

Acceptance Criteria

Acceptance criteria for Deliverables are listed in Section 1.501.

Performance Metrics

State staff demonstrate the ability to independently perform the functions being transferred from Contract staff.

1.104.2.7 Reserve Bank of Hours

This Contract provides for a reserve bank of hours at fully-loaded labor rates to provide for future work to meet new requirements. Enhancements may be required to:



- a. Address new requirements
- b. Improve system usability for workers, and/or
- c. Improve overall technical performance.

During the term of the Contract, the State will issue Statements of Work (SOW) which may be either fixed price for a specific unit of work, or time and materials for a set period of staff augmentation. Contractor is required to respond to the SOW with ten (10) business days.

Contractor may also supply unsolicited fixed price proposals for SOWs, especially as related to the PLG priority list. Contractor-initiated SOWs will be considered accepted or rejected at the sole discretion of the State.

Contractor shall determine the cost for an SOW by multiplying Contractor’s total estimated number of hours for each position being proposed, by the hourly rates provided by the Contractor in Cost Table 9.

For fixed price SOWs, Contractor’s response shall include an estimate of the work required to complete the SOW utilizing the rates listed on Table 9 and a schedule for expected delivery and release date.

For Time & Materials (staff augmentation) SOWs, Contractor’s response shall include the required positions, time frames and the associated rates listed on Table 9.

Upon approval by the State, each SOW will become a component of the Contract, drawing upon the estimated 100,000 hours per year available for significant new development (enhancements).

Possible SOWs currently contemplated include: modification of child support distribution as required by the Deficit Reduction Act; management, county and worker level reports for caseload management; development and implementation of interactive self-service web applications for child support customers, and upgrades to the MiCSES Oracle and operating system environments.

Deliverable(s)

- 1. Approved Statement of Work
- 2. State-accepted enhancements to the system and any additional deliverables identified in the specific SOW
- 3. SOW deliverables will generally follow the requirements as outlined for their comparable Baseline maintenance tasks

Acceptance Criteria

Acceptance criteria for Deliverables are listed in Section 1.501.

Performance Metrics

- 1. Completion of the Statement of Work as per the outlined and approved requirements and deliverables.
- 2. Statements of Work may include SOW specific performance metrics

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

A. Contractor Staff

The Contractor commits that staff identified in its proposal will actually be available at the start of the contract period and be ready and able to perform the assigned work. Any key personnel staff substitution must have the prior approval of the State.

The Contractor will provide, and update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.



All Key Personnel may be subject to the State's interview and approval process. Resumes containing false or misleading statements, or which provide references that do not support an attribute or condition claimed by the Contractor, may be rejected.

1. Key Personnel

The Contractor has identified the following personnel for the positions identified as key personnel by the State for this project:

- Project Manager: **Jamie Walker**
- Oracle Application Development Manager: **Andrew Hagman**
- **Data Warehouse Maintenance/Development Manager: Monty Bieber – Position and Staff Deleted**
- Testing/Quality Assurance Manager: **Erin Frisch**
- Business Analyst Team Leader: **Cari Filbrandt**
- Oracle Technical Lead: **Jaydeep Das**
- CorVision Technical Lead: **Ed Clayton**

2. Non-Key Personnel Classifications

The Contractor has identified the following personnel for the positions identified as non-key personnel by the State for this project:

- Business Analyst – Senior: Ron Kollen; Junior – Anita Bilek
- Help Desk Analyst – Not Applicable. The fixed price task associated to these positions is not included in this contract.
- Training Specialist – Senior: Ed Nausieda; Junior: Thomas Fischer
- Testing Analyst – Senior: Shirley Southerland; Junior: Toni Williams
- Programmer Analyst – Senior: Brian Weeden; Junior: Michelle Drussel
- Batch Support Staff – Senior: Pallipet Arumugam; Junior: Todd Brandt

Senior level positions must have a minimum of three years experience directly related to the assigned job functions.

3. Additional Personnel - The Contractor has identified the following additional personnel for the positions not specifically identified by the State for this project:

- Training Program and Policy Editor – **Sharon Martin**
- Functional Delivery Managers - **Alex Inglis, Brent Barton, Cassandra Huguelet, Jason Rodgers**
- Expert Testing Analyst - **Jim Piecuch**
- Senior Technical Communications Specialist - **Kirsten Thompson**
- Expert Programmer Analyst - **Prasannakumar Swaminathan**
- Desktop Integration Support Specialist - **Charlie Hemminger**
- Data Warehouse Technical Lead - **Mohommod Kahn**

The Contractor will identify a Contract Administrator. The duties of the Contract Administrator shall include, but not be limited to:

- supporting the management of the Contract,
- facilitating dispute resolution, and
- advising the State of performance under the terms and conditions of the Contract.

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

The Contractor's identified Contract Administrator is: **Jim Allen**

The Contractor will provide a project manager to work closely with the designated personnel from the State and the incumbent Contractor to insure a smooth transition of responsibilities and work in progress from the incumbent Contractor during contract inception. The project manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The



Contractor's project manager must be on-site, an employee of the Contractor (not a sub-contractor) and solely dedicated to this project. The Contractor's project manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Ensure compliance with all identified State and federal standards, during the duration of the contract.
- Manage and report on the project's budget

The Contractor's identified Project Manager is: **Jamie Walker**

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Contract.

The Contractor has named the following subcontractors for this engagement:

1. **Compuware Corporation**
2. **Shakti Solutions**
3. **Courtland Consulting**
4. **Bull Services**
5. **Actium Consulting**

B. Travel:

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

C. 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.

In addition, proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints for staff who have access to the Law Enforcement Information Network (LEIN) data.

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

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The MDIT-MiCSES project operates under a formal Governance Model. At the highest level, strategic and tactical *business* direction is provided to MDIT-MiCSES by the Child Support Leadership Group (PLG), which is comprised of representatives from DHS-OCS, SCAO, FOC's, PA's and MDIT. Strategic and tactical *technical* direction is provided by MDIT, in consultation with DHS-OCS.

MiCSES Leadership Team

The MiCSES Leadership Team operates at the equivalent of a steering committee. The Leadership Team is led by the MDIT Project Manager, and the DHS-OCS Director is the Executive Sponsor. The weekly



Leadership Team meetings are conducted and facilitated by the MiCSES Project Control Office (PCO). Participants include the MDIT-MiCSES State management team, DHS-OCS State management team, MiCSES PCO, FOC and PA representation, and the application maintenance Contractor's management team.

The MiCSES Leadership Team will provide the following services:

- Approve the project schedule
- Review project status and resolve issues impeding progress
- Authorize modifications for scope and resources of the project
- Ensure senior management commitment to the project
- Act as a final arbiter on proposed changes that significantly affect the business interests of the State and/or determine issues to be further escalated to the PLG.

Subject Matter Experts

Subject Matter Experts representing the child support program will provide the vision for the business design and how the application shall provide for that vision. They will be available on an as needed basis. The SME's will be empowered to:

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

State Project Manager- (MDIT and Agency)

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

The State's Project Manager will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external Contractors
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverable/milestone
- Review and sign-off of timesheets and invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings.

The State's Executive Sponsor will provide the following services:

- Facilitate communication between different State departments/divisions for business decision points
- Provide acceptance and sign-off of certain deliverable/milestones
- Facilitate resolution of business issues
- Facilitate the establishment of data sharing agreements
- Escalate outstanding/high priority business issues
- Participate in regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Arrange for participation and input from the child support partners



◇ **MDIT and Agency Project Managers**

◇ Name	◇ Agency/Division	◇ Title
◇ Pratin Trivedi	◇ MDIT/Agency Services	◇ MiCSES Project Director
◇ Marilyn Stephen	◇ DHS – Office of Child Support	◇ Director (Executive Sponsor)

MDIT shall provide a Contract Administrator whose duties shall include, but not be limited to, supporting the management of the Contract.

◇ **MDIT Contract Administrator**

◇ Name	◇ Agency/Division	◇ Title
◇ Patty Bogard	◇ MDIT/Bureau of Strategic Policy	◇ Contract Administrator

Contractor will be entitled to rely on all decisions and approvals of the State. In the event of a delay or failure by State to timely perform its obligations under this Contract, which delay increases the time and/or cost of Contractor’s performance, the parties will promptly negotiate in good faith a Change Order.

The Scope of State Responsibilities is further defined in Appendix D.

On Site Work Requirements

1. Location of Work

a. The work is to be performed, completed, and managed at the following location:

George W. Romney Building
 111 S. Capitol Ave.
 Lansing, MI 48933

b. The State will provide the following resources for the Contractor’s use on this project:

- Work space
- Minimal clerical support
- Desk
- Telephone (at the State’s discretion, telephones may be a shared resource for contract staff below the management, team lead, and senior level classifications)
- PC workstation
- Access to Printers
- Access to copiers and fax machine

2. Hours of Operation:

a. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.

b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.

c. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

1.203 OTHER ROLES AND RESPONSIBILITIES

State – There is a high level of coordination required between the Contractor and the Department of Information Technology, beyond the direct interaction with MDIT-MiCSES State project staff. MDIT provides standards and processes, various data center services, network access, telecommunications support and related technology support functions. The Contractor will be required to coordinate the performance and delivery of their contractual obligations with the various appropriate units within MDIT.



Federal - The MiCSES project is funded with 66% federal match, and 34% State General Fund. As such, the child support system, its operations and all contracts are subject to federal review, approval and audits. The Contractor must participate fully in any such reviews and audits, and must meet all of the federal requirements referenced in the RFP and resulting contract.

Contractual – The MDIT-MiCSES Project Control Office is staffed via a contract with Electronic Data Systems (EDS). The PCO provides the State with project monitoring, oversight, tracking and reporting metrics. As noted throughout this CONTRACT, the contractual PCO functions as an extension of the State's MiCSES project management team.

1.3 PROJECT PLAN

1.301 PROJECT PLAN MANAGEMENT

1.301.1 Final Project Plan

Contractor will provide a Final Project Plan, including necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

The updated Project Plan will include:

- a. A description of the initial deliverables to be provided under this contract.
- b. Target dates and critical paths for the initial deliverables.
- c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix
- d. The labor, equipment, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
- e. Internal milestones
- f. Task durations

A. Orientation Meeting

1. Within 14 calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract.
2. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor.
3. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

B. Performance Review Meetings

1. The State will require the Contractor to attend weekly on-site meetings, at a minimum, to review the Contractor's performance and the current status of all tasks and sub-projects in progress under the Contract.
2. The meetings will be held Lansing, Michigan.
3. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

D. Project Control

1. The Contractor will carry out this project under the direction and control of MDIT DHS-MiCSES and DHS – Office of Child Support.
2. Within 10 working days of the execution date of the Contract, the Contractor will submit to the State project manager(s) for approval of the transition project plan.
3. During the last two weeks of Project Transition, the Contractor will submit to the State project manager(s) for final approval of the project plan which addresses the assumption of work in progress and all deliverables related to the first software release developed by the Contractor.
4. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
 - a. The Contractor's project organizational structure.
 - b. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of



- employment status and other unforeseen circumstances may only be made with prior approval of the State.
- c. The project breakdown (work plan) showing sub-projects, activities and tasks, and resources required and allocated to each.
- d. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the work plan.
- 3. The Contractor will manage the project in accordance with the PMBOK® (Project Management Body of Knowledge from the Project Management Institute) and the State’s Project Management Methodology (PMM). Methodology is available at www.michigan.gov/projectmanagement.
 - a. Unless otherwise agreed to at contract initiation, the Contractor will use the State’s automated tool for planning, monitoring, and tracking the Contract’s progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
 - i. Staffing tables with names of personnel assigned to Contract tasks.
 - ii. Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next week, and updated weekly.
 - iii. Updates must include actual time spent on each task and a revised estimate to complete.
 - iv. Graphs showing critical events, dependencies and decision points during the course of the Contract.
 - b. Any additional tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.
 - c. Planning, monitoring and tracking of the Contractor’s progress is supported by, and done through coordination with the MDIT-MiCSES Project Control Office.

1.302 REPORTS

Reporting formats for status reports must be submitted to the State’s Project Manager for approval within 10 business days from the execution date of the Contract. Formats for all other reports must be submitted to the State’s project manager within 45 business days after the effective date of the Contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract. Generally, reports those required in the State’s SEM, and will follow the prescribed formats. Pending agreement with the State, it will be acceptable to combine some reports.

This list is not all inclusive and other reports may be required as deemed necessary by the State’s project manager and/or the PCO.

Project Initiation and Contract Transition Reports:

- 1. Weekly Status Report

Application Maintenance Reports:

- 1. Weekly report of production operational issues, problems, and corrective actions taken
- 2. Daily production status report, provided to DIT-MiCSES and DHS-OCS management Monday thru Friday via a ‘Day-Start’ conference call
- 3. Weekly status report on Statements of Work
- 4. Weekly status report on all work in progress by SEM phase

Integration Testing Reports

- 1. Weekly status on items in testing, including those complete and those in rework
- 2. Code Migration schedule
- 3. Weekly defect log and remediation results

Batch and Interface Support Reports

- 1. Daily Batch Report (delivered via the daily MiCSES ‘Day-Start’ conference call)
- 2. Incident Report detailing problems with batch and interface processing and corrective actions taken

User Support Reports



1. Weekly and Monthly Application Help Desk report including volume, assignment, disposition, and resolution statistical reports of all Remedy tickets logged
2. Weekly status reports for all User Support teams

Project Management Reports

The following describes the minimum level of required reports. The Contractor may propose additional reports as deemed necessary.

1. The Contractor shall provide weekly and monthly status reports in the format dictated by the DIT MiCSES project manager. In the Status Report, the Contractor shall address:
 - Project schedule (current status of all tasks)
 - Near term activities
 - Deliverables (submitted, due, overdue, approval status, and payment status), Staffing (planned labor hours and actual labor hours),
 - Project risks (including mitigation status)
 - Quality assurance (tasks and status)
 - Oversight of subcontracts
 - Issues (log of identified issues with status of each)
 - Action items (log of items with status of each)
 - Other topics requested by the State
2. The Contractor shall provide a weekly production maintenance report on the status of all work required in this Work Statement. It must highlight problems or special activities in application development and maintenance, user support and database administration. It must also address any issues, problems, or changes related to customer service.
3. The Contractor shall provide a weekly software changes and enhancements report for each functional area. This report must describe the status, progress, and/or problems related to all software modification and enhancement work that is currently in process.
4. The Contractor shall provide a weekly software testing and migrations report.
5. The Contractor shall provide a monthly personnel report. The report should identify any staffing problems, potential staff changes, and the vacation and off-site work plans of all Contractor staff for the next month. This report should address staff training activities, issues, and plans for the subsequent month.
6. The Contractor shall provide a monthly training report. This report should describe any training activities that are being undertaken by the Contractor to keep their staff current in technology, and current with state standards and policies.
7. The Contractor must prepare a weekly manager level report that tracks key project issues and proposes next steps and solutions.

The Contractor's recommendations for new, revised and innovative reporting solutions, including those which follow, will be considered during Contract transition and as offered throughout the Contract term:

- Supplemental Predictive Modeling
- Earned Value Predictive Model
- Requirements Volatility Model
- Role-Based Status Reports

1.4 Project Management

The State, its PCO, and the Contractor jointly comprise the management team for the MiCSES project. The Contractor shall coordinate their project management responsibilities with the State and its Project Control Office (PCO). The PCO provides the State with independent administrative oversight of project plans, schedules, scope, milestones, and configuration management. The PCO reports to, and takes direction from, the MDIT MiCSES project manager.

The Contractor shall manage their direct project responsibilities in support of all tasks assigned via this Contract. The Contractor is required to follow and participate in existing project management processes, including use of PCO processes and tools, Work Approval Process (WAP), MiCSES Change Control process,



Office of Child Support Work Improvement Teams (WIT), and the MiCSES release management process. These processes are described in various appendices to this Contract or identified state internet sites.

The PCO Schedule Control team is responsible for creating and maintaining detailed MS Project plans and schedules, which support project scope, milestones and deliverables based on inputs and estimates provided by the Contractor. Once a project plan is resourced and base-lined, all resources (State and Contractual) are required to report time spent against the plan via a project-wide reporting tool. The PCO uses information collected via this tool to track progress against the plan, determine earned value calculations, and support weekly status reports. While the PCO has responsibilities for managing schedules, plans and processes, the PCO does not have any responsibility for directing or managing the Contractor's staff, tasks, deliverables, milestones or other responsibilities attributed to the Contractor via this Contract.

The Contractor's project management responsibilities encompass duties associated with each of the following areas. While certain responsibilities are clearly within the purview of the State and others are identified as Contractor obligations, MiCSES project management is a partnership, with each entity having specific ownership and accountabilities for their roles in the success of the program goals and objectives.

Project Strategy and Direction – The DHS Office of Child Support is responsible for providing system directives in terms of Federal and State legal and regulatory requirements and local office business requirements. MDIT MiCSES, in conjunction with its Contractor(s), is responsible for devising and/or approving the technical solutions and implementation plans that respond to the OCS directives.

Project Priorities – The Office of Child Support and the Child Support Program Leadership Group (PLG), with input from the WITs and MDIT, determine priorities for the MiCSES project.

Project Administration – The Contractor is responsible for acquiring, deploying, and attending to the administration of the proper level of staffing resources, including work assignments and time management; planning and organizing work to deliver required results; ensuring and evaluating performance;

Project administration will be conducted within the parameters and processes identified within this CONTRACT and by the MDIT MiCSES project manager.

Change Control Process - As defined in this CONTRACT, change control is the formal process for identifying the impact of any change which modifies scope, deliverables, timeframes, or resource allocations and determining the disposition of the requested change. In practice, the change control process generally applies at two stages of the system development life cycle: 1) after the release scope has been defined and sign-off attained and, 2) after functional and system designs are complete. The Contractor supports this process by estimating impacts, investigating solutions, identifying alternatives, inputting appropriate information into project tracking tools, participating in the decision making process, and implementing the agreed upon solution. (Release management Change Controls should not be confused with the contractual change controls which involve contract terms and conditions and must be negotiated between the Contractor, MDIT and DMB contract administrators).

Work Estimation – The Contractor is responsible for providing work estimates for and in support of all tasks identified in this Contract.

Planning, tracking and monitoring – Project planning is a joint exercise of the project management team (State, PCO, Contractor). Project level tracking and monitoring is primarily a function of the PCO, based on inputs from the State and Contractor.

Work Approval Process – MiCSES has a formalized Work Approval Process (WAP). The Contractor supports this process by providing technical expertise, issue analyses, work estimates, and impact analyses.



Release Management – As defined earlier, MiCSES follows an established release management methodology that is supported by the PCO. The Contractor supports this methodology through the performance of and/or adherence to the process steps.

The Contractor must effectively organize and manage the individuals proposed on the project. This may include the integration of Contractor and State staff, on certain projects with shared or common responsibilities. Staff training and knowledge transfer required in response to Contractor staff turnover must be addressed throughout the Contract period and are the responsibility of the Contractor

The Contractor must provide regular and frequent communication with the State regarding staff resources, management approach for new tasks, adherence to schedules, and problems or issues that may affect successful outcomes of work under the Contract and to MiCSES as a whole.

The Contractor is required to conduct at least weekly meetings with the State and the PCO to review, prioritize, and plan work to be carried out under the Contract. The State managers shall conduct several weekly management meetings with project staff. Other regularly scheduled meetings occur with the PCO, DHS staff, MDIT staff and staff from other State agencies. The Contractor must participate in these meetings as directed by the MDIT MiCSES project manager or as otherwise necessary to fulfill the Contractor's obligations. Meeting schedules and requirements may be modified at the discretion of the State.

Deliverables:

- a. Work Plans
- b. Organization Charts
- c. Status Reports
- d. Work Estimates
- e. Inputs to all project management and control tools

Performance Metrics:

- a. All deliverables shall be delivered to the State in the format approved by the State and on the due date shown in the most recently approved work plan.
- b. All reports shall be delivered to the State on the dates specified in the production schedule as agreed by the PCO and the Contractor.
- c. The Contractor is responsible for completing the change control requests and SOWs in accordance with the time frames and budgets approved by the MDIT MiCSES project manager. A change control request and SOW will be considered complete when it is implemented in accordance with the approved schedule and is completed within the approved cost estimate.
- d. Actual hours vs. estimated hours within +/- 10% of estimate, on average, for a given unit of work
- e. Compliance with all SEM and SUITE processes, as evaluated by the State's PCO and/or SUITE liaison

1.401 ISSUE MANAGEMENT

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

Issues are formally tracked and escalated for resolution from level 1 through level 5, as defined below:

- Level 1 – Technical and Business leads
- Level 2 – PCO and Contractor's Project Managers
- Level 3 – MDIT Project Manager
- Level 4 – MiCSES Leadership Team (Steering Committee)
- Level 5 - Child Support Program Leadership Group

The Contractor shall use the State's Project Control Office Issue Tracker tool as issue log for issues relating to the provision of services under this Contract. The issue management log must be continuously updated by the Contractor, and will be used as in input to the weekly MiCSES project management and status meeting. Issue Tracked uses automatic email notifications. The issue log contains, the following minimum elements:

- Description of issue



- Issue identification date
- Target resolution date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

1.402 RISK MANAGEMENT

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project.

The Contractor is responsible for establishing a risk management plan including the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, monitoring of risk items, and periodic risk assessment reviews with the State.

The Contractor shall use the State's Project Control Office Risk Tracker tool as the log for risks relating to the provision of services under this Contract. The issue management log must be updated bi-weekly by the Contractor, and will be used as input to the weekly MiCSES project management and status meeting. Issue Tracked uses automatic email notifications.

The initial risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology.

The Contractor is responsible for identification of risks for each phase of the project. Mitigating and/or eliminating assigned risks will be the responsibility of the Contractor. The State will assume the same responsibility for risks assigned to them.

1.403 CHANGE MANAGEMENT

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract.

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

The Contractor must employ change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State while the migration is underway.

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

1.5 Acceptance

1.501 CRITERIA

Document Deliverables

Documents include, but not limited to, plans, design documents, project schedules, user guides, and procedure manuals. The following criteria apply to document deliverables:



1. Documents are dated and in electronic format, compatible with State of Michigan software, and in accordance with Article 1.302.
2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in final product.
3. Draft documents are not accepted as final deliverable.
4. The documents will be reviewed and accepted in accordance with the requirements of this contract and the accepted Contractor's proposal.
5. DHS – OCS will review business documents for approval. Approvals will be written and signed by DHS – Functional Owner. Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval.
6. MDIT will review technical and system documents for approval. Approvals will be written and signed by MDIT Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval.
7. DHS - OCS and MDIT will review project documents for approval. Approvals will be written and signed by both MDCH and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval.

Software Deliverables

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

1. Beta software is not accepted as final deliverable.
2. The software will be reviewed and accepted in accordance with the requirements of the contract.
3. DHS-OCS and MDIT will review software within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
 - a. Approvals will be written and signed by DHS-OCS and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit software for approval within 15 days of receipt.
4. Software is installed and configured, with assistance from MDIT, in an appropriate environment (e.g. development, conversion, QA testing, UAT testing, production, and training).
5. Contingency plans, de- installation procedures, and software are provided by the Contractor and approved by DHS-OCS and MDIT Project Managers.
6. Final acceptance of the software will depend on the successful completion of UAT.
7. DHS-OCS and MDIT will review test software, data, and results within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by DHS-OCS and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 5 days of receipt.
8. MDIT will review any software license agreements within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by DHS-OCS and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit the license agreement for approval and final signature by authorized State signatory within 30 days of receipt
9. Software source code, where applicable, may be reviewed by MDIT within a mutually agreed upon timeframe for readability, structure, and configuration management.
 - a. Approvals will be written and signed by MDIT Project Manager.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit source code for approval.
10. The provisions in this section do not supersede the Warranty requirements outlined in this contract.

Service Deliverables - Services include, but are not limited to training, help desk, technical communications, and support.



1. The services will be accepted in accordance with the requirements of the contract.
 - a. Approvals will be written and signed by DHS-OCS and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit for approval within 15 days of receipt.
2. DHS-OCS and MDIT will review migrated and configured data within a mutually agreed upon timeframe from completion.
 - a. Approvals will be written and signed by DHS-OCS and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit a request for approval within 30 days of receipt.
3. DHS-OCS and MDIT staff are properly trained and supplied with the proper tools and documentation to support, upgrade, monitor, operate, and configure the application in accordance with the requirements of this contract and the accepted Contractor's proposal.

1.502 FINAL ACCEPTANCE

Final acceptance is expressly conditioned upon completion of all deliverables/milestones, completion of all tasks in the project plan as approved, completion of all applicable inspection and/or testing procedures, and the certification by the State that the Contractor has met the defined requirements.

1. All documents, software and services are delivered and accepted by DHS-OCS and MDIT in accordance with the requirements of the contract.
2. The software must meet or exceed the acceptance testing requirements for a period of ninety (90) consecutive days from the date software is implemented in production.
3. After installation and configuration in the production environment, all issues discovered during the warranty period are resolved and accepted in a time frame stipulated, or waived by DHS-OCS and MDIT. Approvals will be written and signed by DHS-OCS and MDIT Project Managers.
4. All bills related to this contract have been submitted and approved for payment and a reconciliation of all invoices will be performed.

The following project close out activities will also be performed:

- Removal of all client confidential information and client data from all team member laptops and removable media
- Team members will use self-scanning tools to perform verification scans for Personally Identifiable Information (PII) / Confidential Information (CI) on laptops after the clean-up
- Removal of all Client Data from those shared servers (e.g. SharePoint) used by the project team
- Destruction of hardcopies, media, and/or electronic equipment using a secured method
- Audit to verify that all roll-off forms and processes have been completed for all project staff
- Return all client hardware in proper condition according to State requirements
- Return all badges
- Return client-provided laptops, if appropriate
- Retrieve all Accenture hardware from contractors or third parties
- De-provision the access to servers and shared computers when an individual leaves the project or at the time of the project closure.

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

Payment

Contractor will submit properly itemized invoices to the MDIT Procurement Office to the "BILL TO" address on the purchase order (PO), currently this address is as follows: 1st Floor, North Tower, Constitution Hall, 525 W. Allegan, Lansing, MI 48913.



Invoices shall provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Price for each Task, by Task number;
- Net invoice price for each item;
- Itemized Costs for any Statements of Work, per the payment structure specified in the SOW (if different);
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discounts.

The State shall pay maintenance and support charges and statement of work charges on a monthly basis, in arrears. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day.

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

This will be a fixed rate contract. For years six and seven of this contract, on April 1 of each year, the price of the services will be adjusted by the percentage change in the Employment Cost Index (ECI) for private industry workers, wages and salaries (not seasonally adjusted), as published by the Bureau of Labor Statistics, U.S. Department of Labor, from December two years prior to December of the preceding year. That is, the increase to go into effect on April 1, 2014, will be the increase in the ECI series between December 2012 and December 2013, while the increase to go into effect on April 1, 2015, will be the increase in the ECI between December 2013 and December 2014.

1.700 Additional Requirements

None



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of **7 years beginning April 1, 2009 through March 31, 2016**. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in Section 2.130) of the Contract, unless otherwise extended under 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.

2.002 Renewal(s)

This Contract includes no renewal option.

2.003 Legal Effect

Contractor shall show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor shall not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

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.

2.004 Attachments & Exhibits

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

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work.

2.006 Order of Precedence

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 the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

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 the Contract, which may be modified or amended only by a formal Contract amendment.

2.007 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.

**2.008 Form, Function & 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.

2.009 Reformation and Severability

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

2.010 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, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, 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

2.020 Contract Administration**2.021 Issuing Office**

This Contract is issued by the Department of Management and Budget, Purchasing Operations and **Department of Information Technology/Department of Human Services** (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Joann Klasko, Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
530 W. Allegan
Lansing, MI 48913
Email: KlaskoJ@michigan.gov
Phone: (517)241-7233

2.022 Contract Compliance Inspector

The Director of Purchasing Operations directs the person named below, or his or her designee, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. **Monitoring Contract activities does not imply the authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract. Purchasing Operations is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contract Compliance Inspector for this Contract is:

Patty Bogard
Department of Information Technology
525 W. Allegan, 1st Floor, North
Lansing, MI 48913
Email: BogardP@michigan.gov
Phone: (517)335-4051

**2.023 Project Manager**

The following individual will oversee the project:

Pratin Trivedi
Department of Information Technology
111 South Capital Avenue, 12th Floor
Lansing, MI 48913
Email: Trivedip@michigan.gov
Phone: (517)241-9637

2.024 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 the Contractor gives notice 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.

(1) Change Request at State Request

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").

(2) Contractor Recommendation for Change Requests:

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

(3) 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.

- (4) By giving Contractor written notice within a reasonable time, the State must 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 must 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").
- (5) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the 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 Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State:

State of Michigan
Purchasing Operations
Attention: Joann Klasko
530 West Allegan, 2nd Floor
Lansing, Michigan 48933

Contractor:

Name: Accenture LLP
Attention: Jamie Walker
Address: 3000 Town Center, Suite 2400
Southfield, Michigan. 48075

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

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

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 must be or must 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.

2.028 Covenant of Good Faith

Each party must 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.



2.029 Assignments

Neither party may assign the Contract, or 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 the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the 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.

Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.

If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions

2.031 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

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

2.033 Permits

Contractor must 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 must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not 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 the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP; it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP



2.036 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").

2.037 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 man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Statement of Work or Purchase Order 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. 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.

2.042 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.

2.043 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.

2.044 Invoicing and Payment – In General

- (a) 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.
- (b) 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. 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.
- (c) 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 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.



The Government 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.

2.045 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.

2.046 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.

2.047 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. 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.

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment will be made by electronic fund transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must 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 must 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.



2.062 Contractor Key Personnel

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration as set forth in the applicable Statement of Work.
- (c) 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.
- (d) Contractor must not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals, however, do not include replacing Key Personnel 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. Unauthorized Removals do not include replacing Key Personnel 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 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must 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 termination and cancellation rights.

2.063 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 must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must 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 incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel 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.

2.065 Contractor Identification

Contractor employees must 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.

2.066 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. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to



activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. 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 the requests for access.

2.067 Contract Management Responsibilities

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. Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

The Contractor will provide the Services/Deliverables either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.068 Contractor Return of State Equipment/Resources

The Contractor must return 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.

2.070 Subcontracting by Contractor

2.071 Contractor full Responsibility

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.

2.072 State Consent to delegation

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, 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 SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be



the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, and 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

Reserved

2.080 State Responsibilities

2.081 Equipment

The State will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the 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 the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may direct the Contractor to investigate the Contractor's personnel before they may have access to State facilities and systems. 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. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. 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.



2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must 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 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA Security Requirements

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

Contractor agrees to provide business continuity in the event of a major disruption, disaster or failure.

The Contractor will contact the **DIT/DHS** immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor will continue to treat cardholder data as confidential upon contract termination.

The Contractor will provide the **DIT/DHS** documentation showing PCI Data Security certification has been achieved. The Contractor will advise the **DIT/DHS** of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. The Contractor will provide a time line for corrective action.

2.100 Confidentiality

2.101 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 must 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 must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

The respective rights and obligations for the Contractor and State regarding the handling and treatment of State Personal Data will be governed by section 1.103.1 of this Contract.

2.102 Protection and Destruction 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 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) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the 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 the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions in 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 the 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 the 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 the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must 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.

2.105 Respective Obligations

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

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers directly related to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days with prior written notice before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access



would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period all financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) directly related to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors

If the audit demonstrates any errors in the documents provided to the State, then the amount in error must 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 invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.

In addition to other available remedies, if the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must 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 and Federal Government the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither 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 the items in this Contract, Contractor, as set forth in section 2.314, shall pass through or must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty or indemnification rights for the Deliverable. The parties agree that because Contractor is not the manufacturer or developer of third party software, any third party software provided hereunder is warranted solely under the terms and conditions of the third party licenses or other agreements by which such



software are governed. During the Warranty Period, Contractor will place and coordinate third party software vendors' warranty claims on behalf of the State.

- (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, must have, or must 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 must notify the State about the nature of the conflict or appearance of impropriety within two business days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must 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 must 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 the 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 the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the 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 the information not misleading.
- (m) 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 the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

THE PRECEDING WARRANTIES IN THIS SECTION 2.120 AND IN SECTION 2.310 ARE CONTRACTOR'S ONLY EXPRESS WARRANTIES CONCERNING THE SERVICES, ANY DELIVERABLES AND ANY WORK PRODUCT, AND ARE MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, INFORMATIONAL CONTENT, SYSTEMS INTEGRATION, INTERFERENCE WITH ENJOYMENT OR OTHERWISE

2.122 Warranty of Merchantability
RESERVED

2.123 Warranty of Fitness for a Particular Purpose
RESERVED



2.124 Warranty of Title

RESERVED

2.125 Equipment Warranty

RESERVED

2.126 Equipment to be New

RESERVED

2.127 Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.024**.

2.128 Consequences for Breach

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

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims that may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether the 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 under this Contract.

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

See www.michigan.gov/dleg.

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

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



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

Any certificates of insurance received must also confirm coverage includes "All states" 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 must 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 an 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 must 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 the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must 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 must be endorsed on the policy as a loss payee as its interests appear.



2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must 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) must fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit or expand Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number 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) must contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 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. Before the Contract is signed, and not than 120 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured 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.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure maintain coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed; to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the 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, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must 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.

2.142 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.

2.143 Employee Indemnification

In any 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 must 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.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must 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 the 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 the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the 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 must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the 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 the 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 has 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; (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.

2.145 Continuation of Indemnification Obligations

The Contractor's duty to indemnify under 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 before expiration or cancellation.

2.146 Indemnification Procedures

The procedures set forth below must apply to all indemnity obligations under this Contract.

- (a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the 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 the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must 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 before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to



monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under 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 may defend the claim in the 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 must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 Termination for Cause

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all reasonable 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 are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If 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 must 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 must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience, except that Contractor will be reimbursed by State for any monies disbursed by Contractor to the State under subsection (b) of this section.



2.153 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must 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 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for 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 must 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 must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 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 unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the 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 the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must 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. This Section will not preclude Contractor from reducing or stopping Services/Deliverables 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.

2.155 Termination for 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 related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. 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 the written notice.

2.157 Rights and Obligations upon Termination

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be deemed reasonably necessary by the Contractor, 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) 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 must be provided to the State on an “As-Is” basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the 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) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis to be mutually agreed upon. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State’s property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not 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 may assume, at its option, any 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.

2.158 Reservation of Rights

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

2.160 Termination by Contractor

2.161 Termination by Contractor

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or 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. If this Contract expires or terminates, 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 **90** days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145**.

2.172 Contractor Personnel Transition

The Contractor must 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 must allow as many personnel as it deems reasonable 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 assist in obtaining the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

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.

2.174 Contractor Software Transition

The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must 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 must, 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.

2.175 Transition Payments

If the transition results from a termination for any reason, the termination provisions of this Contract must govern reimbursement. 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 agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to reconcile all accounts between the State and the Contractor, complete any pending post-project reviews and perform any others obligations upon which the State and the Contractor agree, including but not limited to:

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

2.180 Stop Work

2.181 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 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 must be specifically identified as a stop work order and must indicate that it is issued under this **Section 2.181**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring 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 must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.153**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must 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 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 2.024**.

2.183 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, the termination must be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this Section.

2.190 Dispute Resolution

2.191 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 must 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 must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's 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 claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

- (a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:
- (1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary 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 must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (2) 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.
 - (3) 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.
 - (4) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.
- (b) This Section 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 under **Section 2.193**.
- (c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the 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.

2.194 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 must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 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 under 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.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must 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 under 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, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after 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.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must 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 must 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>.

2.204 Additional Provisions for Federally Funded Contracts

Federal Grant Requirements

1. The contractor shall comply with the provisions of 45 C.F.R., Parts 74 and 76, and/or 45 C.F.R., Part 92, and other applicable regulations as specified in this contract.
2. If this contract is valued at greater than \$100,000, the contractor shall comply with all applicable standards, orders, or regulations issued under Section 306 of the Clean Air Act, as amended (42 U.S.C. 1857(h), et seq.), Section 508 of the Clean Water Act, as amended (33 U.S.C. 1368, et seq.), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R., Part 15). The contractor shall report any violations of the above to the contract manager.
3. Pursuant to Federal regulations at 45 CFR 95.617, the Federal Department of Health and Human Services, Administration for Children and Families, "reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation.



4. The contractor may be subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the federal Department of Commerce at 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements."

Non-Geographical Preference Requirement

Federal regulations at 45 CFR 92.36(c)(2) prohibit "geographical preferences" in the solicitation, selection and award of Federally funded acquisitions

Allowable costs

Allowability of costs will be in compliance with the provisions of federal Office of Management and Budget (OMB) Circular A-87, "Cost Principles for State and Local Governments"

2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, 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.

2.212 Compliance with Laws

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

2.213 Jurisdiction

Any dispute arising from the Contract must 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 the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the 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.

2.220 Limitation of Liability

2.221 Limitation of Liability

Except as set forth in this section, neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, special damages. This limitation of liability does not apply to claims for infringement of United States 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.

The Contractor's liability for damages shall be limited to:

- (i) for maintenance and support services or other services performed by Contractor hereunder (except for enhancement services performed by Contractor under Statement of Work), twelve (12) times the fixed monthly fee due Contractor for the performance of such services, and
- (ii) for enhancement services performed by Contractor under a Statement of Work, two (2) times the total not to exceed' fixed price amount of the Statement of Work(s) that are the subject of the breach.

Except for the States obligation to pay Contractor as set forth herein, the State's liability for damages to the Contractor shall be limited to:

- (i) for maintenance and support services or other services performed by Contractor hereunder (except for enhancement services performed by Contractor under a Statement of Work), twelve (12) times the fixed monthly fee due Contractor for the performance of such services, and, (ii) for enhancement services performed



by Contractor under a Statement of Work, two (2) times the total not to exceed' fixed price amount of the Statement of Work(s) that are the subject of the breach.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

Contractor must disclose to the State on an annual basis, within ten (10) days after the public availability of Contractor's Form 10-K (Annual Report) on file with the U.S. Securities and Exchange Commission, any material legal proceedings arising out of Contractor's business dealings with governmental or public entities ("Proceedings"), as such Proceedings are set forth in such Form 10-K.

If any Proceeding disclosed to the State under 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:

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor will notify State regarding the change in ownership to Accenture LLP and/or its Affiliates that are directly engaged on the project

2.232 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 is a material breach of this Contract.

2.233 Bankruptcy

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 the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

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 must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and



successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

- (c) If the Contractor believes that a delay in performance by the State its agent(s) or representative(s) has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State’s failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreement (SLA)
RESERVED

2.243 Liquidated Damages

Unauthorized Removal of any Key Personnel

In the event that the Contractor diverts or replaces Key Personnel without the prior written approval of the State, the Contractor is subject to liquidated damages in the amount of \$2,500 per business day for diversion of the Contractor’s project manager and \$1,000 per business day for all other Key Personnel, until the Key Personnel member’s replacement is approved by the State and begins work. The damages will begin the first business day of the diversion.

Timely Child Support Payment Disbursement

Performance Standard. The Contractor shall perform its Services in support of the MiCSES application so that child support payments are disbursed in a timely manner.

Liquidated Damages. In the event of a Material Delay (as defined below) of child support payments that is substantially caused by Contractor’s failure to perform its Services as described in this Contract, the State may assess Contractor the following Liquidated Damages based upon the date and time of posting to the client account:

Material Delay Period	Liquidated Damages Assessment
<u>>3 days late</u>	<u>\$1,000 per day</u>
<u>>7 days late</u>	<u>\$2,500 per day</u>

A delay may be deemed material (“Material Delay”) if (a) it delays an entire subset (e.g. tax intercept payments) of child support payments, or (b) it delays disbursement of 10% or more of the number of payments eligible for daily processing.

Payment disbursement to the designated client address

Performance Standard. The Contractor shall perform its Services in support of the MiCSES application so that payments are disbursed to the client address as designated in the system and defined in the approved application specifications.

Liquidated Damages. In the event of a Material Nonconformity (as defined below) in the disbursement of child support payments to the designated client address that is substantially caused by Contractor’s failure to perform its Services as described in this Contract, the State may assess Contractor the following Liquidated Damages based upon the percentage of payments disbursed:

Material Nonconformity Percentage	Liquidated Damages Assessment
<u>25% disbursed to the wrong address</u>	<u>5% of the value of the payments disbursed</u>
<u>>25% disbursed to the wrong address</u>	<u>10% of the value of the payments disbursed</u>



A nonconformity may be deemed material (“Material Nonconformity”) if it occurs for a significant percentage of an entire subset (e.g. 25% of all child support payments were disbursed to the wrong address).

Project Initiation and Transition

Performance Standard: The Contractor is responsible for such delays directly caused by Contractor during the transition period as reflected in the transition schedule, as agreed and stated in the Contract. The Contractor will not charge the State for any additional effort required to meet these schedules.

Liquidated Damages: If the Contractor fails to complete the specified transition tasks and subtasks within the 90 day transition period, liquidated damages of \$1,000.00 per business day for the first twenty (20) days, and thereafter \$2,500.00 per business day, shall be paid by the Contractor to the State of Michigan for every business day, or fraction of a day that the schedule is delayed, from the date of written notification by the DIT MiCSES project manager to the Contractor that the schedule is late.

Systems Availability and Liquidated Damages

Performance Standard: The Contractor shall be responsible for maintaining and supporting the MiCSES production system as described in the Work Plan, which shall be available for use by appropriate staff for 99.5% of the monthly hours from 7:00 a.m. until 6:00 p.m. Monday through Friday and from 7:00 a.m. until 3:00 p.m. on a minimum of one Saturday per month. The Contractor shall also be responsible for making available a read-only system (that has been refreshed with the most current production data) whenever the production system is unavailable.

Liquidated Damages: The Contractor shall pay the State liquidated damages in the amount of 1% of the total monthly operational payments for each 1% of monthly system unavailability, for which Contractor is responsible, that is less than 99.5%.

THE ABOVE DESCRIBED LIQUIDATED DAMAGES SHALL NOT BE ASSESSIBLE IF THE CIRCUMSTANCES THAT LEAD TO THE NON-PERFORMANCE SITUATION WERE FORCE MAJEURE EVENTS, OR IN THE OPINION OF STATE, INCIDENTS OR DELAYS RESULTING DIRECTLY FROM CAUSES BEYOND THE CONTROL AND WITHOUT THE FAULT OR NEGLIGENCE OF THE CONTRACTOR. SUCH CAUSES MAY INCLUDE, BUT ARE NOT RESTRICTED TO, ACTS OF GOD, FIRES, FLOODS, EPIDEMICS, AND LABOR UNREST; BUT IN EVERY CASE, THE DELAYS MUST BE BEYOND THE CONTROL AND WITHOUT THE FAULT OF NEGLIGENCE OF THE CONTRACTOR.

2.244 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 the 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 a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the 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.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without unreasonable delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.



If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 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 is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will 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 the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/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.

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

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

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

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

2.252 Contractor System Testing

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

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

Contractor's System Testing will also include Integration Testing of each Custom Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Custom Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Custom Software Deliverables are able to meet the State's projected



growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

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

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

2.253 Approval of Deliverables, In General

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

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

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

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

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



The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

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

2.254 Process for Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be **five (5)** Business Days for Written Deliverables of one hundred (100) pages or less and **ten (10)** Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within **five (5)** Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

If the State does not notify Contractor within **five (5)** business days after the State Review Period has expired on whether the Written Deliverable has been accepted or rejected, the Written Deliverable will be deemed accepted by the State.

2.255 Process for Approval of Custom Software Deliverables

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

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

For the Custom Software Deliverables, the State Review Period for conducting UAT will be as indicated in the project plan. For any other Custom Software Deliverables not listed in project plan the State Review Period shall be the number of days agreed in writing by the parties. The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.



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

Within **five (5)** business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Custom Software Deliverable according to the criteria and process set out in this **Section**.

If the State does not notify Contractor within **five (5)** business days after the State Review Period has expired on whether the Custom Software Deliverable has been accepted or rejected, the Custom Software Deliverable will be deemed accepted by the State.

2.256 Final Acceptance

"Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for **90** consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project. However, a 90 warranty period will still commence at the time the Custom Software Deliverable may be placed into live production.

2.260 Ownership

2.261 Ownership of Work Product by State

Unless otherwise mandated by the Federal Government, the State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

2.262 Vesting of Rights

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

2.263 Rights in Data

Unless otherwise mandated by the Federal government, the State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The 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 the Contractor. No employees of the 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, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.



Unless otherwise mandated by the Federal government, the State is the owner of all State specific data under 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 may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

The Federal Government has the right to obtain, reproduce, publish or otherwise use the data first published under an award and authorize others to receive, publish or otherwise use such data for Federal purposes.

2.264 Ownership of Materials

The State and the Contractor will continue to own their respective proprietary technologies and preexisting work or materials developed before entering into the Contract, including, but not limited to, any routines, libraries, tools, software, methodologies, processes or technologies that are proprietary to Contractor or to third parties. 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.

The State shall have no interest in or claim to such proprietary items (or in any modifications or enhancements to them) other than: (i) to use them as authorized by Contractor in writing from time to time solely for purposes of performing the State responsibilities described herein; (ii) to the extent the proprietary items are incorporated into a Work Product, to use them as part of the Work Product for purposes of the State's internal business only; or (iii) pursuant to Contractor's standard license for such Proprietary Items or, in the case of Proprietary Items owned by third parties, pursuant to terms acceptable to the applicable third party.

2.265 General Skills

The Contractor and its Subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the Services under this Contract, so long as the Contractor or its Subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

2.270 State Standards

2.271 Existing Technology Standards

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

2.272 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>. 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.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access and configuration management procedures.



2.280 Extended Purchasing

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally)

(Use the following terms for if not mandatory MiDEAL project)

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: www.michigan.gov/buymichiganfirst. Unless otherwise stated, the Contractor must ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices will be submitted to and pay the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

2.282 State Employee Purchases Reserved

2.290 Environmental Provision

2.291 Environmental Provision

Energy Efficiency Purchasing Policy: The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified 'Energy Star' products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

Environmental Purchasing Policy: The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

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

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State must provide a



safe and suitable environment for performance of Contractor’s Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State’s convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Labeling: Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning: The Contractor shall comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

Environmental Performance: Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300 Deliverables

2.301 Software

RESERVED

2.302 Hardware

RESERVED

2.303 Equipment to be New

RESERVED

2.304 Equipment to be New and Prohibited Products

RESERVED



2.310 Software Warranties

2.311 Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, shall materially conform to their specifications for a period of (90) ninety days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

2.312 No Surreptitious Code Warranty

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

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

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

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

2.313 Calendar Warranty

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

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.314 Third-party Software Warranty

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

**2.315 Physical Media Warranty**

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

2.320 Software Licensing

Pursuant to Federal regulations at 45 CFR 95.617, the Department of Health and Human Services "reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation.

2.321 Cross-License, Deliverables Only, License to Contractor
RESERVED**2.322 Cross-License, Deliverables and Derivative Work, License to Contractor**
RESERVED**2.323 License Back to the State**
RESERVED**2.324 License Retained by Contractor**

If elected by the Contractor, the State grants to the Contractor: 1) a perpetual, irrevocable, non-exclusive, worldwide, royalty-free, paid-up license to use, execute, reproduce, display, perform, distribute (internally and externally) copies of, and prepare derivative works based on Work Products, and; 2) the right to authorize others to do any of the former. In no event shall the Contractor be precluded from developing for itself, or for others, materials which are competitive with the Work Product, irrespective of their similarity to the Work Product. Contractor agrees to pay the State an amount to be mutually agreed upon in exchange for the aforementioned license.

2.235 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.

2.330 Source Code Escrow**2.331 Definition**
RESERVED**2.332 Delivery of Source Code into Escrow**
RESERVED**2.333 Delivery of New Source Code into Escrow**
RESERVED



2.334 Verification

2.335 Escrow Fees
RESERVED

2.336 Release Events

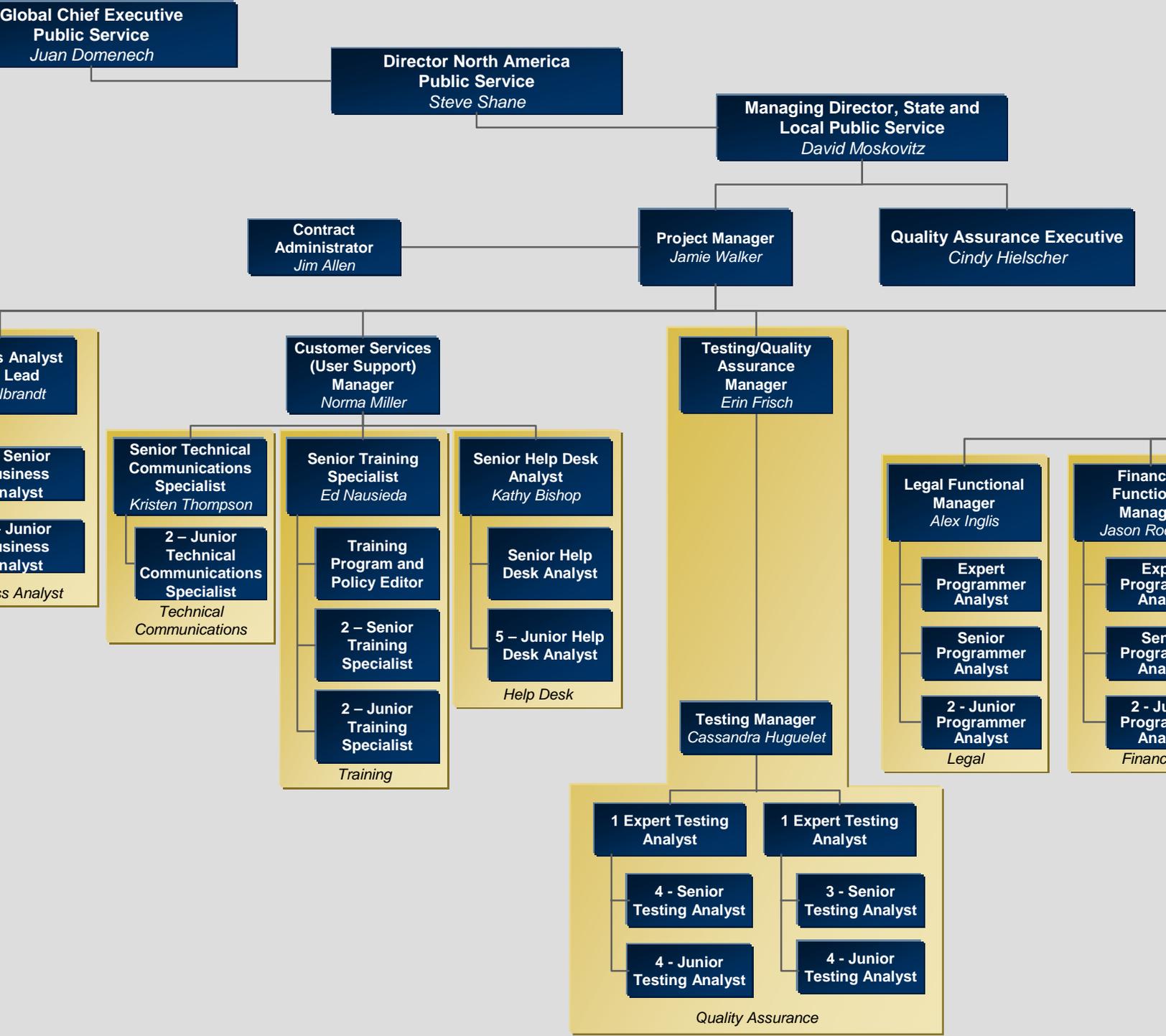
2.337 Release Event Procedures
RESERVED

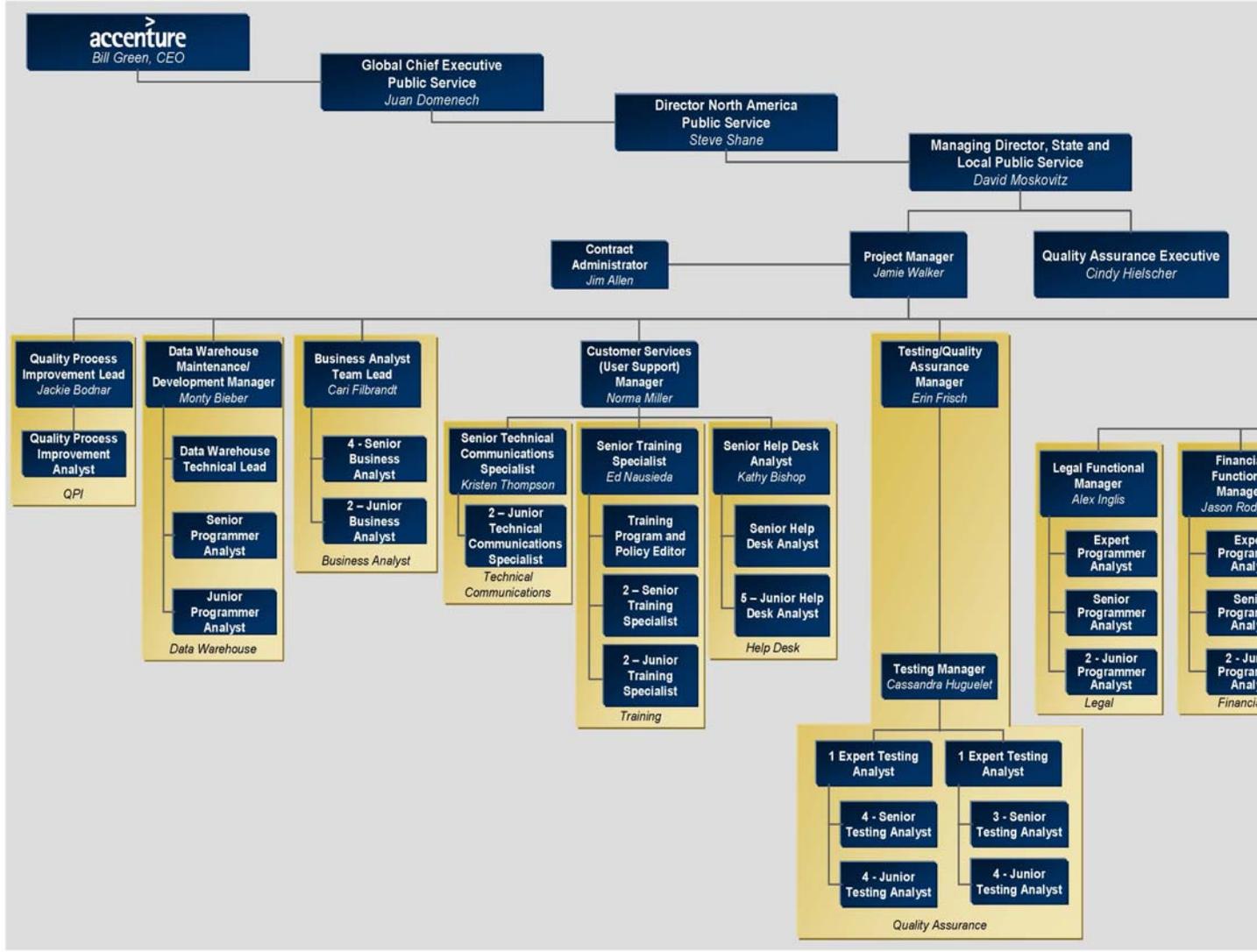
2.338 License
RESERVED

2.339 Derivative Works
RESERVED



Article 1, Attachment B Organizational Chart, including Key Personnel





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Exhibit A
Approved Subcontractors

The Contractor has named the following subcontractors for this engagement:

1. *Compuware Corporation*
2. *Shakti Solutions*
3. *Courtland Consulting*
4. *Bull Services*
5. *Actium Consulting*

Appendix L
MiCSES Application Maintenance RFP
TABLE 1 – PROJECT COST SUMMARY INFORMATION

1. Key Personnel <i>(from Table #2)</i>	\$ 15,169,504
2. Task 1: Project Initiation and 90-Day Transition <i>(from Table #3)</i>	\$ -
3. Task 2: Application Maintenance <i>(from Table #4)</i>	\$ 30,214,800
4. Task 3: Integration Testing <i>(from Table #5)</i>	\$ 17,537,688
5. Task 4: Batch and Interface Processing <i>(from Table #6)</i>	\$ 2,398,704
6. Task 5: User Support <i>(from Table #7)</i>	\$ 13,861,932
7. Task 6: Training of State Staff	N/A
8. Sub-Total – Seven Year Fixed Price	\$ 79,182,628
9. Task 7: Reserve Bank of Hours <i>(from Table #8)</i>	\$ 48,447,000
10. Sub-Total – Seven Year Total Price	\$ 127,629,628
11. Additional Pricing Discount	\$ 306,796
12. Reduction from State in-sourcing of Help Desk	\$ 4,017,804
13. Total – Seven Year Contract Summary Cost *	\$ 123,305,028

* **Note:** Years 6 and 7 of the contract will have COLA rates applied at that time. Rates will be updated to reflect this change at the end of year 5; prior to years 6 & 7 commencing

Appendix L
MiCSES Application Maintenance RFP
TABLE 2 – KEY PERSONNEL MONTHLY PRICE FOR EACH STAFF

Staffing Category		Monthly Price	FTEs	Total Fixed Price
1	Project Manager	\$ 30,833	1	\$ 30,833
2	Oracle Development Manager	\$ 20,925	1	\$ 20,925
3	Data Warehouse Development Manager	\$ 27,750	1	\$ 27,750
4	Testing / Quality Assurance Manager	\$ 24,963	1	\$ 24,963
5	Customer Services (User Support) Manager	\$ 18,903	1	\$ 18,903
6	Business Analyst Team Leader	\$ 17,365	1	\$ 17,365
7	Oracle Technical Lead	\$ 24,489	1	\$ 24,489
8	CorVision Technical Lead	\$ 15,361	1	\$ 15,361
TOTAL MONTHLY FIXED PRICE FOR KEY PERSONNEL				\$ 180,589
				X 84 Mo.
TOTAL FIXED PRICE FOR 7-YEAR CONTRACT FOR KEY PERSONNEL				15,169,504

Appendix L
MiCSES Application Maintenance RFP
TABLE 3 – TASK 1 PROJECT INITIATION AND 90-DAY TRANSITION

Staffing Category		Weekly Rate	Weeks	Total Fixed Price
1	Project Manager	\$ 9,110	0	\$ -
2	Oracle Development Manager	\$ 4,829	0	\$ -
3	Data Warehouse Development Manager	\$ 7,398	0	\$ -
4	Testing / Quality Assurance Manager	\$ 5,761	0	\$ -
5	Customer Services (User Support) Manager	\$ 4,362	0	\$ -
6	Business Analyst Team Leader	\$ 4,007	0	\$ -
7	Oracle Technical Lead	\$ 5,651	0	\$ -
8	CorVision Technical Lead	\$ 3,545	0	\$ -
9	Data Warehouse Technical Lead	\$ 6,957	0	\$ -
10	Batch Support	\$ 2,538	0	\$ -
TOTAL FIXED PRICE for Task 1				No Charge

Appendix L
MiCSES Application Maintenance RFP
TABLE 4 – TASK 2 APPLICATION MAINTENANCE

Staffing Category		Monthly Price	FTEs	Total Fixed Price
1	Oracle Technical Lead	\$ 24,489	0	\$ *
2	CorVision Technical Lead	\$ 15,361	0	\$ *
3	Data Warehouse Technical Lead	\$ 27,828	1	\$ 27,828
4	Business Analyst	\$ 13,922	2	\$ 27,844
5	Programmer Analyst	\$ 10,879	7	\$ 76,153
6	Sr. Programmer Analyst	\$ 13,377	4	\$ 53,508
7	Expert Programmer Analyst	\$ 16,390	3	\$ 49,170
8	Sr. Business Analyst	\$ 14,510	4	\$ 58,040
9	Functional Manager	\$ 14,867	3	\$ 44,601
10	Quality Process Improvement Analyst	\$ 11,278	2	\$ 22,556
TOTAL MONTHLY FIXED PRICE FOR TASK 2				359,700
				X 84 Months
TOTAL FIXED PRICE FOR 7-YEAR CONTRACT FOR TASK 2				30,214,800

* Roles are not priced here as they are included in our Key Personnel pricing shown in Table 2

Appendix L
MiCSES Application Maintenance RFP
TABLE 5 – TASK 3 INTEGRATION TESTING

Staffing Category		Monthly Price	FTEs	Total Fixed Price
1	Testing Analyst	\$ 10,143	8	\$ 81,144
2	Sr. Testing Analyst	\$ 11,442	7	\$ 80,094
3	Testing Manager	\$ 15,848	1	\$ 15,848
4	Expert Testing Analyst	\$ 15,848	2	\$ 31,696
TOTAL MONTHLY FIXED PRICE FOR TASK 3				\$ 208,782
				X 84 Months
TOTAL FIXED PRICE FOR 7-YEAR CONTRACT FOR TASK 3				17,537,688

Appendix L
MiCSES Application Maintenance RFP
TABLE 6 – TASK 4 BATCH and INTERFACE SUPPORT

Staffing Category		Monthly Price	FTEs	Total Fixed Price
1	Sr. Batch Support Specialist	\$ 18,406	1	\$ 18,406
2	Jr. Batch Support Specialist	\$ 10,150	1	\$ 10,150
TOTAL MONTHLY FIXED PRICE FOR TASK 4				\$ 28,556
				X 84 Months
TOTAL FIXED PRICE FOR 7-YEAR CONTRACT FOR TASK 4				\$ 2,398,704

Appendix L
MiCSES Application Maintenance RFP
TABLE 7 – TASK 5 USER SUPPORT

Staffing Category		Monthly Price	FTEs	Total Fixed Price
1	Help Desk Analyst	\$ 6,833	7	\$ 47,831
2	Desktop Integration Support	\$ 15,161	1	\$ 15,161
3	Trainer	\$ 11,157	5	\$ 55,785
4	Technical Writer	\$ 10,922	1	\$ 10,922
5	Technical Communications-Lead	\$ 13,480	1	\$ 13,480
6	Technical Communications Staff	\$ 10,922	2	\$ 21,844
TOTAL MONTHLY FIXED PRICE FOR TASK 5				\$ 165,023
				X 84 Months
TOTAL FIXED PRICE FOR 7-YEAR CONTRACT FOR TASK 5				\$ 13,861,932

Appendix L
MiCSES Application Maintenance RFP
TABLE 8 – RESERVE BANK OF HOURS

Estimated Average Hourly Rate for Statements of Work	\$ 69.21
Estimated Available Allocation of Statement of Work Hours	X 100,000
	6,921,000
	X 7 Years
TOTAL 5-Year Cost Estimate for Reserve Bank of Hours	\$ 48,447,000

Appendix L
MiCSES Application Maintenance RFP
TABLE 9 – HOURLY RATES

Staffing Category		Fixed Hourly Rate
1	Project Manager	\$ 200.00
2	Oracle Development Manager	\$ 175.00
3	Data Warehouse Development Manager	\$ 180.00
4	Testing / Quality Assurance Manager	\$ 160.00
5	Customer Services (User Support) Manager	\$ 160.00
6	Business Analyst Team Leader	\$ 125.00
7	Oracle Technical Lead	\$ 150.00
8	CorVision Technical Lead	\$ 100.00
9	Data Warehouse Technical Lead	\$ 180.00
10	Business Analyst	\$ 84.00
11	Help Desk Analyst	\$ 55.00
12	Training Specialist	\$ 75.00
13	Testing Analyst	\$ 62.00
14	Programmer Analyst	\$ 61.00
15	Programmer	\$ 61.00
16	Functional Manager	\$ 150.00
17	Sr. Business Analyst	\$ 87.00
18	Expert Programmer Analyst	\$ 110.00
19	Sr. Programmer Analyst	\$ 82.00
20	Expert Testing Analyst	\$ 94.00
21	Sr. Testing Analyst	\$ 79.00
22	Sr. Batch Support Specialist	\$ 110.00
23	Jr. Batch Support Specialist	\$ 61.00
24	Technical Communications Staff	\$ 75.00

Appendix L
MiCSES Application Maintenance RFP
TABLE 10 –Fixed Price & Estimated Statement of Work Billing Schedule

Billing Period	Fixed Price Payment Amount	Estimated SOW Payment Amount	Total Payment Amount	Explanation
4/1/09 – 4/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	Discount applied in first Contract Year of \$624,400
5/1/09 – 5/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
6/1/09 - 6/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
7/1/09 – 7/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
8/1/09 – 8/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
9/1/09 – 9/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
Sub-Total SFY 2009:	\$5,134,402.02	\$3,460,500.00	\$8,594,902.02	
10/1/09 – 10/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	Discount applied in second Contract Year of \$770,000
11/1/09 – 11/30/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
12/1/09 – 12/31/09	\$855,733.67	\$576,750.00	\$1,432,483.67	
1/1/10 – 1/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
2/1/10 – 2/28/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
3/1/10 – 3/31/10	\$855,733.67	\$576,750.00	\$1,432,483.67	
4/1/10 – 4/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
5/1/10 – 5/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
6/1/10 – 6/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
7/1/10 – 7/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
8/1/10 – 8/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
9/1/10 – 9/30/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
Sub-Total SFY 2010:	\$10,196,004.00	\$6,921,000.00	\$17,117,004.00	
10/1/10 – 10/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	No discount applied in Contract Years 3 thru 5
11/1/10 – 11/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
12/1/10 – 12/31/10	\$843,600.33	\$576,750.00	\$1,420,350.33	
1/1/11 – 1/31/11	\$843,600.33	\$576,750.00	\$1,420,350.33	
2/1/11 – 2/28/11	\$843,600.33	\$576,750.00	\$1,420,350.33	
3/1/11 – 3/31/11	\$843,600.33	\$576,750.00	\$1,420,350.33	
4/1/11 – 4/30/11	\$907,767.00	\$576,750.00	\$1,484,517.00	
5/1/11 – 5/31/11	\$907,767.00	\$576,750.00	\$1,484,517.00	
6/1/11 – 6/30/11	\$907,767.00	\$576,750.00	\$1,484,517.00	
7/1/11 – 7/31/11	\$907,767.00	\$576,750.00	\$1,484,517.00	
8/1/11 – 8/31/11	\$907,767.00	\$576,750.00	\$1,484,517.00	
9/1/11 – 9/30/11	\$907,767.00	\$576,750.00	\$1,484,517.00	
Sub-Total SFY 2011:	\$10,508,203.98	\$6,921,000.00	\$17,429,203.98	
10/1/11 – 10/31/11	\$907,767.00	\$576,750.00	\$1,484,517.00	
11/1/11 – 11/31/11	\$907,767.00	\$576,750.00	\$1,484,517.00	
12/1/11 – 12/31/11	\$907,767.00	\$576,750.00	\$1,484,517.00	
1/1/12 – 1/31/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
2/1/12 – 2/28/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
3/1/12 – 3/31/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
4/1/12 – 4/30/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
5/1/12 – 5/31/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
6/1/12 – 6/30/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
7/1/12 – 7/31/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
8/1/12 – 8/31/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
9/1/12 – 9/30/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
Sub-Total SFY 2012:	\$10,893,204.00	\$6,921,000.00	17,814,204.00	

Billing Period	Fixed Price Payment Amount	Estimated SOW Payment Amount	Total Payment Amount	Explanation
10/1/12 – 10/31/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
11/1/12 – 11/31/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
12/1/12 – 12/31/12	\$907,767.00	\$576,750.00	\$1,484,517.00	
1/1/13 – 1/31/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
2/1/13 – 2/28/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
3/1/13 – 3/31/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
4/1/13 – 4/30/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
5/1/13 – 5/31/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
6/1/13 – 6/30/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
7/1/13 – 7/31/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
8/1/13 – 8/31/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
9/1/13 – 9/30/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
Sub-Total SFY 2013:	\$10,893,204.00	\$6,921,000.00	17,814,204.00	
10/1/13 – 10/31/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
11/1/13 – 11/31/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
12/1/13 – 12/31/13	\$907,767.00	\$576,750.00	\$1,484,517.00	
1/1/14 – 1/31/14	\$907,767.00	\$576,750.00	\$1,484,517.00	
2/1/14 – 2/28/14	\$907,767.00	\$576,750.00	\$1,484,517.00	
3/1/14 – 3/31/14	\$907,767.00	\$576,750.00	\$1,484,517.00	
4/1/14 – 4/30/14	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
5/1/14 – 5/31/14	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
6/1/14 – 6/30/14	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
7/1/14 – 7/31/14	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
8/1/14 – 8/31/14	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
9/1/14 – 9/30/14	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2014:	\$10,893,204.00	\$6,921,000.00	17,814,204.00	
10/1/14 – 10/31/14	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
11/1/14 – 11/31/14	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
12/1/14 – 12/31/14	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
1/1/15 – 1/31/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
2/1/15 – 2/28/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
3/1/15 – 3/31/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
4/1/15 – 4/30/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
5/1/15 – 5/31/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
6/1/15 – 6/30/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
7/1/15 – 7/31/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
8/1/15 – 8/31/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
9/1/15 – 9/30/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2015:	\$10,893,204.00	\$6,921,000.00	17,814,204.00	
10/1/15 – 10/31/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
11/1/15 – 11/31/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
12/1/15 – 12/31/15	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
1/1/16 – 1/31/16	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
2/1/16 – 2/28/16	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
3/1/16 – 3/31/16	\$907,767.00	\$576,750.00	\$1,484,517.00	* Estimate: See Footnote re: Contract Year 6 & 7
Sub-Total SFY 2016:	\$5,446,602.00	\$3,460,500.00	\$8,907,102.00	
Total Contract:	\$74,858,028.00	\$48,447,000.00	\$123,305,028.00	

Please Note: This Billing Schedule overrides Monthly Pricing that might be derived from Appendix L, as the Appendix L tables do not readily reflect up front discounts that are provided in Accenture’s pricing structure. *In Years 6 & 7, the billing shown here is only an estimate – as a Cost of Living Adjustment will be applied at the beginning of Year 6 for both Contract Year 6 & 7.