

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

March 17, 2010

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B9200175
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (480) 423-8184 Mark Shishida
Fox Systems, Inc. 6263 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85250 mark.shishida@foxsys.com		
		BUYER/CA (517) 241-3768 Lance Kingsbury
Contract Compliance Inspector: Laurie Johnson (517) 373-2084 (JohnsonL@michigan.gov) Consultant for SACWIS Planning - Michigan Department of Human Services		
CONTRACT PERIOD: From: April 8, 2009 To: June 30, 2010		
TERMS	N/A	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective April 1, 2010, this Contract is hereby EXTENDED through June 30, 2010, and \$243,347.50 is hereby added.

The Contract Compliance Inspector for this Contract is now:

Laurie Johnson
(517) 373-2084
JohnsonL@michigan.gov

Note: The DMB Buyer for this Contract is now Lance Kingsbury (517) 241-3768.

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request (PRF dated 1/20/2010), Contractor agreement (letter dated 1/25/2010), OSE approval (OSE Form #OSE-0729-10), Ad Board approval on 3/16/2010, and DMB Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$1,229,726.50

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

January 4, 2010

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B9200175
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (480) 423-8184
Fox Systems, Inc. 6263 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85250 mark.shishida@foxsys.com		Mark Shishida
		BUYER/CA (517) 373-7396 Andy Ghosh, CPPB
Contract Compliance Inspector: Terri Gilbert (517) 335-6158 Consultant for SACWIS Planning - Michigan Department of Human Services		
CONTRACT PERIOD: From: April 8, 2009		To: March 31, 2010
TERMS	N/A	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective January 4, 2010 this Contract is hereby EXTENDED to March 31, 2010 per article 2.002 which states:

2.002 Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to three additional months.

FOX is pleased to agree to extend Contract No.: 071B9200175 under Purchase Order 431N0200364 and to apply the reserve hours cost allowance of \$149,040.00 to the completion of the following new deliverables and services:

Purchase Order 431N0200634 Deliverables	Deliverable Due Date	Deliverable Amount
Phase 3 Deliverable		
ATOC for Cost/Benefit	10-Jan-10	\$15,018.00
Presentation of Cost/Benefits Deliverable	12-Jan-10	\$21,722.00
Phase 4 Deliverables		
Deliverable: D1b Strategic Implementation Plan: Communication Plan & Training Plan	29-Mar-10	\$47,296.00
Deliverable: D1c Strategic Implementation Plan: Key Milestones and Timeliness for Full Implementation	29-Mar-10	\$42,420.50
Phase 5 Deliverables		
Complete JAR Sessions	13-Jan-10	\$21,195.50
Total for Purchase Order		\$147,652.00

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per request of agency (PRF dated 11/2/09), vendor agreement (fax dated 12/23/09), and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$986,379.00

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

June 5, 2009

**CHANGE NOTICE NO. 2
 TO
 CONTRACT NO. 071B9200175
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR Fox Systems, Inc. 6263 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85250		TELEPHONE (480) 423-8184 Mark Shishida
		BUYER/CA (517) 373-7396 Andy Ghosh, CPPB
Contract Compliance Inspector: Terri Gilbert (517) 335-6158 Consultant for SACWIS Planning - Michigan Department of Human Services		
CONTRACT PERIOD: From: April 8, 2009		To: January 7, 2010
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective immediately, the following changes are incorporated into the contract:

1. Combine deliverables in section 1.1 of the Contract into three documents, each containing multiple deliverables described in the Contract. The deliverables to be combined in each report are identified below with their related sections:
 - a. Section 1.1 - Project Deliverables - FOX will produce for this project, all deliverables as described in detail in Section 1.022 of the Proposal.
 - i. Section A2. Requirements Validation and Section A.3 Deficiency Document (Gaps Analysis) is combined into a single report. The Needs Assessment document is to be used in the overall Feasibility Assessment and Alternative Analysis. The objective of this change is to have process, results and needs assessment in one document, which will tie everything together and will allow the report readers to reference all sections within a single document to support the needs assessment.
 - ii. Section C2 Cost/Benefit analysis of SWSS and the chosen alternatives and C3. Recommendation on most viable solution to implement a SACWIS by October 2012 is combined into one report. The objective of this change is to have CBA results and recommendation in one document, which will tie everything together and allow one to reference sections within the document to support the recommendation.

- iii. E3. Requirements Validation Document and E4. System Requirements Specification (SRS) and Requirements Traceability Matrix (RTM) is combined into one report. These could be considered the same but in different formats with E4 offering more detail.

2. Secondly, the payment schedule is based on interim payments reflective of work in progress towards the completion of the deliverable. The following is the amended payment schedule:

<i>Tasks for Payment</i>	<i>Interim Payment \$</i>	<i>Interim payment %</i>	<i>Due Date</i>
Phase 1 Total	\$ 193,098.00		
Deliverable: Approved Requirements Definition and Validation Plan	\$ 38,619.60	20%	13-May
Completion of Site Visits/focus groups	\$ 38,619.60	20%	30-Jun
Deliverable: Requirements Validation and Deficiency Document, A.2 and Needs Assessments, A.3	\$ 115,858.80	60%	24-Jul
Phase 2 Total	\$ 75,090.00		
Submit ATOC for review	\$ 15,018.00	20%	26-May
Perform Feasibility Analysis on SWSS	\$ 15,018.00	20%	9-Jul
Deliverable: Approved Feasibility Study and Alternatives Analysis Report (B1)	\$ 45,054.00	60%	7-Aug
Phase 3 Total	\$ 133,493.00		
Deliverable: C1. Approved Cost/Benefit Methodology Document	\$ 66,746.50	50%	14-Aug
Submit quantitative and qualitative benefits information for interim review	\$ 33,373.25	25%	11-Sep
Deliverable: Approved CBA and Recommendation Document (C2-3)	\$ 33,373.25	25%	18-Nov
Phase 4 Total	\$ 50,060.00		
Submit ATOC for Strategic Implementation Plan	\$ 12,515.00	25%	28-Sep
Deliverable: D1. Approved Strategic Implementation Plan	\$ 37,545.00	75%	25-Nov

Phase 5 Total	\$ 293,820.00		
Deliverable: E1. Requirements Definition and Validation Plan	\$ 88,146.00	30%	12-Aug
Deliverable: E2. Approved Existing and Additional Requirements Document	\$ 88,146.00	30%	6-Oct
Deliverable: E.3-4 Approved SRS and Traceability Matrix	\$ 117,528.00	40%	17-Dec
Phase 6 Total	\$ 50,060.00		
Submit ATOC for APD	\$ 15,018.00	30%	4-Nov
Deliverable: F1. Approved APD	\$ 35,042.00	70%	21-Dec
Phase 7 Total	\$ 41,717.00		
Submit ATOC for RFP	\$ 12,515.10	30%	4-Nov
Deliverable: G1. Approved Implementation RFP	\$ 29,201.90	70%	15-Jan

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per request from Fox Systems, Inc., approved by Terri Gilbert (DHS) and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$986,379.00

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

May 27, 2009

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B9200175
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (480) 423-8184 Mark Shishida
Fox Systems, Inc. 6263 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85250 mark.shishida@foxsys.com		
Contract Compliance Inspector: Terri Gilbert (517) 335-6158 Consultant for SACWIS Planning - Michigan Department of Human Services		BUYER/CA (517) 373-7396 Andy Ghosh, CPPB
CONTRACT PERIOD: From: April 8, 2009 To: January 7, 2010		
TERMS	N/A	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective immediately, the Contract Compliance Inspector (CCI) and the Project Manager (PM) is changed to:

Terri Gilbert, Director
Child Welfare Improvement Bureau
Michigan Department of Human Services
P.O. Box 30037
235 S. Grand Avenue, Suite 514
Lansing, MI 48909
Phone: (517) 335-6158
Fax: (517) 335-6177
Email: gilbertt@michigan.gov

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$986,379.00

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

April 9, 2009

**NOTICE
 TO
 CONTRACT NO. 071B9200175
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR Fox Systems, Inc. 6263 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85250 mark.shishida@foxsys.com		TELEPHONE (480) 423-8184 Mark Shishida
		BUYER/CA (517) 373-7396 Andy Ghosh, CPPB
Contract Compliance Inspector: Beverly Davenport (517) 373-7500 Consultant for SACWIS Planning - Michigan Department of Human Services		
CONTRACT PERIOD: From: April 8, 2009 To: January 7, 2010		
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

The terms and conditions of this Contract are those of RFP #071I9200060, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.

Current Authorized Spend Limit: \$986,379.00

**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. 071B9200175
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR Fox Systems, Inc. 6263 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85250 <p style="text-align: right;">mark.shishida@foxsys.com</p>	TELEPHONE (480) 423-8184 Mark Shishida BUYER/CA (517) 373-7396 Andy Ghosh, CPPB
Contract Compliance Inspector: Beverly Davenport (517) 373-7500 Consultant for SACWIS Planning - Michigan Department of Human Services	
CONTRACT PERIOD: From: April 8, 2009 To: January 7, 2010	
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: <p>The terms and conditions of this Contract are those of RFP #071I9200060, 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.</p> <p>Current Authorized Spend Limit: \$986,379.00</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the RFP #071I9200060. Orders for delivery may be issued directly by the Department of Human Services through the issuance of a Purchase Order Form.

<p>FOR THE CONTRACTOR:</p> <p style="text-align: center;">Fox Systems, Inc.</p> <hr/> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	<p>FOR THE STATE:</p> <hr/> <p style="text-align: center;">Signature</p> <p style="text-align: center;">Melissa Castro, CPPB, Buyer Manager</p> <hr/> <p style="text-align: center;">Name/Title</p> <p style="text-align: center;">Services Division, Purchasing Operations</p> <hr/> <p style="text-align: center;">Division</p> <hr/> <p style="text-align: center;">Date</p>
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**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

**Contract No. – 071B9200175
Consultant for SACWIS Planning for Department of Human Services**

Buyer Name: Andy Ghosh
Telephone Number: 517-373-7396
E-Mail Address: ghosha@michigan.gov



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ATTACHMENTS:

Attachment A - Pricing

Appendix A - Description of Systems & Interfaces

Appendix B - Useful Websites



DEFINITIONS

“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).

“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.

“Audit Period” has the meaning given in **Section 2.112**.

“Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.

“Blanket Purchase Order” is an alternate term for Contract and is used in the States computer system.

“Business Critical” means any function identified in any Statement of Work as Business Critical.

“Chronic Failure” is defined in any applicable Service Level Agreements.

“Deleted – Not Applicable” means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

“Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work

“DMB” means the Michigan Department of Management and Budget

“Environmentally preferable products” means 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 which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

“Excusable Failure” has the meaning given in **Section 2.244**.

“Hazardous material” means 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).

“Incident” means any interruption in Services.

“ITB” is a generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential Contractors.

“Key Personnel” means any Personnel designated in **Section 1.031** as Key Personnel.

“New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Ozone-depleting substance” means 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, hydrochlorofluorocarbons.

“Post-Consumer Waste” means 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” means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.



“Recycling” means 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.

“Reuse” means using a product or component of municipal solid waste in its original form more than once.

“RFP” means a Request for Proposal designed to solicit proposals for services.

“Services” means any function performed for the benefit of the State.

“Source reduction” means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

“State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

“Subcontractor” means a company Contractor delegates performance of a portion of the Services to, but does not include independent Contractors engaged by Contractor solely in a staff augmentation role.

“Unauthorized Removal” means the Contractors removal of Key Personnel without the prior written consent of the State.

“Waste prevention” means source reduction and reuse, but not recycling.

“Waste reduction”, or “pollution prevention” means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

“Work in Progress” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

“Work Product” refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

The Michigan Department of Management & Budget (DMB), with the help of the Michigan Department of Human Services (DHS) and the Michigan Department of Information Technology (MDIT), is awarding this Contract to obtain a consultant for Statewide Automated Child Welfare Information System (SACWIS) Planning services. This Contract seeks professional consulting services to work with DHS and MDIT to assess the most programmatically, technically and fiscally viable means to achieve federal SACWIS compliance by October 2012.

Consulting services requested in this Contract fall into the following broad categories, which are presented in more detail under Section 1.022 Work and Deliverables:

- Needs Assessment
- Evaluation of current systems
- Feasibility Study and Gap Analysis
- Alternatives Analysis
- Cost/Benefit Analysis
- Strategic Implementation Plan
- Development of detailed business requirements
- Development of required implementation documents

This Contract will require the Contractor to evaluate the State's Services Worker Support System (SWSS) and several stand alone and/or ancillary systems to determine whether it is more feasible to complete development of the SWSS system and bring it into SACWIS compliance, or to pursue alternative strategies for the successful design, development and implementation of a SACWIS information technology solution to support Michigan's child welfare programs.

DHS seeks to evaluate multiple approaches to ensure child welfare programs are administered effectively and efficiently in the state, meet state and federal policy and practice standards, and also support the differences between state-administered services and those administered by private agencies. This feasibility study, alternatives analysis and cost/benefit analysis may lead to some additional, contingent services such as the development of an Implementation Request for Proposals and associated evaluation criteria.

The State seeks to have services begin upon execution of the Contract, with all services and deliverables (required and contingent) completed and approved by the State within nine (9) months of execution of the Contract.

This Contract between the State and the awarded Contractor is the terms and conditions incorporated in Article 2 of this Contract.

1.012 Background

The State of Michigan, Department of Human Services (DHS), is the agency recognized by the Department of Health and Human Services (DHHS), Administration for Children and Families (ACF) as responsible for administering federal Child Welfare programs under Titles IV-B and IV-E of the Social Security Act. The State's Child Welfare program is state-supervised and administered. This Contract seeks professional consulting services to work with DHS and MDIT to perform a study directed at determining the feasibility of continued development of the current system, and that provides alternatives for the successful design, development and implementation of a Statewide Automated Child Welfare Information System (SACWIS) to support Michigan's Child Welfare programs.



The DHS mission includes a commitment to ensuring that children and youth served by our public systems are safe; to promote, improve and sustain a higher quality of life while enhancing their well-being; and have permanent and stable family lives.

Michigan currently operates a system that includes partial functionality to achieve SACWIS compliance. This system, known as SWSS (Services Worker Support System), was first rolled out in 2000-2001 and supported State workers in Foster Care, Adoption and Juvenile Justice. The system captured demographic information, determined funding, tracked placements and allowed workers to make payment authorizations. In 2006, automated service plans and assessments were added to the system. In 2007, CPS functionality was added to the system.

There are several problems with SWSS, as currently implemented, that have been identified by both the State and ACF:

- The current system architecture is Client/Server, with the client being written in Visual Basic 6. The application is built with a centralized Oracle database. The application resides on the desktop.
- The overall performance of the SWSS system is inadequate to meet user needs. Current SWSS users report poor response times while performing routine duties and that the system is periodically unavailable.
- Data produced by the SWSS system is of questionable accuracy. Potential causes of the inaccuracies could be the system itself, user error, workarounds used by current users, the need to re-enter the same data into different data fields or a combination of these factors.
- Other ancillary systems are being used to track data. The SWSS system does not fully support the data reporting needs of the State. A SACWIS system must take into account the reporting needs of public and private service providers at the local level and DHS central administration. Currently, users are creating their own excel spreadsheets and word documents to track their cases. SWSS does not capture all of the information needed to produce all of the reports that the State needs and that the federal government requires.
- The State has entered into a Settlement Agreement with national advocacy group Children's Rights that will require extensive reporting at a detail and rollup level. SWSS does not produce all of the reports that are needed to meet the terms of the Settlement Agreement. The Settlement Agreement also specifically requires the State to implement a SACWIS compliant system by October, 2012. A copy of the Settlement Agreement is available on the Children's Rights Web site at http://www.childrensrights.org/wp-content/uploads/2008/09/22008-07-03_mi_signed_settlement.pdf.
- There are several stand alone systems that should be part of a SACWIS that are not currently a part of the SWSS system. (See Appendix A, located after Attachment A)
- Access to SWSS by private child placing agencies does not exist. Forty percent of foster care and seventy-five percent of adoption services are provided by private child placing agencies under Contract with the State, but these agencies do not have access to SWSS. Efforts to include private agencies in SWSS have presented many technical and usability problems. Most private agencies have their own technology systems addressing their organizational needs and consider it dual entry to use the State's SACWIS. In order to become SACWIS compliant, the State's technology solution for child welfare must be used by, and support the needs of, both public and private child welfare service providers.
- A new payment system is required. Currently children's foster care payment authorizations are input into SWSS and then transmitted to the State's Model Payment System (MPS). This system was developed approximately 35 years ago and resides on a BULL Mainframe. The payment system must be integrated into a SACWIS application that communicates directly with the State's financial system. All payment information must reside in the SACWIS rather than an intermediary system.
- Dedicated project management for SWSS is lacking.

Goals

The Department's goals associated with this project are:

- Provide a Child Welfare technology system that is SACWIS compliant.



- Provide a Child Welfare technology system that meets the business needs of the State and that is compatible with the strategic direction of the State of Michigan.
- Provide a Child Welfare technology system that is user-friendly.
- Provide a Child Welfare technology system that, at a minimum, meets Federal and State business reporting requirements.
- Provide a Child Welfare technology system that helps to ensure the quality of Child Welfare services statewide and support compliance with child welfare policies, procedures and federal regulations.
- Provide timely, accurate and relevant reports and data to track outcomes, monitor caseworker performance and make sound business decisions.
- Provide a Child Welfare technology system that is adaptable and responsive to the changing needs and requirements of the State's child welfare programs, staff and service providers.

Objectives

The specific objectives of this Contract related to achieving these goals are to identify and select a Contractor who will:

- Manage to a State-approved schedule and provide timely, accurate, and reliable status information.
- Conduct a thorough needs analysis, including development of high-level business and technical requirements.
- Complete a rigorous Child Welfare system feasibility study and alternatives analysis, including a cost/benefit analysis. The selected vendor will make a recommendation regarding the most technically, programmatically, and fiscally viable alternative.
- Develop a strategic implementation plan and viable implementation approach and time schedule for the approved solution.
- Develop detailed business and technical requirements for the approved solution.
- Develop necessary Request for Proposals, work statements and evaluation criteria to procure software applications and/or vendors to provide any design, development, and implementation (DDI) services required for the State to implement the approved solution.
- Prepare the Implementation Advanced Planning Document (IAPD) that includes all federal and state required elements necessary to obtain federal approval for implementation of the selected solution.

Activities

A summary of the activities to be completed by the selected Contractor are described below:

- Produce a Michigan SACWIS needs assessment. Review with DHS and child welfare system stakeholders their current practices and processes, document problems with the current system, and identify the overall State and stakeholder needs and opportunities for achieving efficiency.
- Gather, document and prioritize State business needs and functional requirements for Michigan's Child Welfare program.
- Assess the capabilities of existing systems used by DHS, other states or additionally available child welfare technology systems to determine their appropriateness for inclusion in the alternatives analysis.
- Complete a feasibility study and alternatives analysis to evaluate further development and implementation approaches.
- Work with DHS and stakeholders to identify risks, conduct a risk assessment and develop a risk management plan.



- Conduct and document a detailed cost/benefit analysis of SWSS and up to three alternative approaches, as identified by the State, for development and implementation of a SACWIS.
- Develop a strategic implementation plan.
- Draft Implementation Requests for Proposals and Work Statements with associated evaluation criteria, and draft federally-required implementation documents for up to three follow-up procurements for the selected option to acquire software, a design, development and implementation Contractor, or other necessary procurement as yet to be determined.

1.020 Scope of Work and Deliverables

1.021 In Scope

The Contractor is expected to perform a study directed at determining the feasibility and alternatives for the successful design, development and implementation of an information technology solution to achieve SACWIS compliance by 2012. It is expected that the feasibility study will include an analysis of current and known future DHS and stakeholder needs and an evaluation of the SWSS system from a business and technical perspective. This evaluation of Michigan's child welfare systems must also include an examination of several DHS stand-alone systems such as the Juvenile Justice On-Line Technology (JJOLT) system, Model Payments System, the Families First application, and several others listed in Appendix A for incorporation into a SACWIS. There are also several ancillary systems to consider that are also included in Appendix A. Appendix A also includes a list of required and optional interfaces with existing systems that must be included in the analysis of how Michigan can become SACWIS-compliant by October 2012. During the term of this Contract, the SWSS system will undergo continued development for critically required or mandated functionality and reports. The Contractor must take into account the changing nature of SWSS as a part of the feasibility study.

The Contractor will evaluate child welfare applications from other states, private providers, Commercial Off-The-Shelf applications (COTS), framework systems, new development from the ground up and/or any combination of the above as a part of the alternatives analysis. These applications should be examined for the following: the application's ability to meet the user's business and reporting needs, usability, degree of SACWIS compliance, degree of meeting state business needs, performance and database design. An analysis of the network needs of the current system and proposed alternatives will also be required.

All work performed, products produced, and recommendations made in support of the Michigan SACWIS Compliance Feasibility Study and Alternatives Analysis must:

- Adhere to the State's Enterprise Information Technology policies, standards, and procedures outlined in Article 2, Section 2.271 Existing Technology Standards.
- Meet the State's Children's Rights Settlement Agreement-related reporting requirements.
- Meet federal SACWIS reporting requirements (found on the Web at the following site: <http://www.acf.hhs.gov/programs/cb/systems/sacwis/federal.htm>).
- Support the State's child welfare policies and business practice model.

Appendix B contains a list of websites with useful state and federal child welfare information and requirements.

This Contract will have a maximum term of nine (9) months. Extension of the Contract will be at the sole discretion of the State and will be based upon the acceptable performance of the selected Contractor as determined by the State.

Based on the outcome of the State's decision on the alternatives, this Contract will include the development of detailed requirements to implement the preferred alternative. The Contractor will also develop an Implementation Advanced Planning Document, Statements of Work, an Implementation RFP and other procurement documents related to implementing the preferred alternative, as needed.

A more detailed description of the services (work) and deliverables sought for this project is provided in Article 1, Section 1.022, Work and Deliverable.



Contractor Response:

FOX Systems, Inc. (FOX) understands that the State of Michigan, due to external constraints such as the settlement agreement with Children's Rights, is compelled to implement a SACWIS-compliant child welfare information system by October 2012. To this end, you have issued this request for proposals for SACWIS Planning Services. Because of the date constraints of the overall project, the SACWIS Planning project also is constrained by date. We understand and will comply with the requirement that all services performed under this contract must take place within nine months of the project start. We acknowledge that any extension of the contract will be at the sole discretion of the State and will be based upon the acceptable performance of FOX Systems as determined by the State. We also understand that the scope of the project consists of the following activities:

Needs Assessment

FOX will perform the required needs assessment for DHS, including a gap analysis between the system needs and the functions performed by the current systems. This needs assessment will identify the high-level current and known future requirements for the child welfare system. The gap analysis will involve the evaluation of the SWSS, JJOLT, the Model Payments System, the Families First application, and potentially other systems used by the Department. The requirements gathered will be both functional and non-functional requirements.

Feasibility Study and Alternatives Analysis

FOX will perform a feasibility study and alternatives analysis per the ACF Feasibility, Alternatives, and Cost/Benefit Analysis Guide. During the feasibility study, FOX will evaluate the existing SWSS to determine the viability of enhancing that application, either in its current technical platform or upgraded to a new technology, and bringing that system to SACWIS compliance. Based on the outcome of the feasibility study, that alternative may be included in the alternatives analysis.

FOX will then examine several alternative approaches achieving SACWIS compliance. These will include, at a minimum, child welfare applications from other states, private providers, Commercial Off-The-Shelf applications (COTS), framework systems, new development from the ground up and/or any combination of the above. FOX will evaluate these alternatives and provide DHS with a ranked list of at least 4 options and suggested evaluation criteria. The State will decide on which options will be subject to cost/benefit analysis.

Cost/Benefit Analysis

FOX will perform a cost/benefit analysis on the selected alternatives, plus the alternative of maintaining the status quo, per the ACF Feasibility, Alternatives, and Cost/Benefit Analysis Guide and the CBA Companion Guide for Child Welfare.

Implementation Plan, APD, and RFP

Depending on the outcome of the previous activities, FOX will also produce for DHS a strategic implementation plan, an APD, and statements of work for up to three Design, Development, and Implementation related Requests for Proposals.

1.022 Work and Deliverable

Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for, or incidental to, the performance of work, as set forth below. Contractor must provide a detailed work plan, identifying how it will accomplish the necessary work and provide the required Deliverables/Services. Contractor must include in its proposal a break down, by task and deliverable, estimated resources (Contractor and State) and number of hours (Contractor and State) to complete tasks and deliverables. Any hardware, software and associated services required to complete each task and deliverable must be included for each task and deliverable.

For purposes of preparing proposals, Contractors are to assume a SACWIS-compliant system will be implemented and in operation by October 2012.

These deliverables are not all inclusive. Contractors may propose other deliverables and identify for those deliverables the need and value in achieving the State's objectives. High level acceptance criteria for Deliverables are listed in Article 1, Section 1.051 Acceptance Criteria. More specific criteria are identified here.



A. Needs Assessment & Identification of Business Needs and Functional Requirements

Contractor must perform a needs assessment and evaluation of the current SWSS system. Contractor will gather and prioritize DHS and private agency business needs, with input from DHS, MDIT and other public and private agency stakeholders. The Contractor will then document functional and non-functional requirements that will serve as input for the feasibility study and alternatives analysis. These requirements will describe the current and future business processes of Michigan's child welfare program, as well as the IT elements required to support them, and will be used as the basis for determining appropriate technology options to be evaluated for the future direction of Michigan's SACWIS solution. The initial statement of functional and technical requirements should relate to the functional objectives, system objectives and system constraints.

Tasks

- Describe the approach to gathering, assessing and prioritizing the business needs.
- Describe the approach to document the existing functional and non-functional requirements and document missing requirements.
- Contractor will execute requirements gathering and validation upon State approval of the approaches identified in the previous bullets.
- Contractor will document high-level functional and technical requirements
- Contractor will perform an evaluation of SWSS system usability and functionality as compared to documented and validated needs, SACWIS requirements, state and federal reporting requirements, and Children's Rights Settlement Agreement reporting requirements.
- Contractor will develop a Needs Assessment document that identifies any deficiencies and validates any existing requirements for use in the Feasibility Study and Alternatives Analysis.

Deliverables

- A1. Comprehensive High-level Requirements Definition and Validation Plan
- A2. Requirements Validation and Deficiency Document (Gap Analysis)
- A3. Needs Assessment document to be used in the overall Feasibility Assessment and Alternatives Analysis

Acceptance Criteria

Requirements Validation Document must contain:

- Identification of any deficiencies
- Validation of decisions and approval of high-level requirements
- Acceptable software tools necessary for documenting requirements

Needs Assessment Document must contain, at a minimum:

- Documentation of business needs of public and private child welfare providers
- Identification of business needs that are not being met by the SWSS system
- Documentation of technical needs of public and private child welfare providers
- Identification of technical needs that are not being met by the SWSS system
- Identification of SACWIS, state and federal reporting, and Children's Rights reporting requirements that are not being met

Contractor: describe your proposed solution to meet this service, including State roles and Contractor roles

Needs Assessment Plan

The Assessment Plan will describe the process, techniques, tools, staff resources, and schedules for all requirements gathering, gap analysis, and validation activities.

We will first document our approach to requirements gathering, which identifies the way in which requirements will be gathered or developed, who must participate, schedule, etc. Our approach is to be as broad as possible and collect potential requirements in a range of methods, including:

- Review of documentation, such as current state system documentation, previously developed requirements documents, etc.
- Interviews with key stakeholders
- Facilitated focus group sessions conducted with subject matter experts (SMEs)



During the facilitated sessions, we employ the active use of “parking lots” to capture organizational/training and other issues not specifically identified as a “requirement.” These parking lots are included in the focus group session summary and will be reviewed to determine if any entry should be included in the “issue management” tracking tool, e.g., Issue Log.

We then document an approach to validating the requirements, including requirements validation sessions in which key stakeholders will be asked to review and validate all functional and technical requirements, assignment of priorities to all retained requirements, and the capture of the validation process in our tool so that validation can be documented. The Needs Assessment Plan will be submitted to DHS as Deliverable A1, Comprehensive High-level Requirements Definition and Validation Plan.

Needs Assessment

The purpose of this task is to document the current business model within the agency for child welfare-related business functions so that system gaps can be identified in subsequent tasks. It is not intended to support a business process improvement project, although when we produce the deliverable, we will also note problems, issues, and short-term opportunities for improvement that we identify.

Our approach to documenting the business and operational workflow is to first review existing the current systems (SWSS, JJOLT, the legacy payment system, etc.) and operational documentation (e.g., policies and procedures) and interview knowledgeable SACWIS project team staff to obtain a high level understanding of the current business model. Based on State project team recommendations, we will identify, select, and interview key users who are familiar with current operations. The interviews may be one-on-one sessions or involve multiple individuals if more than one person has the required knowledge. We assume that the scope of the business processes is limited to the SACWIS business functions identified in SACWIS AT # ACF-OISM-001 as SACWIS Assessment Review Report (SARR) requirements. We also understand that the process will require site visits to at least three field offices to observe and document workflow and processes.

Table 1 on the following page identifies sample generic business functions and associated units that we expect to be included within the scope of our business and operational workflow analysis. Upon start of the project, we will review and reconfirm these functions and the associated units with the Department prior to beginning these activities.



Table 1: Sample Functions and Units within Scope of Workflow Analysis

	Central CPS Intake	CPS Assessment	Case Mgt	Juvenile Justice	Finance	Service Provider Mgt	Staff Training	Federal & State Reporting	Foster Care, Permanency & Adoption	Department Policy
Intake Management	X									
Screening	X									
Investigation		X								
Assessment		X								
IV-E/XIX Eligibility Determination & Maintenance			X							
Service/Case Planning			X							
Case Review/ Evaluation			X							
Monitoring Services			X							
Facilities Support					X	X				
Foster/ Adoptions									X	
Resource Directory			X	X		X	X		X	X
Contract Support					X	X				
Court Processing				X						
Financial Management					X					
Staff Management			X				X			
Reporting including AFCARS								X		X
Interfaces								X		X



The distinct and discrete SARRs represent the maximum number of interviews that need to be conducted. Practically speaking, there should be opportunities for consolidation of multiple SARRs into a single interview session, so our expectation is that we will conduct approximately 60 interviews. It should also be noted that the interviews are focused on the SARR business function rather than the Program or organizational unit. Therefore, interviews may include multiple individuals from different Programs or units involved with support of the same business function. Our interviews will be informed by the expectations of the SARR as delineated in the SACWIS Assessment Review Guide, Michigan policy and regulations, and our understanding of the changes in child welfare program requirements since the initial implementation of SWSS, such as the Chaffee Independent Living legislation.

The requirements gathered during this activity will be general in nature, with a moderate level of detail, in order to identify the Department's basic system needs. These high-level requirements will be further refined in the Detailed Requirements Development activity later in the project.

Converting Problems to System Objectives / Gap Analysis

In this task, FOX will assess the extent of the ability of SWSS to support current child welfare and related business operations and produce a Gap Analysis identifying where SWSS does not fully support current business needs.

Conceptually, we see the Gap Analysis as being very similar to the SACWIS Assessment Review performed by ACF except for the broader programmatic scope. Our team will utilize applicable forms and templates from the SACWIS Assessment Review Guide (SARG) for documenting the results of the Gap Analysis. We understand that the current SWSS system does not fully support the SACWIS requirement and does not meet the need for reporting required under the State's Children's Rights Settlement Agreement.

Our project team will extract from the "As Is" business description to create associated system objectives to document the new system requirements. Our analysis will evaluate the current system's ability to support all "As Is" business processes, which includes:

- Efficient non-SACWIS business processes that can be considered as State-developed best practices
- Business processes required to support various program needs, including Juvenile Justice
- Other business processes that must be retained due to Federal or State legislation or legal resolution, such as State's Children's Rights Settlement Agreement

Where required child welfare-related functions are not supported, they will be summarized as gaps between these functions and the current system.

The gap analysis will be documented and submitted to DHS as the deliverable A2. *Requirements Validation and Deficiency Document*.

Needs Assessment Document

After the development of the Gap Analysis, the FOX Team will develop the Needs Assessment document as the formal Deliverable, A3 Needs Assessment Report. This document will be the basis for the needs assessment section of the Feasibility Study and Alternatives Analysis, as well as the APD.

FOX and State Roles

Table 2 identifies the FOX and State roles for the Needs Assessment & Identification of Business Needs and Functional Requirements activity.



Table 2: Needs Assessment Roles

Position	Role
FOX Roles	
Project Manager	Monitor and report progress, develop approach for identifying existing requirements, develop interview and focus group schedule, conduct interviews and focus groups, develop gap analysis, develop final needs assessment document, submit sections for interim review, submit Deliverables.
SACWIS Subject Matter Expert	Develop approach, develop requirements definition and validation plan, perform site visits, conduct interviews and focus groups, develop high level business needs, gap analysis, and requirements validation document.
Business Analyst	Perform site visits, conduct interviews and focus groups, develop high level business needs and gap analysis.
Junior Business Analyst	Support interview and focus group activities.
State Roles	
DHS Project Manager	Review and approve Deliverables.
DHS Project Team Members	Participate in interviews and facilitated focus group sessions, review notes and deliverable sections.
MDIT	Participate in interviews and facilitated focus group sessions, review notes and deliverable sections
SACWIS Subject Matter Experts	Participate in interviews and facilitated focus group sessions, review notes.
Key Stakeholders	Participate in interviews and facilitated focus group sessions, review notes.

B. Feasibility Study and Alternatives Analysis

Contractor must perform a Feasibility Study to determine whether further development, implementation and rollout of the State's SWSS system is a viable solution to achieve SACWIS compliance by October 2012 and meet the business and technology needs of the State. As a part of the Feasibility Study, the Contractor must perform an Alternatives Analysis which includes at least four additional alternatives available for achieving SACWIS compliance, Settlement Agreement compliance and meeting the needs of the child welfare program. Implementation of a SACWIS compliant system by October 2012 is the State's firm goal. In the event that the Contractor cannot identify four viable SACWIS-compliant alternatives, the State may allow the Contractor to submit one non-SACWIS technology solution. In any event, the Contractor will identify a minimum of five (including SWSS) programmatically, technically and fiscally viable alternatives that will meet state and federal ACF child welfare system and reporting requirements. See Appendix B for a list of state and federal child welfare-related Web sites to learn more about these requirements.

Notwithstanding any task or deliverable identified below, the Feasibility Study and Alternatives Analysis must adhere to the guidelines set forth in the Administration for Children and Families Feasibility, Alternatives, and Cost/Benefit Analysis Guide available at <http://www.acf.hhs.gov/programs/cb/systems/sacwis/cbaguide/> and the CBA Companion Guide for Child Welfare [Chapter 1](#), [2](#), [3](#).



Tasks

- Based on the Needs Assessment document, identify areas where needs are not sufficiently being met by the SWSS system (functional, technical and fiscal) and determine the seriousness of each problem relative to the business needs of the State.
- Convert the identified operational problems within the current environment into specific system objectives.
- Perform a feasibility analysis to determine whether further development and implementation of the SWSS system, with and without changes to the approach, will meet the State's needs and federal requirements.
- Identify alternative approaches for Michigan to achieve SACWIS compliance and assess project feasibility (functional, technical and fiscal) considering the following options:
 - Transferring and customizing an existing child welfare system from another state to Michigan;
 - Transferring and customizing an existing child welfare technology solution from a private child welfare service provider;
 - Implementation of a Commercial Off-The-Shelf (COTS) application with or without modifications to fit Michigan's child welfare policies and procedures;
 - New, Michigan-specific development of a SACWIS system;
 - Purchase/transfer of a framework system; or
 - Any combination of the above listed options.
- Identify system and fiscal constraints and assumptions of all evaluated systems.
- Identify any mobile abilities of the evaluated systems.
- Identify at a minimum, the four most-viable alternatives. This must be based on the State's identified business, technical and financial environment. Alternatives must be assessed against SWSS feasibility.
- Determine risks and effects for each alternative.
- Develop pros and cons for each alternative.
- Develop (jointly with the State) evaluation criteria for the State's use in choosing between alternative solutions.

Deliverable(s)

B1. Comprehensive Feasibility Study and Alternatives Analysis Document

Acceptance Criteria

The Feasibility Study and Alternative Analysis Document must include, at a minimum, the following elements:

- All recommended alternatives must be responsive to the changing business and technology needs of the State of Michigan and be compatible with the State's technical environment.
- Must adhere to the guidelines set forth in the Administration for Children and Families Feasibility, Alternatives, and Cost/Benefit Analysis Guide available at <http://www.acf.hhs.gov/programs/cb/systems/sacwis/cbaguide/> and the CBA Companion Guide for Child Welfare [Chapter 1](#), [2](#), [3](#).
- The Feasibility Study and Alternative Analysis Document must evaluate each alternative in terms of best value for the State of Michigan related to:
 - Functionality.
 - Usability.
 - Level of automation.
 - Ease of system integration and data sharing.
 - Technology standards.
 - Maximization of the use of existing infrastructure and data
 - Compliance to SACWIS requirements, state policy, federal regulations, and state and federal reporting requirements

Contractor: describe your proposed solution to meet this service, including State roles and Contractor roles

Feasibility Study

Building on the Needs Assessment and Gap Analysis, the Feasibility Study will identify whether an enhancement to the existing SSWS can reasonably meet the requirements for the future system. To this end, our assessment will examine:

- The possibility of enhancing the system in its current technical platform
- Migration of the system to Microsoft .NET, either manually or through the use of automated tools, prior to functional enhancement
- Application Architecture constraints of the existing system
- Compatibility of the resulting system with State of Michigan technical architecture requirements



We will work closely with DHS and MDIT staff to determine the extent of the modifications that would be required, system constraints, and any automated tools the State has used or evaluated. In addition, input from system users that was gathered during the needs assessment will inform the analysis on user acceptance of an enhancement to the existing system.

The pros and cons of the potential alternative will be documented, along with the analysis methodology and will become a component of the Comprehensive Feasibility Study and Alternatives Analysis document.

Once the analysis is complete, we will make a presentation of the findings to the State's project management team, who will decide whether the option is feasible and should be included for further analysis in the alternatives analysis process. The Feasibility Study section of the deliverable will be provided to the State for interim review.

Alternatives Analysis

The purpose of the Alternative Analysis task is to identify the potential system alternatives for the SSWS replacement and to analyze their pros and cons. Any alternative determined to be viable, along with the option of maintaining the status quo, will be included in the Cost Benefit Analysis (CBA) discussed below. Our analysis will include a minimum of the alternatives identified in the RFP:

- Transferring and customizing an existing child welfare system from another state to Michigan
- Transferring and customizing an existing child welfare technology solution from a private child welfare service provider
- Implementation of a Commercial Off-The-Shelf (COTS) application with or without modifications to fit Michigan's child welfare policies and procedures
- New, Michigan-specific development of a SACWIS system
- Purchase/transfer of a framework system
- Any combination of the above listed options

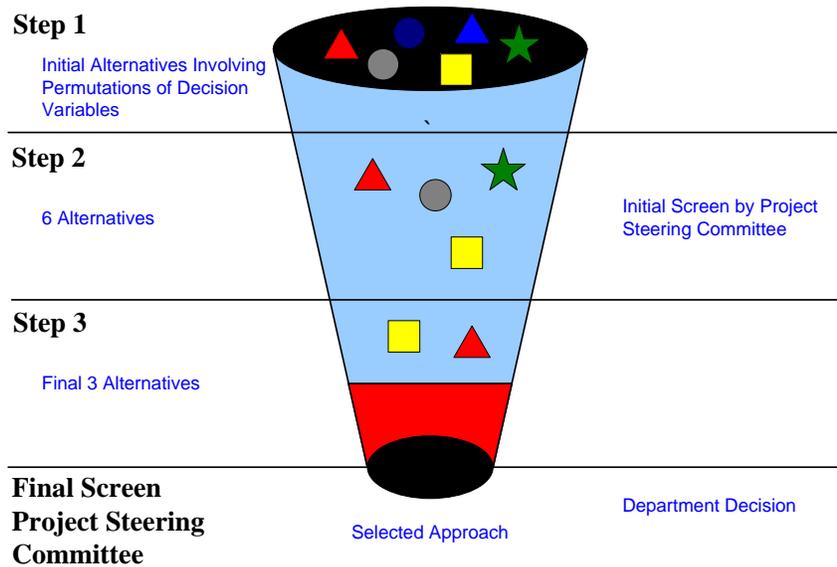
Our approach to this activity is to review the alternatives identified in the RFP and collaborate with Department staff to identify other potential alternatives that we would collectively consider as initially feasible. We will attempt to incorporate several alternatives reflecting different technological approaches, including the options of modifying current systems and transferring another State's system. In addition, the defined system alternatives may contain inherently different implementation and acquisition strategies that will also be included in the analysis.

Once we have identified and described the potential alternatives, we will ascribe high level pros and cons to each and rank them, discuss and analyze them, "funnel down" the less attractive alternatives using our best judgment, and repeat the process until we have identified the alternatives that are the most feasible.

Conceptually, the ranking process is similar to the diagram in the Figure 1, which shows how multiple alternatives are "screened" multiple times through various sets of approved evaluation criteria. This is an example only, and the specific number of alternatives considered and screening steps would be modified to reflect this project's methodology. As we have indicated, logically, this is a funneling or narrowing down process as shown in Figure 1.



Figure 1: Iterative Alternatives Screening Process



Once we have identified a narrower range of targeted alternatives, we will perform a more detailed analysis of each. We will describe each final system alternative in detail to easily present the major differences in technology, acquisition source and strategy, etc., including a discussion of the following dimensions:

- Functionality
- Usability
- Level of automation
- Ease of system integration
- Data sharing
- Technology standards
- Cost of implementation
- Cost of long-term maintenance and support

The ranking of system alternatives will be focused on the ACF objective of identifying “only the most likely to achieve the system objectives efficiently, effectively, and economically” with ranking criteria including, but not limited to, the factors listed below:

- Minimizing personnel expenses over the system's operational life
- Requiring minimal physical facility changes
- Ensuring high levels of availability, reliability, maintainability, or expandability
- Meeting requirements for ease of use and ready access to information
- Achieving desired distribution of processing to minimize data point-of-entry delays
- Achieving redundancy to guard against total system outages
- Limiting system development time
- Retaining a secure information repository

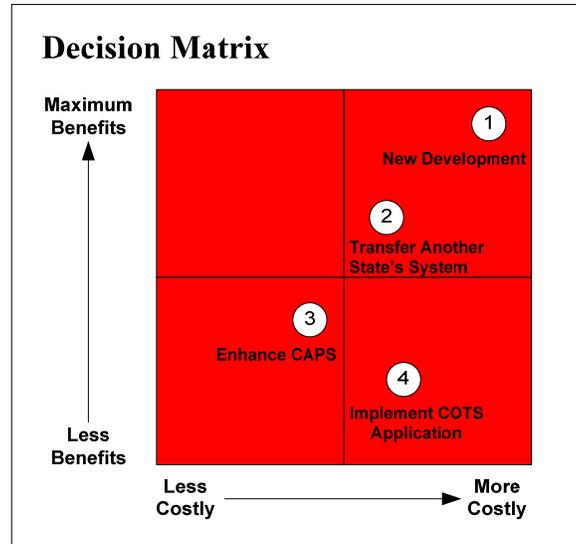
We will also analyze the risks and effects for each of the alternatives:

- Program impacts
- Equipment impacts
- Software impacts
- Information impacts
- Organizational impacts
- Operational impacts
- Developmental impacts
- Space and facility impacts
- Cost impacts



We will utilize analytic techniques such as a “Magic Quadrant” analysis for each of the alternatives. An example of this type of alternatives analysis is depicted in Figure 2, which shows were four system alternatives rate in respect to lesser or greater benefits and lesser or greater cost.

Figure 2: Sample Systems Alternatives Matrix



For the Department, we will create a series of “2 X 2” decision matrices to help understand the comparability of each alternative versus different evaluation dimensions. Each of the alternatives will be plotted on their respective positions on the 2 dimensional axes. Examples of the decision matrices which will be created and analyzed are:

- Functionality versus cost
- Adaptability versus cost
- Currency of technology versus cost
- Technical risk versus cost
- Functionality versus technical risk
- Functionality versus adaptability
- Currency of technology versus technical risk

We will analyze all of these matrices and composite develop rankings for each. We will then meet with State's project management team and selected stakeholders to determine the final criteria for selection of the viable alternatives which will be the subject of the Cost Benefit Analysis. FOX will work with the State's project management team to ensure that the State is informed and involved at all stages of the Alternatives Analysis and provide drafts of the deliverable for interim review.

The feasibility study and alternatives analysis will be documented and submitted to DHS as deliverable B1. Comprehensive Feasibility Study and Alternatives Analysis and will be used to develop the appropriate section of the APD.

FOX and State Roles

Table 3 identifies the FOX and State roles for the Feasibility Study and Alternatives Analysis activity.



Table 3: Feasibility Study and Alternatives Analysis Roles

Position	Role
FOX Roles	
Project Manager	Monitor and report progress, develop SWSS feasibility analysis, identify alternative approaches, identify assumptions and constraints, develop evaluation criteria, develop final report, submit sections for interim review, submit Deliverable.
SACWIS Subject Matter Expert	Develop system objectives, identify assumptions and constraints, identify viable approaches, determine risk, determine pros and cons.
Business Analyst	Identify SWSS gaps, identify assumptions and constraints, identify viable approaches, determine risk, determine pros and cons.
State Roles	
DHS Project Manager	Review and approve Deliverable, assist with identification of alternative approaches, assumptions and constraints, evaluation criteria, pros and cons.
DHS Project Team Members	Provide input, review sections.
MDIT	Provide input, review sections.
SACWIS Subject Matter Experts	Provide input, assist with assumptions and constraints, risks, pros and cons.
Key Stakeholders	Provide input, review sections.

C. Cost/Benefit Analysis

Contractor must perform a federally-acceptable Cost/Benefit Analysis that compares the resource requirements, project schedule and risk assessment of the evaluated alternatives to the requirements for the SWSS system and up to three of the feasible alternative technology approaches, as identified by the State based on the comprehensive Feasibility Study and Alternative Analysis document.

The Contractor shall adhere to the guidelines set forth in the Administration for Children and Families Feasibility, Alternatives, and Cost/Benefit Analysis Guide available at <http://www.acf.hhs.gov/programs/cb/systems/sacwis/cbaguide/> and the CBA Companion Guide for Child Welfare [Chapter 1](#), [2](#), [3](#).

Tasks

- The Contractor will develop the cost/benefit analysis methodology to be used to evaluate SWSS and up to three of the alternatives, as identified by the State.
- Upon State approval of the cost/benefit analysis methodology, the Contractor will use the defined evaluation criteria to conduct and document the costs and benefits of further implementing SWSS and each of the (up to) three selected alternatives.
- Upon State approval of the cost/benefit analysis, the Contractor will make a recommendation to the State on the most programmatically, technologically and fiscally feasible means to implement the selected system by October 2012. This recommendation as to the best strategic approach shall include a detailed description of the components of the approach with rationale for their inclusion.

Deliverable(s)

- C1. Cost/Benefit methodology document
- C2. Cost/Benefit analysis of SWSS and the chosen alternatives
- C3. Recommendation on most viable solution to implement a SACWIS by October 2012



Acceptance Criteria

The Cost/Benefit methodology and analysis for each alternative must include at a minimum:

- Analysis of cost of development and implementation and benefits
- Analysis of the cost of data conversion and evaluation of existing data quality
- Analysis of the pros and cons
- Analysis of cost of long-term maintenance and support
- Analysis of business and technical staff resources necessary to implement and support the system
- Implementation approach and (macro level) schedule
- Risk assessment and risk management plan
- Adherence to the guidelines set forth in the Administration for Children and Families Feasibility, Alternatives, and Cost/Benefit Analysis Guide available at <http://www.acf.hhs.gov/programs/cb/systems/sacwis/cbaguide/> and the CBA Companion Guide for Child Welfare Chapter 1, 2, 3.

Contractor: describe your proposed solution to meet this service, including State roles and Contractor roles

Approach and Methodology

For each approved alternative, the FOX Team will develop estimates of system costs and benefits and perform various financial cost benefit calculations to help determine which alternative represents the best value to Michigan.

We do note that ACF recommends that detailed cost benefit analysis not be performed on more than four or less than two viable system alternatives (i.e., "once the State has isolated no more than four and no less than two viable alternatives - one of which is the status quo - the cost/benefit determination may proceed").

At the start of the activity, we will develop materials that define the methodology to be used for the Cost Benefit Analysis. This will include methods for estimating costs for alternative systems, level of detail required for comparing system costs, methods for identifying benefits, and methods for identifying variations in benefits based on alternative selected. The methodologies will be discussed with the State's project management team, documented, and delivered as Deliverable C1 Cost/Benefit Methodology.

As with all project deliverables, we will prepare an Annotated Table of Contents (ATOC), which prescribes the format of the Cost Benefit Analysis and defines how the alternatives will be evaluated and ranked. Figure 3 provides a TOC from a standalone Medicaid system (MMIS) Cost Benefit Analysis performed for a FOX client:

Figure 3: Sample CBA Table of Contents

1.0	EXECUTIVE SUMMARY
2.0	METHODOLOGY
2.1	SELECTION OF ALTERNATIVES
2.1.1	<i>Implications related to technology platforms and standards, implementation, and training</i>
2.1.2	<i>Alternative Down Select Process</i>
2.1.3	<i>Preliminary Analysis</i>
2.2	COST BENEFIT ANALYSIS METHODOLOGY
2.2.1	<i>Design, Development and Implementation Costs</i>
2.2.2	<i>Operational Costs</i>
2.2.3	<i>Seven Year Operational Costs of a New System</i>
2.2.4	<i>Intangible Factor</i>
2.2.5	<i>Description of How Business Practices will be Impacted</i>
2.3	DESCRIPTION OF ALTERNATIVES
2.3.1	<i>New Development with DMS Framework (Alternative 1)</i>
2.3.1.1	Interfaces Affected
2.3.1.2	Conversion
2.3.1.2.1	How Accomplished
2.3.1.2.2	Potential Costs
2.3.1.3	Description of the Required Changes
2.3.2	<i>Transfer and State Managed (Alternative 2)</i>
2.3.2.1	Interfaces Affected



- 2.3.2.2 Conversion
 - 2.3.2.2.1 How Accomplished
 - 2.3.2.2.2 Potential Costs
- 2.3.2.3 Description of the Required Changes
- 2.3.3 *Transfer and Partial Fiscal Agent (Alternative 3)*
 - 2.3.3.1 Interfaces Affected
 - 2.3.3.2 Conversion
 - 2.3.3.2.1 How Accomplished
 - 2.3.3.2.2 Potential Costs
 - 2.3.3.3 Description of the Required Changes
- 2.3.4 *Fiscal Agent (Alternative 4)*
 - 2.3.4.1 Interfaces Affected
 - 2.3.4.2 Conversion
 - 2.3.4.2.1 How Accomplished
 - 2.3.4.2.2 Potential Costs
 - 2.3.4.3 Description of the Required Changes
- 3.0 COST/BENEFIT ANALYSIS**
- 3.1 COST ANALYSIS OF ALTERNATIVES
 - 3.1.1 *New Development (Alternative 1)*
 - 3.1.1.1 Current MMIS Costs and Time to Process Claims
 - 3.1.1.2 Proposed Cost and Time to Process Claims
 - 3.1.2 *Transfer and State Managed (Alternative 2)*
 - 3.1.2.1 Current MMIS Costs and Time to Process Claims
 - 3.1.2.2 Proposed Cost and Time to Process Claims
 - 3.1.3 *Transfer and Partial Fiscal Agent (Alternative 3)*
 - 3.1.3.1 Current MMIS Costs and Time to Process Claims
 - 3.1.3.2 Proposed Cost and Time to Process Claims
 - 3.1.4 *Fiscal Agent (Alternative 4)*
 - 3.1.4.1 Current MMIS Costs and Time to Process Claims
 - 3.1.4.2 Proposed Cost and Time to Process Claims
- 3.2 ANALYSIS OF BENEFITS INTRODUCTION
 - 3.2.1 *Cost Savings Benefits*
 - 3.2.2 *Cost Avoidance Benefit*
- 3.3 RETURN ON INVESTMENT ANALYSIS
- 3.4 STAFFING IMPACT ANALYSIS
 - 3.4.1 *Changes to Staffing Requirements resulting from process changes*
 - 3.4.1.1 Business Staffing Changes
 - 3.4.1.2 Technology Staffing Changes
 - 3.4.1.3 Projected Decrease the Number of Employees Needed to Maintain the Present Level of Data Entry
 - 3.4.1.4 DMS Staff Resource Assignment Needs/Percentage of Time
- 3.5 ANALYSIS BY FUNDING SOURCE
- 3.6 PAYBACK
- 4.0 INTANGIBLE FACTORS EVALUATION**
- 4.1 INTANGIBLE FACTORS
 - 4.1.1 *Most Important Intangible Categories*
 - 4.1.2 *Assessment of the Alternatives*
 - 4.1.3 *Most Important Intangible Factors*
- 4.2 ANALYSIS OF INTANGIBLE FACTORS BY ALTERNATIVE
 - 4.2.1 *New Development Advantages and Disadvantage*
 - 4.2.2 *Transfer and State Managed Advantages and Disadvantage*
 - 4.2.3 *Transfer and Partial Fiscal Agent Advantages and Disadvantage*
 - 4.2.4 *Fiscal Agent Advantages and Disadvantages*

**5.0 RISK ANALYSIS**

- 5.1 NEW DEVELOPMENT (ALTERNATIVE 1)
- 5.2 TRANSFER AND STATE MANAGED (ALTERNATIVE 2)
- 5.3 TRANSFER AND PARTIAL FISCAL AGENT (ALTERNATIVE 3)
- 5.4 FISCAL AGENT (ALTERNATIVE 4)

6.0 PROCUREMENT CONSIDERATIONS

- 6.1 NEXT STEPS
- 6.2 NEW DEVELOPMENT (ALTERNATIVE 1)
- 6.3 TRANSFER AND STATE MANAGED (ALTERNATIVE 2)
- 6.4 TRANSFER AND PARTIAL FISCAL AGENT (ALTERNATIVE 3)
- 6.5 FISCAL AGENT (ALTERNATIVE 4)
- 6.6 DMS FRAMEWORK SUPPORTED ALTERNATES

7.0 RECOMMENDATIONS

- 7.1 RATIONALE FOR THE SELECTION OF SOLUTION FOR IMPLEMENTATION
- 7.2 RECOMMENDED DESIGN, DEVELOPMENT, AND IMPLEMENTATION APPROACH
- 7.3 PROPOSED SCHEDULE FOR THE IMPLEMENTATION PHASE
- 7.4 RECOMMENDATION ON DECISION SUPPORT OPTIONS
- 7.5 PROPOSED ORGANIZATIONAL CHART OF DEPARTMENT RESOURCES TO BE ASSIGNED TO IMPLEMENTATION

The ATOC will define the goals, objectives, and underlying methodologies for the Cost Benefit Analysis. The methodology will be fully compliant with DHHS/ACF Feasibility Study and Cost Benefit Analysis guidelines, and it will also incorporate additional refinements developed by FOX that extend the analytic value of the standard ACF CBA model.

At a minimum, FOX will perform a cost benefit analysis for the approved system alternatives, such as:

- New system build
- Redesign of the existing system
- Transfer of a SACWIS from another state
- Retention of the existing SACWIS and continue with recommendations for enhancements
- Other solutions, such as a COTS

This task involves analysis of each option through a number of financial analyses that use a set of cost estimates and assumptions that can support quantitative analysis of the options. The FOX CBA model develops distinct categories of cost and benefit data:

- SACWIS system development and IT operational costs, including:
 - Implementation costs
 - System operational costs
 - Maintenance costs
- SACWIS functional operational costs and savings over a period of years (for Michigan this will be modified to a period deemed appropriate) including the categories below:
 - User operations costs
 - Cost savings due to new and enhanced functionality
 - Cost avoidance
- SACWIS intangible benefits and disadvantages

The FOX CBA model is based upon the developing Total Cost of Ownership (TCO) benefit and cost models. This detailed model will include the cost of acquiring and implementing each of the alternatives, as well as costs associated with hardware and software maintenance, operations, enhancement, and software licensing over the eight-year operational period. This includes all other indirect and less obvious state costs associated with the SACWIS implementation and operations, such as common infrastructure costs, consultants, IV&V, and other costs that are typically excluded from a CBA.



In addition to TCO analysis, the FOX Model produces the following other analysis tools:

- Return on Investment – the percentage or ratio resulting from dividing the estimated benefit by the cost of the investment in the system alternative
- Cost/Benefit Ratio – the ratio of benefit dollars to each dollar spent on the system alternative
- Payback Analysis – the estimate of the amount of time needed for the system benefits to equal or exceed the system costs
- Staffing Impact Analysis – the estimate of current staff that could be re-deployed or eliminated by the greater productivity of the system alternative
- State and Federal Financial Participation Analysis – the breakdown of state and Federal dollars for system costs based on the potential cost allocation against different federal and state funding sources

In collaboration with DHS, we will develop any assumptions concerning Net Present Value (NPV) and system life cycles. Our most recent experience with the Federal DHHS indicated an inclination to use the NPV defined by its contracted external service, which changes from year to year; and we suggest a standard 8-year system life cycle for the CBA.

The development of the approach for the CBA is our responsibility, but it cannot be successfully completed without the assistance of the Michigan Project Team, especially the collection of current costs, estimate of future costs, and determination of cost benefit formulae to be used for the CBA. The formula development task begins with the establishment of the principal measures for the CBA. This work is scheduled to begin at the same time as the analysis of the current SWSS to ensure that all needed information is gathered in the “As Is” sessions.

Our experience has been that the cost gathering phase is one that takes time, and there is a need to identify the right people and to quickly start collecting and validating costs, particularly costs that are reported to ACF for system costs. Cost gathering begins with a preliminary meeting to educate and discuss the type of information needed, the sources of the information, and the ways it will be used. Operational costs for the State’s Child Welfare administration and related costs will be gathered to support both the evaluation of the price per claim and the projected costs during the eight-year operational assessment period.

Perhaps more difficult than the collection of detailed costs is the development of estimates for quantitative benefits. The definition of potential benefits is related to:

- Additional revenues that could be derived as a result of new or enhanced SACWIS functionality
- Cost savings from new or enhanced functionality compared with current system’s operational or other costs
- Cost avoidance from new or enhanced functionality compared with the current system, such as elimination of Federal penalties

We will ask child welfare staff to estimate these potential revenues, savings and costs avoidance, and any operational assumptions associated with those estimates. It is our experience users sometimes have difficulty estimating these numbers due to either inability to think “out of the box” concerning these issues or out of fear of being held accountable to these numbers in the future. The FOX Team will do its best to help State users conceptualize new benefits and to allay concerns about quoted benefits. We have found that framing the underlying assumptions (e.g., current unit costs and potential percent increase in productivity) is often more productive than the resulting dollar estimates because the assumptions can always be modified if necessary.

Our cost/benefit analysis will document and analyze a variety of quantitative and qualitative factors associated with each system alternative. Table 4 provides a typical list of these measures.



Table 4: Sample Cost/Benefit Analysis Components

CBA Component	FOX Approach
<ul style="list-style-type: none"> ▪ Analysis of each option's cost 	<p>We will rely on the information gathered from FOX's Knowledge Management Portal, other research and site visits as an input to the analysis of each option's cost.</p>
<ul style="list-style-type: none"> ▪ Analysis of benefits attributable to each option 	<p>A list of benefits identified during the analysis will be developed and presented in such a way that the DHS Sponsors, Project Manager, and Project Team can evaluate the benefits of each option.</p>
<ul style="list-style-type: none"> ▪ Return on Investment (ROI) for each option 	<p>Our Cost/Benefit methodology includes ROI analysis for each option.</p>
<ul style="list-style-type: none"> ▪ Impact on staffing 	<p>We will identify the impact that each option has on organizational staffing.</p>
<ul style="list-style-type: none"> ▪ Recommendations and factors to consider 	<p>Based on our knowledge of each solution, we will provide recommendations and factors for consideration to assist the DHS Project Team make the most informed decision possible.</p>
<ul style="list-style-type: none"> ▪ Executive summary 	<p>An executive summary will be included in the formula and format deliverable.</p>
<ul style="list-style-type: none"> ▪ Description of process used to develop recommendations 	<p>As a standard section in all of our deliverables, we will describe the methodology used to develop recommendations.</p>
<ul style="list-style-type: none"> ▪ Cost/benefit for each recommendation 	<p>The cost and benefit for each recommendation will accompany our recommendations.</p>

Cost Benefit Analysis Deliverable

The Cost Benefit Analysis deliverable will include a number of tables that provide the quantitative and qualitative analyses associated with the selected system alternatives. As we previously indicated, we will calculate a number of different metrics associated with each system alternative including the following based on Total Cost of Ownership: 1) Intangible Pros and Cons; 2) Cost/benefit Ratio; and 3) Return on Investment. This document will be submitted as Deliverable C2. Cost/Benefit Analysis of SWSS and the chosen alternatives.

Based on the Cost/Benefit Analysis, and after consultation with the State's Project Management Team, we will develop a Recommendations Document that gives rationale for the State's decision on which alternative will be the basis for further planning and procurement. This document will be submitted to the State as Deliverable C3. Recommendations on the most viable solution to implement a SACWIS by October 2012.

FOX and State Roles

Table 5 identifies the FOX and State roles for the Cost Benefit Analysis activity.



Table 5: Cost Benefit Analysis Roles

Position	Role
FOX Roles	
Project Manager	Monitor and report progress, develop methodology, submit sections for interim review, submit Deliverables.
SACWIS Subject Matter Expert	Develop methodology, benefits sections, recommendations document.
Business Analyst	Develop cost sections, ROI spreadsheet.
State Roles	
DHS Project Manager	Review and approve Deliverables.
DHS Project Team Members	Provide input, review sections as available, review Deliverables.
MDIT	Provide input for system costs and benefits, review sections.
SACWIS Subject Matter Experts	Provide input for benefits sections, review sections.
Financial Analyst	Provide input for costs, review sections.

D. Strategic Implementation Plan

Upon selection of a preferred approach, the Contractor will prepare a strategic implementation plan for satisfying the identified requirements that ensures high quality SACWIS-compliant information technology support for State of Michigan child welfare programs. For each element of the Implementation Plan, the Contractor will include the assumptions that underlie the estimates, and present any known risks related to the assumptions.

Tasks

- Assess and document estimated staff resources (DHS, MDIT and implementation Contractor) needed to implement the preferred SACWIS solution.
- Document fiscal resources needed to implement the preferred solution (Contractor and state costs must be identified, as applicable).
- Identify key stakeholder personnel with roles and responsibilities for a successful implementation.
- Propose a governance structure including the State and stakeholders considering industry best practices that would lead to a successful implementation.
- Identify key milestones and timelines for full implementation to the State and stakeholders that will be required to use the system.
- Develop a Communications strategy that includes the State and those stakeholders that will be required to use the system. Communications strategy must also include other stakeholders that will be affected by the change of system.
- Recommend a strategy for training public and private agency staff that will need to use the system.
- Recommend a strategy for data migration and transition from existing systems.

Deliverable(s)

D1. Comprehensive Strategic Implementation Plan

Acceptance Criteria

- A comprehensive strategic implementation plan must include, at a minimum and in one document, the elements described under “Tasks” in this subsection.



Contractor: describe your proposed solution to meet this service, including State roles and Contractor roles

In this activity, FOX will work with DHS and MDIT to develop a Strategic Implementation Plan that will meet the needs of the State's project management methodology and will provide the required sections for the APD. Development of the strategic plan will include collaboration with the State's project management team and subject matter experts. The elements included in the Plan are:

- **Estimation of Staff Resources** – based on the alternative selected, the FOX Project Team will identify the numbers and types of staff that will be required, both on a full time and as-needed basis, for the implementation project. The plan will identify subject matter experts from the programmatic area to be involved in system design, policy and management staff, and technical support staff, as well as project management.
- **Estimation of Fiscal Resources Needed** – based on the alternative selected, the FOX Project Team will identify the fiscal resources needed for the project.
- **Identification of Key Stakeholder Personnel** – key stakeholders of the new system will be identified. These will include decision makers and representatives from the programmatic areas of the Department, MDIT, placement agencies, and advocacy groups. Roles and responsibilities for each group will be identified.
- **Development of a Governance Structure** – the FOX Project Team will develop an organizational structure with roles and responsibilities for the new project. This will include such items as the establishment of a steering committee, identification of project sponsors, project management team, and support structures.
- **Identification of Key Milestones and Timelines** – the FOX Project Team will develop a high-level work breakdown structure for the project, identifying key deliverables, tasks needed to create those deliverables, and a schedule for those tasks. The goal will be to ensure implementation by October 2012.
- **Development of a Communications Strategy** – the FOX Project Team will develop a communications strategy for the project. This will include recommendations for the creation of a dedicated communications team and plan, project marketing strategies for internal and external stakeholders, status communication to stakeholders, and communications within the project team.
- **Recommendation of a Strategy for Training** – the FOX Project Team will work with DHS to determine a training strategy that will work for the Department, both for Department employees and for system users outside the Department. The team will examine several options, including the traditional classroom approach either with State trainers or with contract trainers, use of local “power users” for mentoring, and various distance learning options.
- **Recommendation of a Strategy for Data Migration and Transition** – the FOX Project Team will assist the Department in developing a strategy for data migration. This will include how best to insure continuity in federal reporting during the change over, data quality, retention of historical data, and potential data integrity issues. We will also look at the transition efforts for the new system, including post implementation support issues, knowledge transfer, and IT governance of the new system.

The components of the Strategic Implementation Plan will be developed as the information becomes available and will be submitted to the Department for interim review as they are developed. When all of the components are complete, the document will be compiled and submitted to the Department as Deliverable D1, Comprehensive Strategic Implementation Plan.

FOX and State Roles

Table 6 identifies the FOX and State roles for the Strategic Implementation Plan activity.



Table 6: Strategic Implementation Plan Roles

Position	Role
FOX Roles	
Project Manager	Monitor and report progress, develop plan sections, submit sections for interim review, submit Deliverable.
SACWIS Subject Matter Expert	Provide input, review plan sections.
Business Analyst	Provide input, review plan sections.
State Roles	
DHS Project Manager	Review and approve Deliverable.
DHS Project Team Members	Provide input, review plan sections.
MDIT	Provide input, review plan technical sections.
SACWIS Subject Matter Experts	Provide input, review plan staff, governance, and training sections.

E. Detailed Requirements Development

Contractor will describe their approach to gathering requirements and producing a requirements specification document that adheres to SUITE methodology, see Article 2, Section 2.271 for further detail. The proposed approach must ensure that the requirements specified are sufficiently developed, accurate, and comprehensive enough to be used in an Implementation RFP. These requirements must be actionable, measurable, testable, and defined to a level of detail sufficient for system design. After an approach and software tools have been approved by the State, the Contractor will analyze requirements, gather requirements, document the requirements, perform review cycles, ensure approvals are obtained, and produce a comprehensive functional and non-functional requirements specification.

Tasks

The requirements gathering, analysis and production of a requirements specification will include the following activities:

- Create a Requirements Definition and Validation Plan for capturing detailed requirements including schedule, requirements training for State staff, software tools, resource requirements and assumptions (including State document review period).
- Review and evaluate the requirements development framework, documents, and the status, strategy and approach utilized to date by the State in the identification and capturing of requirements.
- Facilitate requirements definition sessions.
- Document the existing functional and non-functional requirements and document additional requirements.
- Validate requirements with DHS Subject Matter Experts and key management staff.

Deliverables

- E1. Requirements Definition and Validation Plan for gathering, documenting, reviewing, validating and approving detailed requirements.
- E2. Documentation of validated existing and additional requirements.
- E3. Requirements Validation Document
- E4. System Requirements Specification (SRS) and Requirements Traceability Matrix (RTM) documents.

Acceptance Criteria

- Approach to requirements gathering, documentation, validation and approval must receive State approval
- Documentation related to validation of existing and additional requirements must receive State approval
- Requirements Validation Document must contain:
 - Identification of any deficiencies
 - Validation of decisions and approval of requirements
 - Acceptable software tools necessary for documenting requirements
- SRS and RTM documents must meet the State’s SUITE methodology requirements



Contractor: describe your proposed solution to meet this service, including State roles and Contractor roles

Requirements definition and accurate incorporation of those requirements into a system is a crucial factor in the success of any information system acquisition or development project. This applies whether the system is a commercial product, a custom development, or an integration of existing systems. This section describes our approach to defining SACWIS requirements.

Requirements Definition and Validation Plan

The Requirements Definition and Validation Plan will describe the process, techniques, tools, staff resources and schedules for all requirements gathering and validation activities.

We will first document our approach to requirements gathering, which identifies the way in which requirements will be gathered or developed, who must participate, schedule, etc. Our approach is to be as broad as possible and collect potential requirements in a range of methods, including review of documentation (such as current state system documentation, previously developed requirements documents, etc.), interviews with key stakeholders, and facilitated focus group sessions conducted with subject matter experts (SMEs). During the facilitated sessions themselves, we employ the active use of “parking lots” to capture organizational/training and other issues not specifically identified as a “requirement.” These parking lots are included in the focus group session summary and will be reviewed to determine if any entry should be included in the “issue management” tracking tool, e.g., Issue Log.

We then document an approach to validating the requirements, including requirements validation sessions in which key stakeholders will be asked to review and validate all functional and technical requirements, assignment of priorities to all retained requirements, and the capture of the validation process in our Requirements Analysis Management System (RAMS) tool so that validation can be documented. For purposes of this proposal, we are presenting RAMS as our requirements management tool. However, as discussed in Section 1.041.C, Project Control, we can use our Excel-based tool or a State or MDIT tool and will collaborate with DHS to select the best option for the project.

The FOX methodology for developing the SACWIS requirements is based upon a multi-phase approach that has proven very successful in other states.

- In the first phase, FOX staff reviews available documentation to describe current system functionality, i.e., the “As Is” requirements. This step establishes the foundational and baseline elements of the current SWSS architecture and business process needs. During this phase, we collect, clarify, and confirm information through discussions with key staff to clarify ambiguities in the documentation.
- In the second phase, FOX meets with key strategic stakeholders to obtain the Department’s vision for “To Be” SACWIS requirements. The participants are asked to think long-term and outside of the current technology box.
- The third and final phase of the methodology is to schedule and facilitate requirements gathering sessions, which we refer to as focus group sessions for this project, to verify the business processes and design features identified from the previous sources, to clarify and expand our understanding, and to begin the visioning process for the new system. The results of the requirements gathering sessions are captured by a scribe, verified, and entered into a formal detailed requirements document.

All information gathered in the first two phases is populated in our Requirements Analysis Management System (RAMS) database for Michigan. Initial data entry is done through a forms-based interface that enforces rules for the entry of each requirement, including a unique identifier, short name for the requirement, detailed text of the requirement, area of the system to which the requirement applies, requirement source, priority, and current status. Time and cost estimate fields may also be used to track the impact of requirements. RAMS also allows a requirement to be linked with a specific focus group session or requirements definition session. Additional benefits offered by RAMS include:

- Provides tracking and reporting at the project level for individual components and individual fields. This feature allows FOX to audit any changes that have occurred to requirement text since the requirement was created.
- Manages requirements in a secure, role-based, field-level, password-protected environment
- Provides capability to capture requirements from other publicly available RFPs stored currently in RAMS
- Tracks requirements back to the source activity where the requirement was developed. As an example, the source activity can take place during design, development, or testing phases.
- Assists users in tracking the status, priority, reason, and mandatory / non-mandatory nature of requirement.



Requirements can be added at any time during the life of the project. FOX will enter the initial set of baseline requirements into RAMS, update them based on the results of the focus group session sessions, and use them in developing the Request for Proposals (RFP) for the system.

RAMS generates configurable MS Word, PDF, HTML, or Excel based reports within a pre-defined, hierarchical outline structure that can be used for requirements analysis or RFP development. A user can create various standard reports as well as ad hoc reports from the RAMS repository. .

Our team will leverage its knowledge of Michigan, SACWIS, the SARG and other federal SACWIS requirements, and other states to develop a 'Straw Man' Child Welfare requirements model. This standardized model is not intended to initially reflect full, detailed Michigan state requirements, but serves as an early reference point for discussion, validation, or revision by the Department during our facilitated requirements gathering sessions.

The plan will be documented and presented to the Department as Deliverable E1. Requirements Definition and Validation Plan.

Documentation of Existing Requirements

Prior to conducting the requirements validation sessions, we will review all prior requirements documents and compare them with the high-level requirements developed in the needs assessment activity. This analysis will be documented in a set of preliminary requirements that will function as a starting point for the validation sessions. This document will be submitted to DHS as Deliverable E2. Documentation of Validated Existing and Additional Requirements.

Requirements Validation

The requirements gathering sessions will verify and further document each business process and any other associated requirements. A FOX facilitator will lead the group through the process to define and capture all required information. One key element in the process is obtaining the correct level of detail in the requirements. Since the intent is that the requirements will be used in a Request for Proposals, the requirements need to be detailed enough to accurately express "To Be" state intended by the Department, while general enough to not constrain or restrict the competition. To this end, we are advocating the use of focus groups with a limited number of participants and to have our facilitator present the "straw man" business process model for review, validation, and revision.

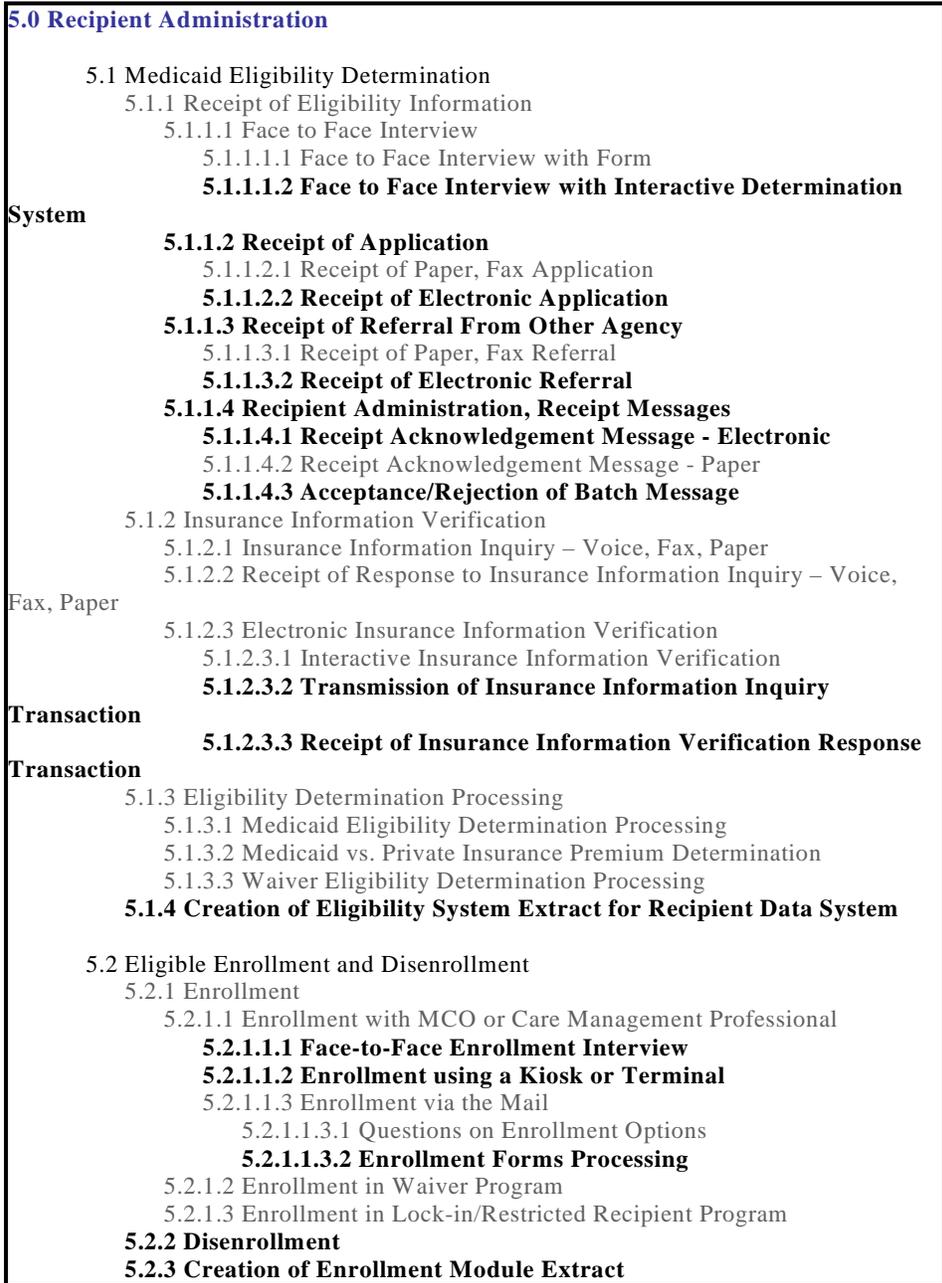
If necessary, the requirements gathering sessions may be supplemented by "off line" individual interviews to capture more detailed requirements when additional in-session discussions may impede the work progress of the joint facilitated sessions.

FOX will review the Project's goals and objectives and establish guiding principles to allow the facilitator to stay on track and follow the session agendas. Facilitated focus group session sessions are then held with users and stakeholders associated with each core business process. By asking key stakeholders to review and validate all functional and technical requirements, the focus group sessions will result in verification and further documentation of each business process and any other associated requirements. In addition to validating requirements, priorities will be assigned to all retained requirements. The information from the validation process will be captured in our RAMS tool so that validation can be documented.

We propose to functionally decompose each federal Child Welfare functional requirement into supporting processes and sub-processes, each of which needs to be defined, and which may in turn be further decomposed. Using our Medicaid business process model as an example of process decomposition, Figure 4 on the following page illustrates the process/sub-process and tertiary activity hierarchy for a generic eligibility and enrollment process. This is illustrative only, and our process modeling will reflect the Michigan DHS unique processes and work flows. We can revise our Medicaid business process model or use other models, as agreed upon with the Department.



Figure 4: Process Decomposition - Business Process Model



As suggested by the federal SARG methodology, we will conduct reviews for the following major categories of SACWIS functions:

- Intake Management
- Eligibility
- Case Management
- Resource Management
- Court Processing
- Financial Management
- Administration
- Interfaces
- Quality Assurance
- Other Functionality



A requirements gathering session scribe will record information discussed during the focus group session sessions in notes using Word, Visio, or other document templates. In addition, we will compile detailed requirements statements and enter them into the RAMS.

Using session requirements, we will develop detailed business requirements for the proposed SACWIS system. These include:

- *General System Requirements* that describe overall SACWIS capabilities and features
- *Business Functional Requirements* that describe the business functions and processes that the SACWIS must support
- *System Technology Requirements* describing the technological underpinnings for the new SACWIS application, including applicable architecture requirements, recommended hardware and software platforms, network requirements, standards for interoperability, etc.

Table 7 provides a samples focus group session schedule.

Table 7: Sample Requirements Meeting Schedule

Requirements Meeting	Date	Duration	Location
1. Child Protective Services Centralized Intake	Wednesday 5/6	3 Days	4 th Floor Boardroom
2. CPS Investigation	Wednesday 5/6	3 Days	4 th Floor Boardroom
3. Case Planning/ Assessment	Wednesday 5/6	3 Days	3 rd Floor Boardroom
4. Case Management	Monday, 5/11	3 Days	4 th Floor Boardroom
5. Family Preservation	Monday, 5/11	3 Days	4 th Floor Boardroom
6. In-Home Services	Thursday 5/14	3 Days	4 th Floor Boardroom
7. Legal	Thursday 5/14	3 Days	4 th Floor Boardroom
8. Emergency Removals	Tuesday 5/19	3 Days	4 th Floor Boardroom
9. Court	Tuesday 5/19	3 Days	4 th Floor Boardroom
10. Permanency Planning	Friday 5/22	3 Days	3 rd Floor Boardroom

As stated in the previous section, we will develop the focus group session Agendas in conjunction with the focus group session schedule. We will distribute the agenda for each session to the focus group session participants at least two business days prior to the session date.

The FOX focus group session methodology used for this project is a principle-based approach to developing organizational and information system requirements. The principles that support this enhanced focus group session process include:

- It is important to incorporate subject matter expertise from Michigan stakeholders, enabling them to express their requirements at the level of detail with which they are most familiar and comfortable.
- Focus group session participants intuitively know that, more than developing just an information system, they are involved in developing an organizational system. Therefore all of their intelligence throughout the process must be captured.
- Language either unites or divides. Therefore, the focus group session must be conducted as much as possible in the language of the subject matter experts, and their terminology must become the terminology of the new system that is represented as a language model.
- Consensus is the starting point for all discussions.
- All participants are required and therefore must participate. They each must be shown honor and respect by the facilitator, and their contributions must be treated in the same manner.



These principles, along with facilitation and group process techniques, will serve a representative group of SMEs, enabling them to produce comprehensive SACWIS requirements.

The notes and other documentation from each session will be distributed post-session to all participants for verification of the accuracy of the information. For each session, a notes document will also be used to document the results of each session and will include the information shown in Table 8:

Table 8: Sample Focus Group Session Summary Document

Session Document Section	Description
Session ID	The identifier used to refer to this session.
Business Process	The business process description as defined by the consultant project team.
Session(s) - Date, Time, and Place	The date, time and place of the sessions for the business area.
Attendees	The names and job titles of all attendees by session.
Requirements List	A list of requirements that were documented in the session.
Parking Lot	A list of parking lot items that were recorded during the session.
Issues	A list of issues that were recorded during the session that require follow-up and disposition.

We will distribute the meeting notes to session participants within two business days following the session.

At the end of the Requirements Validation activity, we will develop a document of validated functional and non-functional system requirements that will be submitted to DHS as Deliverable E3. Requirements Validation Document.

System Requirements Specification (SRS) and Requirements Traceability Matrix (RTM)
 FOX will develop a Requirements Traceability Matrix that documents all identified SACWIS requirements and map them to their source, i.e., federal and state requirements. The Traceability Matrix can continue to be used throughout the entire life cycle of the project to ensure that all key requirements were identified and implemented.

Figure 5 presents a sample of a SACWIS Traceability Matrix prepared by FOX for another state Child Welfare client:



Figure 5: Sample SACWIS Traceability Matrix

Functional Design Section	SRS Requirement Number	SRS Requirement Text	Functional Design Number	Comment	Needs to be added to Use Case	Met in Other Area/Document	Gap, Recommended Corrective Action	Technical Design Number	Test Case Number	Test Case Pass/Fail
Assessment										
	3.2.2.1	System will identify what type of assessment; CPS or CINA	5.4 Current assessment list							
	3.2.2.2	System will show worker number of assessments assigned in sort able format	5.4 Current assessment list							
	3.2.2.3	System will show supervisor number of assessments each worker has in sort able format	5.24 Current Assessment List (Supervisor View)							
	3.2.2.4	System will show supervisor the last assessment assignment for each worker	5.24 Current Assessment List (Supervisor View)							
	3.2.2.5	System will show supervisor types of assessments workers have	5.24 Current Assessment List (Supervisor View)							
	3.2.2.6	System will show supervisor number of children in care each worker has	Requirements Not Mapped in FD	this requirement was eliminated from the SRS						



As focus group session sessions are completed for each functional area, the FOX team will consolidate the documentation and develop the detailed requirements specifications drawn from the focus group output for that area, including interface requirements. Once we complete the focus group session sessions, we will consolidate all detailed requirement specifications from the many separate sessions into the System Requirements Specification (SRS) report. We propose to use the Department's SRS template for this report. The SRS and the Requirements Traceability Matrix will be submitted to the Department as Deliverable E4. System Requirements Specification (SRS) and Requirements Traceability Matrix (RTM) documents.

FOX and State Roles

Table 9 identifies the FOX and State roles for the Detailed Requirements Development activity.

Table 9: Detailed Requirements Development Roles

Position	Role
FOX Roles	
Project Manager	Monitor and report progress, assist in development of plan, submit Deliverables.
SACWIS Subject Matter Expert	Develop requirements definition plan, conduct focus group sessions, develop requirements validation documents and SRS.
Business Analyst	Assist with focus groups, document focus groups, develop traceability matrix.
Junior Business Analyst	Support focus group activities.
State Roles	
DHS Project Manager	Review and approve Deliverables
DHS Project Team Members	Provide input, attend focus group sessions, review notes and deliverables
MDIT	Provide input, attend focus group sessions, review notes and deliverables
SACWIS Subject Matter Experts	Provide input, attend focus group sessions, review notes and deliverables
Key Stakeholders	Provide input, attend focus group sessions, review notes and deliverables

F. Advance Planning Document Preparation

The Contractor will draft an Advance Planning Document (APD) based on the approved Strategic Implementation plan. The Advance Planning Document must adhere to the federal standards established by the Department of Health and Human Services. The Federal APD Guide can be found at the following Web site:
<http://www.acf.hhs.gov/programs/cb/systems/sacwis/apdguide/index.htm>

Tasks

Draft Advance Planning Document that contains, at a minimum, all of the following required elements:

- Statement of Needs and Objectives
- Summary of Requirements Analysis, Feasibility Study, and Alternatives Analysis
- Cost/Benefit Analysis
- Project Management Plan in accordance with State standards that includes:
 - Nature, Scope, Methods, Activities, Schedule and Deliverables
 - Project Organization and Personnel Resources
 - State and Contractor Resource Needs
 - System Life



- Proposed Budget
- Prospective Cost Allocation

Deliverable(s)

F1. Comprehensive Advance Planning Document suitable for submission to ACF

Acceptance Criteria

Federal approval of the Advance Planning Document contents

Contractor: describe your proposed solution to meet this service, including State roles and Contractor roles

The FOX team will develop an Advance Planning Document (APD) for the new SACWIS. States are required to submit an Implementation APD prior to incurring costs for system design and development, when the total project costs (including planning) are estimated to exceed the thresholds in 45 CFR §95.61(b), now at \$5 million.

For this activity, we will work closely with DHS project staff, utilizing the information we gathered in the previous activities. The tasks to be accomplished are:

- Review previous APD for background and history
- Develop a Statement of Needs and Objective, from information gathered in the Needs Assessment activity, which summarizes the current environment and the new system needs, objectives, and anticipated benefits.
- Develop a Summary of Requirements Analysis and Alternatives Analysis that includes a summary of the results of the requirements analysis, feasibility study, and alternatives analysis.
- Develop the Cost/Benefit Analysis section that summarizes the results of the cost benefit analysis. Program performance improvements, projected costs, and anticipated benefits the system is expected to deliver will be described succinctly. The narrative will address the basis, assumptions, calculations and measurement plan related to performance, cost and benefit goals.
- Develop the Project Management Plan, based on information compiled during the Strategic Implementation Plan activity, which must include:
 - o a high-level workflow addressing project activities, milestones and contractor deliverables
 - o name and title of the project manager and other key staff
 - o the relationship between the project team and the Project Steering Committee
 - o interrelationships between the user group and contractors
 - o all resource needs for which funding support may be requested by the State
 - o a description of the anticipated system life
- Develop the Proposed Project Budget providing all costs broken out between Federal and State share for Implementation Phase activities including, costs associated with system software and data conversion, software development, computer capacity planning, contractor costs, supplies, training, maintenance and operations, and miscellaneous automated data processing costs (ADP).
- Develop the Cost Allocation where the prospective cost allocation plan is described, including procedures to identify, record, allocate, and report direct and indirect costs, partially and fully attributable to the system project. We anticipate that the project cost allocation will be based on anticipated development hours and detailed functional requirements, using the ACF Cost Allocation Methodology Tool. We will identify the FFP percentage and any cost allocations for the project.

Since most of the sections of the APD are summaries of deliverables from previous activities, we will submit a draft of each APD section to DHS for review and comment as they are completed, as well as a Draft of the complete APD once all sections are complete. Following DHS review and comments, we will incorporate revisions and address any outstanding issues identified during the review process. The FOX Team will update the draft report with the review comments and any issue resolution, if required, and submit the final APD for DHS approval as Deliverable F1. Comprehensive Advance Planning Document suitable for submission to ACF.

Figure 6 provides a Table of Contents from a CMS-approved APD that FOX recently developed. We will follow a similar outline when developing your APD. Certainly we will customize your APD and ensure that at a minimum all required sections are included.

**Figure 6: Sample APD Table of Contents****INTRODUCTION / EXECUTIVE SUMMARY****BACKGROUND**

CURRENT MMIS, DSS, POS AND MEDS CONTRACT

NEEDS AND OBJECTIVES**REQUIREMENTS ANALYSIS**

PROCESS

FINDINGS

OTHER FUNCTIONAL OBJECTIVES

BUSINESS PROCESS IMPROVEMENT OBJECTIVES

CONCLUSIONS

COST/BENEFIT ANALYSIS

COST SUMMARY, TAKEOVER AND OPERATION OF CURRENT SYSTEM NO ENHANCEMENTS

TABLE 1. ADMINISTRATIVE COSTS

TABLE 2. BENEFIT COSTS

TABLE 3. SUM OF ADMINISTRATIVE AND PROGRAM COSTS

COST SUMMARY, TAKEOVER AND OPERATION OF CURRENT SYSTEM WITH ENHANCEMENTS

TABLE 4. ADMINISTRATIVE COSTS

TABLE 5. GROSS BENEFIT COSTS AND SAVINGS

TABLE 6. ADMINISTRATIVE AND PROGRAM COSTS

PERSONNEL RESOURCES STATEMENT

STAFFING AND ORGANIZATION

PROJECT MANAGEMENT

ACTIVITIES

DESCRIPTION

PROJECT SCHEDULE AND DELIVERABLES

TABLE 7 - TABLE OF KEY DATES FROM PROJECT WORK PLAN

PROPOSED BUDGET

TABLE 8 - EXPENSES BY CATEGORY AND FFP SHARE

SCHEDULE OF EXPENSES BY PERIOD

TABLE 9 - TOTAL PROJECTED EXPENSES BY FISCAL YEAR

COST DISTRIBUTION BASED ON FUNDING SOURCES



FOX and State Roles

Table 10 identifies the FOX and State roles for the Advance Planning Document Preparation activity.

Table 10: Advance Planning Document Preparation Roles

Position	Role
FOX Roles	
Project Manager	Monitor and report progress, develop APD sections and submit for interim review, submit Deliverable.
SACWIS Subject Matter Expert	Provide input and review APD sections.
State Roles	
DHS Project Manager	Review and approve Deliverable.
DHS Project Team Members	Review APD sections as they are developed.
MDIT	Provide input to technical system costs section, review Project Budget and Project Management Plan sections.
SACWIS Subject Matter Experts	Review APD sections as they are developed.
Financial Analyst	Provide input to and review Budget section, Cost Allocation section.

G. Implementation Request for Proposals

The Contractor will produce a Design, Development, and Implementation (DDI) Request for Proposals, including detailed Statement of Work and evaluation criteria for an Implementation Contract.

Tasks

Complete state provided RFP template

Deliverable(s)

G1. Implementation RFP document

Acceptance Criteria

RFP template must be complete and contain sufficient detail to meet Michigan Department of Management and Budget and ACF requirements for a DDI Contract. Work and Deliverable section must include, at a minimum, detailed tasks, deliverables and acceptance criteria necessary to provide the following DDI services:

- Project Management
- Technical Planning and Support
- Application Development
- Testing and Software Implementation
- Implementation Support
- Ongoing Production Support
- Project/Contract Management
- Other services (TBD)
- The State is in the process of implementing a systems development methodology, referred to as SUITE (Statewide Unified Information Technology Environment). All RFPs released for this project will require the vendors to follow this methodology. The goal of the State is CMMI Level 3 certification. (See this link for information on the State’s SUITE Project Management Technology <http://www.michigan.gov/suite>.)



Contractor: describe your proposed solution to meet this service, including State roles and Contractor roles

The FOX team is well prepared to complete RFP work statements and associated evaluation criteria for up to three follow-up procurements for the SACWIS solution selected by the State. We have more experience than any other company in the development of RFPs for Medicaid and other state Health & Human Services agencies. We understand that “one size does not fit all,” and we have helped many states find alternative and innovative approaches to procurements that meet the specific needs of the state while adhering to state procurement rules and regulations.

Our objective is to produce a RFP that inspires competition and results in the best solution for Michigan. From our many years of experience in assisting state agencies in their development of these documents, FOX has established a logical, structured, and comprehensive developmental process that ensures:

- DHS and MDIT goals, objectives, and requirements will be met
- State administrative and regulatory requirements will be met
- Solution vendors are interested
- Technology components required actually exist

This section provides our approach for developing the RFP for the SACWIS System Implementation Vendor. In the last five years alone, we have developed RFPs for the states of Alaska, Florida, Georgia, Iowa, Michigan, Mississippi, Missouri (MMIS and Clinical Management Services and System for Pharmacy Claims and Prior Authorization), Michigan, New Hampshire, New Mexico, New York, North Dakota, Oregon, and Tennessee. Through our recent experience developing the State’s RFP for the MMIS replacement, we have knowledge of Michigan’s procurement regulations and processes.

Develop RFP for SACWIS DDI Vendor

We will draw upon our experience in similar procurement projects in other states to validate the timeline, critical events, potential risks, terms and conditions, and planning for procurement. An important part of this task is identifying potential contract language and RFP requirements that could be exclusionary or make the opportunity less attractive to qualified vendors.

FOX believes it is critical to the success of the project to establish a competitive environment and an RFP that elicits responses from all qualified vendors. Consequently, we want to ally ourselves with the Department to produce a concise, clearly written RFP that thoroughly describes the State’s needs, is in accordance with State and ACF guidelines, and elicits a good response from the vendor community. Through the use of clear language and graphics, we can condense the description of requirements.

RFP clarity is important in gaining quality responses. In addition to drawing on our experience assisting other States with procurement projects, the FOX Team will analyze other recent procurements and contract awards to help define content requirements and identify potential shortfalls. FOX applies rigorous quality control to the RFP to eliminate ambiguities.

RFP development is a large task that requires major coordination between all parties involved. Activities include:

- **Linking Business and Technological Needs to the RFP Statement of Work:** FOX links the validated requirements defined during the previous tasks to the RFP Statement of Work (SOW). FOX will use RAMS to help build the SOW section of the RFP, saving time and work.
- **Preparing an Annotated Outline for the RFP and Obtaining Department Approval:** FOX will prepare an annotated draft outline of the RFP with a description of the intended content of all sections. This will help the Department reach consensus on the major divisions and contents of the RFP.
- **Preparing RFP Sections:** We prepare the RFP sections using the standard features of MS Word. The RFP text will be maintained in a secure environment, either at the State or via the FOX Project Management Portal. Version control will be maintained at all times. FOX will establish directories or folders within the Portal to facilitate collection of information for the specific subsections of the document.
- **Conducting Quality Control on Format, Language, and Content:** FOX employs a rigorous Quality Control (QC) process for sensitive documents such as an RFP and Evaluation Manual. We are particularly proud of the quality of the documents we produce and will strive to capture the intention of the Department and present clear and concise information that all Contractors can understand. The FOX QC function is in addition to the review required by Department staff.



- **Getting an Early Start:** FOX experience shows that it can take several months to produce a street-worthy RFP. Certain sections of the RFP can be started at the beginning of the contract, such as the description of the current environment and program, the current SWSS system, procurement rules, and standard parts of the terms and conditions. Other sections, such as the statement of work and proposal evaluation, are dependent on the validation of requirements and the development of an acquisition strategy.
- **Reviewing and Commenting on RFP Sections:** The FOX Project Manager will coordinate the review and approval process for the RFP sections and the complete product with the Department, MDIT, and any additional stakeholders. FOX will incorporate all changes and feedback provided to the Project Manager into the draft deliverable and resubmit the revised deliverable for review.
- **Updating RFP Sections:** Proposal development results in a number of documents feeding into the main RFP document. We expect that different parties will review different sections of the RFP iteratively, which could require multiple revisions. In addition, ACF may require more than one set of changes. We are prepared to support as many revisions as necessary, but will always strive to reduce the number of iterations to the lowest number possible.
- **Producing a Draft of the Completed RFP:** The draft RFP will be a complete document that incorporates the results of all previous reviews.
- **Obtaining Approval of Final RFP:** We will submit the final draft of the RFP to the SACWIS Project Manager, who will coordinate with the Department for final overall document approval and sign-off. Upon approval, the SACWIS System Implementation Vendor Request for Proposal (Final) will be ready for publication.

We understand that FOX will be responsible for the Statement of Work and evaluation criteria sections, but the State may require input on other sections of the RFP. The following is an example of additional RFP-related support that can be provided at the State's request.

- **Protecting the State -- Performance Criteria and Penalties:** Over the years, FOX has accumulated examples of performance criteria and penalties and damages clauses used in many RFPs. We have facilitated discussions regarding the advantages and disadvantages of different approaches to ensuring compliance. FOX fully understands that Michigan's interests must be protected. At the same time, we believe that non-confrontational methods for resolving minor problems, the use of arbitration for more serious transgressions, incentives for continuous quality improvements, and the use of performance criteria can enhance the State's ability to successfully monitor the contract.

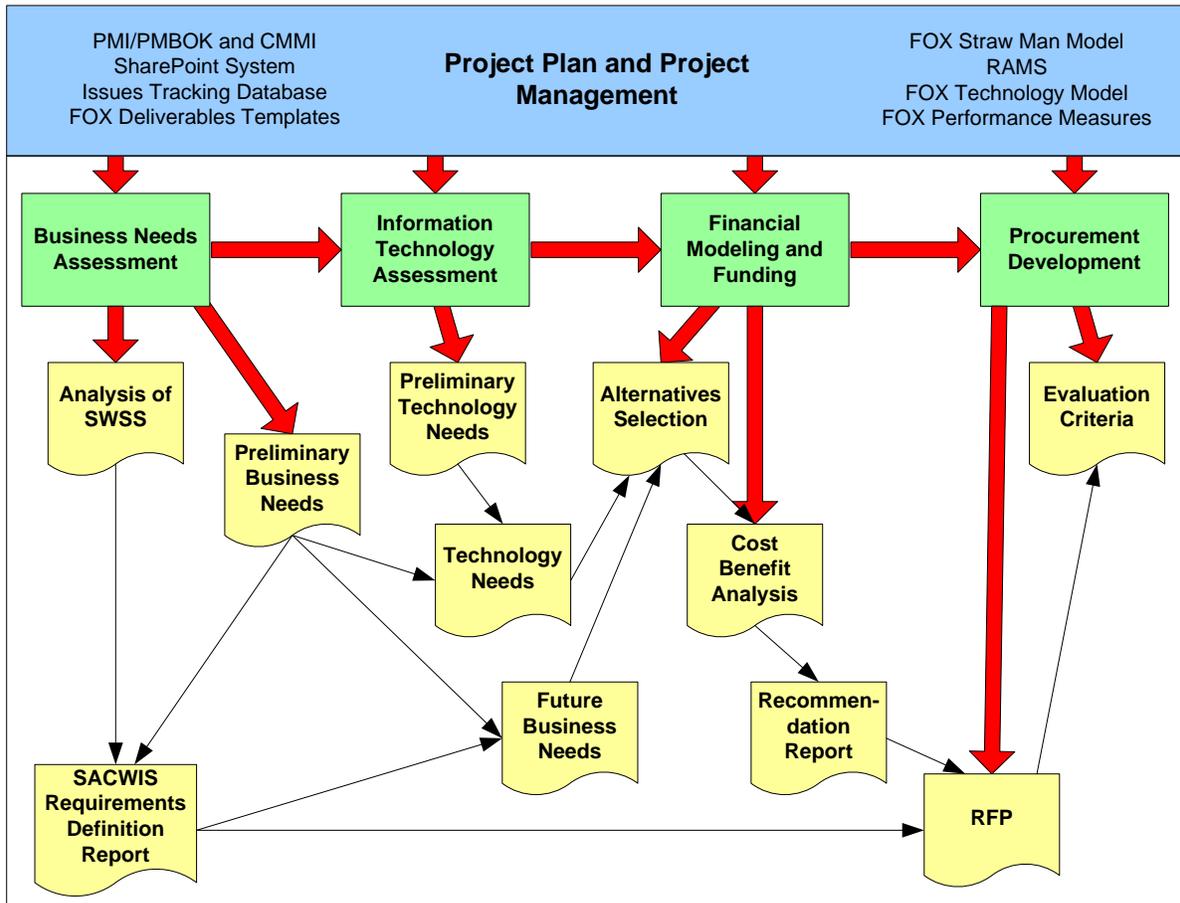
FOX has dealt with performance incentives and penalty clauses in contracts in many other states. We are also involved with the CMS Private Sector Technology Group, which has wrestled with these issues. FOX will ensure that State requirements are met in this area. However, if requested by the Department, FOX can discuss alternative performance incentive, measures, penalties, and damage clauses based on our experience.

In past projects, we have used a very effective performance-based approach in monitoring contracts. This approach used five carefully developed performance incentive categories that were related to sound performance and were also set up to penalize the program if the performance fell below the acceptable levels. From our experience, we believe that the contractor performs much more effectively when the performance measurement standards are clearly defined and easy to implement. Again, if desired by the Department, FOX can use our experience in these areas to discuss and develop a package of sound alternatives

Figure 7 depicts the manner in which various deliverables culminate in the development of the RFP. FOX has employed this RFP development process in other engagements. Michigan's process may vary, but in general, these broad activities will be included.



Figure 7: RFP Development Process



Develop Proposal Evaluation Criteria and Proposal Evaluation Plan

FOX will develop a comprehensive document that defines the criteria to be used for evaluation and their relative weighting and facilitates the training of the DHS Proposal Evaluation Committee (PEC). In addition, FOX will develop a more detailed model of the evaluation criteria that will be applied to the SACWIS design, development, and implementation proposals. Although this will not be the detailed evaluation criteria developed for the PEC, it will specify the applicable general criteria so that potential respondents understand the priority of evaluation factors. If Michigan procurement code allows, specific percentages or weights will be developed for these evaluation factors. If not, the factors only will be identified.

Typically, the evaluation factors identified in the RFP would include:

- Robustness of the proposed SACWIS functionality
- Extent of HIPAA compliance
- Proposed technologies
- Vendor capabilities and experience
- Key staff capabilities and experience
- Implementation methodologies and approach
- Operations plan and approach (if applicable)
- Cost

The evaluation criteria and Proposals Evaluation Plan will comply with Michigan and Federal laws, rules, and procedures.

The final RFP, including evaluation criteria, will be submitted to DHS as Deliverable G1. Implementation RFP document.



FOX and State Roles

Table 11 identifies the FOX and State roles for the Implementation Request for Proposals activity.

Table 11: Implementation Request for Proposals Roles

Position	Role
FOX Roles	
Project Manager	Monitor and report progress, submit sections for interim review, submit Deliverable.
SACWIS Subject Matter Expert	Review and comment on RFP sections as they are developed.
Business Analyst	Develop RFP sections.
State Roles	
DHS Project Manager	Review and Approve Deliverable.
DHS Project Team Members	Review RFP.
MDIT	Review Technical Requirements, Vendor Business Requirements, Vendor Project Management Requirements.
SACWIS Subject Matter Experts	Review Functional Requirements.

H. Other Services (Reserve Bank of Hours)

Requests for new activities and tasks or changes to services provided via this Contract may occur within the duration of this Contract. This section is intended to facilitate the handling of such requests so that only those with a solid business case acceptable to the State can be incorporated into the project.

The State intends to establish funding for 2,000 hours (see Article 1, Section 1.061 Proposal Pricing) as part of this Contract for additional services and tasks from the Contractor above and beyond those contractually required by this Contract. The services and tasks will be associated with accomplishing the objectives of this project. Actual funding for such services and tasks will occur on an as-needed basis, and there is no guarantee as to the level of funding or whether such services will be needed.

Additional service(s) requested will be documented using a Statement of Work and be subject to a rigorous review process established by the State Project Manager before being submitted to the Contractor for impact assessment and estimates. The State review process will help ensure that only requests with an obvious business case are forwarded to the Contractor for such assessments. The Contractor should plan, within the current Contract, for a limited amount of time necessary for a cursory review of the request and providing preliminary estimates and impact assessments.

Requests that the State deems potentially viable pursuant to preliminary estimates will be passed on to the Contractor and authorized for impact assessment (impact on existing plans, approach, labor and cost proposal, etc.) for that request. Once agreed to by the State, the Contractor will then be provided explicit authorization to perform the service or task. Approval by the State will be considered authorization for the Contractor to provide the service and invoice according to established mechanisms.

Note: The additional services or tasks must not impact the schedule, approach, service level, cost, or other activities and tasks requested in this Contract without the explicit acknowledgement and authorization of the State Project Manager

Tasks

- Provide preliminary estimates for additional services and tasks as approved by the State Project Manager
- Provide an impact assessment, with elements identified above, for additional tasks and services
- Provide the services and tasks authorized



Deliverable(s)

- H1. Preliminary Estimates – duration, effort, cost, schedule
- H2. Impact Assessment – duration, effort, cost, risk, schedule
- H3. Delivery of requested services and tasks

Acceptance Criteria

Acceptance criteria of additional services and tasks will be identified as part of the Statement of Work.

Contractor: describe your proposed solution to meet this service, including State roles and Contractor roles

FOX will provide other services as required under the contract. When the FOX Project Manager receives a Statement of Work from DHS, he will evaluate it and prepare a preliminary estimate. This estimate will include the level of effort to perform the task, required skills, a proposed schedule, cost, State resources that would be required, any assumptions or constraints, and any obvious risks. This preliminary estimate will be submitted to the State as Deliverable H1. Preliminary Estimates – Duration, Effort, Cost, Schedule.

For any estimate that the State authorizes for impact assessment, the FOX Project Manager will examine it for risks, including impact (positive as well as negative) to the schedule and scope of the SACWIS planning project, staff availability, and assumptions and constraints. The Project Manager will then prepare a detailed work breakdown structure with deliverables, tasks to create the deliverables, task durations, schedule, and cost. This impact assessment will be submitted to the State as Deliverable H2. Impact Assessment – Duration, Effort, Cost, Risk, Schedule.

Once the additional work is authorized by the State, the FOX Project Manager will add the work order to the SACWIS Planning Project Plan, and this work will be managed and monitored using the processes established for the main project. Deliverable acceptance and payment will be according to provisions established in the Statement of Work for the additional work. This will constitute Deliverable H3. Delivery of Requested Services and Tasks.

FOX and State Roles

Table 12 identifies the FOX and State roles for the Other Services activity.

Table 12: Other Services Roles

Position	Role
FOX Roles	
Project Manager	Develop Preliminary Estimates, Impact Assessments. Develop schedules, assign resources, and manage service delivery of approved tasks.
SACWIS Subject Matter Expert	Develop Impact Assessments.
Business Analyst	Develop Impact Assessments.
(TBD)	Perform approved tasks.
State Roles	
DHS Project Manager	Submit Service Requests, approve Preliminary Estimates, and approve Impact Assessments.



1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

The Contractor should have a minimum of five years of experience in process and systems analysis and engineering. In addition, they should possess demonstrated expertise in performing feasibility studies and cost/benefit analyses. Staff assigned to this project must be able to work in a cooperative fashion with various State staff, other agencies, local office staff, and any other designated Contractors during all phases of the project. The Contractors staff should have proven oral and written communication skills, the ability to meet with individuals and small groups, the ability to coordinate task-oriented group efforts, and should have acceptable and proven preparation and presentation skills. The Contractor should also have experience and skills in interacting with a wide range of individuals and organizational entities representing discreet and not always aligned interests.

The Contractors staff should have and demonstrate knowledge of the State's enterprise architecture framework and have the ability to form solutions congruent with the enterprise strategy. The Contractor should demonstrate experience in designing and recommending network and system solutions to existing architecture and/or expanding to external solutions if necessary and applicable.

The Contractors staff must be able to coordinate and receive direction from designated State staff. The Contractors staff must be able to deliver work that is not in conflict with the priorities and hardware/software choices and limitations established by MDIT and the State of Michigan, state and federal law, Michigan child welfare policy, and the Children's Rights Settlement Agreement. The Michigan Departments of Human Services and Information Technology expect an exceptionally high level of expertise from the Contractor for this critical project.

The Contractor must provide resumes for staff, including Subcontractors, who will be assigned to the Contract, indicating the duties/responsibilities and qualifications of such personnel, and stating the amount of time each will be assigned to the project. Personnel resumes must include detailed, chronological work experience. The competence of the personnel the Contractor proposes for this project will be measured by the candidate's education and experience with particular reference to experience on similar projects as described in this Statement of Work. The Contractor will commit that staff identified in its proposal will actually perform the assigned work.

The Contractor must provide a list of all Subcontractors, including firm name, address, contact person, and a complete description of the work to be contracted. Include descriptive information concerning Subcontractors organization and abilities.

The Contractor must submit a letter of commitment for Key Personnel, signed by the identified resource, stating their commitment to work for the Contractor/Subcontractor on this project contingent on award of the bid. If the identified personnel are currently assigned to a State of Michigan project, the Contractor must provide a letter signed by the State Project Manager of the current assignment releasing the individual from the project upon execution of the Contract.

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. Any key staff substitution must have the prior approval of the State. The State has identified the following as key personnel for this project:

1. Contractor Project Manager
2. SACWIS Subject Matter Expert

Contractor Project Manager Responsibilities

The Contractor Project Manager will work closely with designated personnel from the State to insure proper coordination between the Contractor and State staff. The Contractor Project Manager must have the authority to commit budget and resources on behalf of the Contractor and ensure the timeliness, quality and accuracy of all Deliverables. A minimum of three (3) years of experience in managing state SACWIS projects of a similar size and complexity is preferred.



The Contractor Project Manager will have responsibility for managing the Contractors staff and deliverables, meeting with State staff and other Contractors, making presentations and delivering and revising reports. The Contractor Project Manager's responsibilities will also include, at a minimum:

- Serve as Single Point of Contact for State project managers and Contract administrators
- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractors; Subcontractors, if any
- Develop the project plan and schedule, and update weekly
- Serve as the point person for all project issues
- Facilitate dispute resolution
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback, status and performance to the State under the terms and conditions of the Contract
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project's budget

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

Contractor Response:

FOX has two decades of knowledge of and experience with state health and human programs, which enables our teams to understand the complexity of state government programs and specific public sector considerations imperative to successful planning, procurement, and implementation projects. In addition, we have worked with DHHS/ACF and CMS and the FNS to obtain federal APD approvals for regions across the country. Our proposed project team brings this knowledge and experience to the Michigan SACWIS Planning Project.

This section of the proposal presents FOX's experience and skills that serve as the foundation for successfully performing the Michigan SACWIS Planning Project. It also includes a description of the roles and responsibilities of our proposed project team.

Experience and Work Skills

FOX and our proposed project team offer sound, proven experience and skills in all areas identified in RFP Section 1.031.

FOX Experience in Process and Systems Analysis and Engineering

FOX has extensive experience providing independent analysis and review of existing state processes for system operation and functionality. While we have been doing it for over 21 years, in just the past five years we have performed similar analyses for SACWIS programs in Oregon and Iowa, TANF programs in Indiana and California, and Medicaid agencies in Alaska, Florida, Georgia, Iowa, Michigan, Mississippi, Missouri, Montana, New Hampshire, New York, North Dakota, Oregon, and Tennessee. Based on our many years of experience and extensive, current similar project work, we have developed tools to quickly collect and document the information required regarding the "As-Is" state of the system. In addition, we have developed easily adaptable models for states to use in capturing their system and business processes.

FOX has experience with Michigan's technical environment through prior project experience with the State. We provided consulting support to the Michigan Department of Information Technology (MDIT) and the Michigan Department of Community Health (MDCH) in planning phase of their procurement of a replacement Medicaid Management Information System (MMIS). The project activities mirror those of the current SACWIS project and included requirements definition and APD and RFP development. We developed a Requirements Analysis deliverable that included recommendations for expanded use of the internet for providing Medicaid information to users and enhanced system performance and efficiencies. In addition, under a subcontract with Bull HN Information Systems, FOX implemented a PC-based Surveillance and Utilization Review System called PC-SURS, and we provided the maintenance support on this system through May, 1999.



Selected examples of experience in process and systems analysis and engineering for non-Medicaid clients are provided below:

- We recently documented workflow and business processes for the State of Kansas Department of Social & Rehabilitation Services (SRS), which is responsible for TANF, Medicaid eligibility, Food Stamps, child welfare, child support enforcement, state mental health facilities, and other programs. FOX developed the Human Service Management (HSM) Roadmap, which lays out all the tasks needed to implement a customer-centric, single point of entry SRS business model. We visited a number of SRS field offices and documented the “as is” workflow for business processes from intake, registration, eligibility determination, service planning, case management, contracting, payment, and reporting. In addition, the FOX team developed the feasibility study, APD, and first phase RFP. Our proposed Project Manager served as the Project Manager for the Kansas project.
- Conducted alternatives analysis, requirements definition, and IAPD and RFP development for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) System. LEADER automates the administration of welfare programs in Los Angeles County, including eligibility determination, benefit calculation, case maintenance, and management/fiscal reports and controls. We provided a written Cost Benefit Analysis comparing each alternative or combination of alternatives and provided selection/decision criteria and a recommended strategy to assist the County in selecting the optimal alternative. This Cost Benefit Analysis was consistent with the analytic models required by the State and the federal DHHS/ACF and CMS. LEADER is one of the largest multi-host, multi-tiered client server systems in the world, with over 11,500 users, more than 1500 programs, and over 8 million lines of code with a 4-terabyte database.
- Contracted with the State of New Mexico, Department of Health, Public Health Division to complete a feasibility study and develop requirements for an integrated statewide public health client demographic and service data collection and reporting system and later contracted as the IV&V contractor overseeing the data conversion, interface development for the commercial off-the-shelf (COTS) solution and statewide implementation, including training of five hundred public health workers statewide. The integrated system replaced multiple stand-alone public health program client data systems, and the project included the scrubbing and conversion of tens of gigabytes of data in the legacy systems. The new system supports over 3,000 users statewide.
- Contracted with California's Orange County Behavioral Health Division of the Health Care Agency (HCA) to conduct a feasibility study, define requirements, and develop an RFP to procure a new Behavioral Health Management Information System (BHMIS) for Orange County, California. FOX evaluated HCA's existing Behavioral Health computer system and analyzed the data needs for the replacement of the current BHMIS. FOX produced a report describing HCA's current system, its capabilities and operational environment and reported the results of a user satisfaction assessment. The Analysis of Information and Data Requirements document addressed the general system requirements, as well as detailed functional and technical requirements for an enhanced BHMIS in order to help improve current day-to-day service delivery and administration and support future requirements, such as state-mandated Managed Care for Mental Health. The new system was developed by Cerner and operates on two AphaServer ES80 systems using an Oracle database platform and contains in excess one hundred thousand client records. The system supports one thousand users.

Expertise in Performing SACWIS Feasibility Studies and Cost/Benefit Analysis

For our subcontract to WRMA for the Oregon SACWIS project, FOX is providing Child Welfare and SACWIS experts to assist with planning, preparation of required federal documents, and development of the RFP for the Implementation Contractor. In the planning phase, we served in the lead capacity for the cost benefit analysis and functional system requirements. We were responsible for defining the methodology used to develop the final requirements definition, conducting JAD sessions with users to define requirements for the SACWIS, developing the Cost Benefit Analysis for submission with the APD, and assisting with the development and refinement of the APD. As proposed for the Michigan SACWIS Planning Project, we are using our proprietary RAMS requirements tracking and reporting tool. FOX will provide quality control oversight during implementation to ensure that the SACWIS components meet functional and performance requirements and will also assist with acceptance testing of the new SACWIS system.

In Iowa, FOX was involved with development of a SACWIS APD update to reflect changes in project direction, and we developed and maintained the requirements traceability matrix used to monitor the Implementation Vendor.

FOX is unique among consultants in the number of cost benefit analyses we have performed and in the quality of the information we have provided to states to complete and obtain approval of APD documents for MMIS. In the past seven years, we have prepared CBAs for the states of Alaska, Florida, Georgia, Mississippi, Missouri, Montana, New York, North Dakota, Oregon, and Tennessee.



In addition, both our proposed Project Manager and SACWIS Subject Matter Expert bring significant experience and expertise in all phases of SACWIS design, development, and implementation projects, including the feasibility study, alternatives analysis, and cost benefit analysis activities.

Work in Cooperative Fashion with State and Other Organizations' Staff

We believe that maintaining a close working relationship between FOX, DHS staff, local staff and all other project stakeholders is vital to the success of the project. We have assembled a project team that possesses the complementary skills and experience needed to effectively work in concert with all project stakeholders, and from day one, we will work closely with you to define expectations and clearly communicate our commitment to the creation of a collaborative team. We believe in working side-by-side with the DHS project team to ensure that our goals and objectives are the same. We strive to keep these goals and objectives before us at all times.

Our proposed Key Personnel have experience as state employees, Implementation Vendor employees, and consultants. This gives them insight into the roles and responsibilities of the various stakeholders involved in the project and allows them to establish an effective and positive working relationship with each group.

Proven Oral and Written Communication Skills

Each member of the proposed FOX Team is highly proficient in written and spoken English and has a proven track record in development of clearly written project documentation and deliverables; participation in meetings, interviews, and presentations for a variety of audiences; and positive day-to-day interaction with state project teams and stakeholders.

With FOX's achievement of a CMMI Level 2 appraisal, we now have a corporate deliverable Quality Assurance function that is responsible for editing and review of all project deliverables prior to submission to clients.

Ability to Meet with Individuals and Small Groups

Our systems planning and procurement projects involve individual interviews, focus groups, project status and other meetings, and facilitated requirements gathering sessions. Our consultants are trained in the methodologies and tools we have developed for these activities. All proposed members of the FOX Team have the skills and significant experience required to conduct successful and productive sessions with individuals and small groups.

Ability to Coordinate Task-Oriented Group Efforts

Based on our long history of successful systems procurement projects, we have a proven track record of successfully coordinating large-scale projects with a significant number of tasks and events that must be orchestrated to ensure that the project is implemented in a timely manner with a manageable level of risk.

An example of our ability to coordinate task-oriented group efforts is demonstrated by our Joint Application Development (JAD) expertise. FOX is a national leader in the application of JAD techniques for system development and implementation projects, and we have developed a strong methodology and tools to support them. Our JAD model is closely aligned with federal best practices models. Experienced FOX facilitators, Subject Matter Experts (SMEs), and scribes bring their expertise with this model to planning, conducting or attending, and documenting JAD sessions.

The team members proposed for this project have experience preparing for and participating in JAD session and other task-oriented group activities, such as interviews and focus groups.

Proven Preparation and Presentation Skills

Communications is a key ingredient for success in a complex large information system project. The project communications are fundamental to the key project management principles that FOX follows as a part of our project management methodology. In all of our similar engagements, FOX staff have developed and participated in presentations to department executives, steering committees, legislative committees, Governor's Office staff, CIOs, and IT committees.

Our proposed Key Personnel have significant experience preparing and giving presentations. For example, while serving as a Commissioner and Deputy Commissioner of the Alabama Department of Children's Affairs, our proposed SACWIS SME was often required to present to legislative committees, governance boards, advocacy groups, and outside agencies regarding agency needs and goals. In addition, she was invited to give presentations and speeches to conferences on both a local and national level and was interviewed on television and other media sources.



Knowledge of the State's Enterprise Architecture Framework

FOX has knowledge of the State's IT environment and standards through our MMIS Replacement Project. Although our proposed Key Personnel have not worked on a project for the State, they will review project documentation prior to contract start-up and confer with individuals who have prior experience on projects performed for the State.

FOX uses our Enterprise Architecture (EA) Development methodology in many of our projects for health and human services agencies. This methodology involves principles of enterprise architecture based on National Association of State CIOs (NASCIO) and Federal Enterprise Architecture (FEA) standards. We conduct a technical capabilities assessment that includes researching state EA standards, processes and procedures for managing IT assets, and the EA framework. Our APD development activities include determining how the project fits into the state's EA strategy. Most recently, we have provided these services for the states of California, Florida, Mississippi, Missouri, Montana, Georgia, New York, Tennessee, and Utah.

FOX has been the consultant to DHHS/CMS for over four years for the development of the Medicaid Information Technology Architecture (MITA), which is the Medicaid Enterprise Architecture. As a result, we are very familiar with Service Oriented Architectures and have staff members who consult with states in SOA development for state enterprise health and human service programs.

FOX is providing IT and subject matter expertise to develop models for Business, Information, and Technical Architecture which form the MITA Framework. This project is defining the future basis for State MMIS applications that are expected to operate in a universe of standards-driven, interoperable systems. This architecture will also make it possible for sister agencies to work more closely with other agencies and to eventually operate in a National Health Information Network (NHIN) environment that includes the exchange of both clinical and administrative information. FOX has contributed to many of the fundamental principles of MITA, and we have an ongoing role in the development of the MITA architecture.

FOX also provided subject matter expertise to support information technology strategic planning for the Center for Substance Abuse Treatment (CSAT). Responsibilities included designing a Health Information Technology (HIT) model that leverages existing initiatives, such as MITA, that meet the needs of relevant substance abuse and behavioral health stakeholders. We modified MITA materials to reflect a Behavioral Health Information Technology Architecture (BHITA).

Ability to Form Solutions Congruent with the Enterprise Strategy

We will seek to identify system alternatives for the Michigan SACWIS that are consistent with the standards of the State's Enterprise Strategy. We see key elements of that strategy being the development of loosely coupled, re-useable business services enabled through common technical service infrastructure.

Other Service Oriented Architecture (SOA) elements that need to be incorporated into the SACWIS solution strategy include:

- Define required messaging and other standards, including Web services, HTTP, WSDL, SOAP, UDDI, XML, and BPMN
- Include Business Service definition packages (UML graphics, WSDL, etc. references)
- Identify and describe required technical and business services for the SACWIS solution. Technical services (recognizing that the technology is still under development and maturing and that different vendors have different SOA strategies) could include:
 - SOA Repository and Registry
 - Enterprise Service Bus
 - Rules Engine
 - SOA Supervisor/Service Broker
 - Business Process Management/Workflow Engine
 - Security Services
 - Metadata Management
- Recommendations for business service components
- Recommendations for service level agreement (SLAs) for each business and technical service
- SOA Governance and Repository requirements



Architecture and/or Expanding to External Solutions

FOX is well respected throughout the industry for our knowledge and familiarity with innovations and the application of technology for health and human services systems. At both the state and federal level, we guide our clients through the complex world of technology in order identify and implement technology that supports their business needs. Since this is one of our core competencies, we developed and continuously maintain and update our FOX technology reference model with details regarding health and human services systems and their core and extended sets of functionality.

Examples of recent experience helping states find the systems and supporting technologies that best fits their needs include.

- We assisted the Oregon Department of Human Services identify a system solution that met SACWIS requirements and serves the operational needs of the Department
- Through our Medicaid consulting engagements across the country, we have worked with both mainframe and client/server systems developed by all of the major MMIS system vendors and Fiscal Agents. We recently recommended new development, enhancement, and/or system transfer solutions for the states of Alaska, Florida, Georgia, Iowa, Michigan, Minnesota, Mississippi, Missouri, Montana, New York, North Dakota, Oregon, and Tennessee.
- For the State of Oregon, Behavioral Health Integration Project (B-HIP), we developed of requirements and researched options for a new hospital and community-based mental health client data system.
- For the Missouri Office of Administration, ITSD (ITSD) and the Department of Mental Health (DMH), we evaluated the CIMOR system and assessed DMH's direction for future enhancements to the current CIMOR system, including the necessity to interface with future Medicaid Electronic Health Records and other Medicaid processes.
- For the Los Angeles County Department of Public Social Services, we conducted an alternatives analysis and recommended a solution for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) System, which automates the administration of County welfare programs.
- For Lane County, Oregon, we recommended a solution and defined requirements for an integrated Health and Human Services system to manage County information for Mental Health, Substance Abuse, Developmental Disabilities and Public Health Programs.

Ability to Coordinate and Receive Direction from Designated State Staff

As stated previously, we believe strongly in collaboration and emphasizing the team approach, and the proposed FOX Team is eager to work with the State's Project Team on the Michigan SACWIS Planning Project. Our team members have extensive experience working with state agency staff and are committed to listening to and receiving direction from DHS, MDIT, and other designated State staff to ensure project success.

Deliver Work That Does Not Conflict with the Priorities and Hardware/Software Choices and Limitations Established by MDIT and the State

FOX is an ISO 9001:2000 and CMMI Level 2 appraised organization. As evidenced by these accreditations, FOX is committed to delivering the highest quality work to our clients. We understand and are sensitive to the unique needs of each project, and the proposed FOX Team will ensure our work meets the project goals and objectives within the parameters established by MDIT and the State.

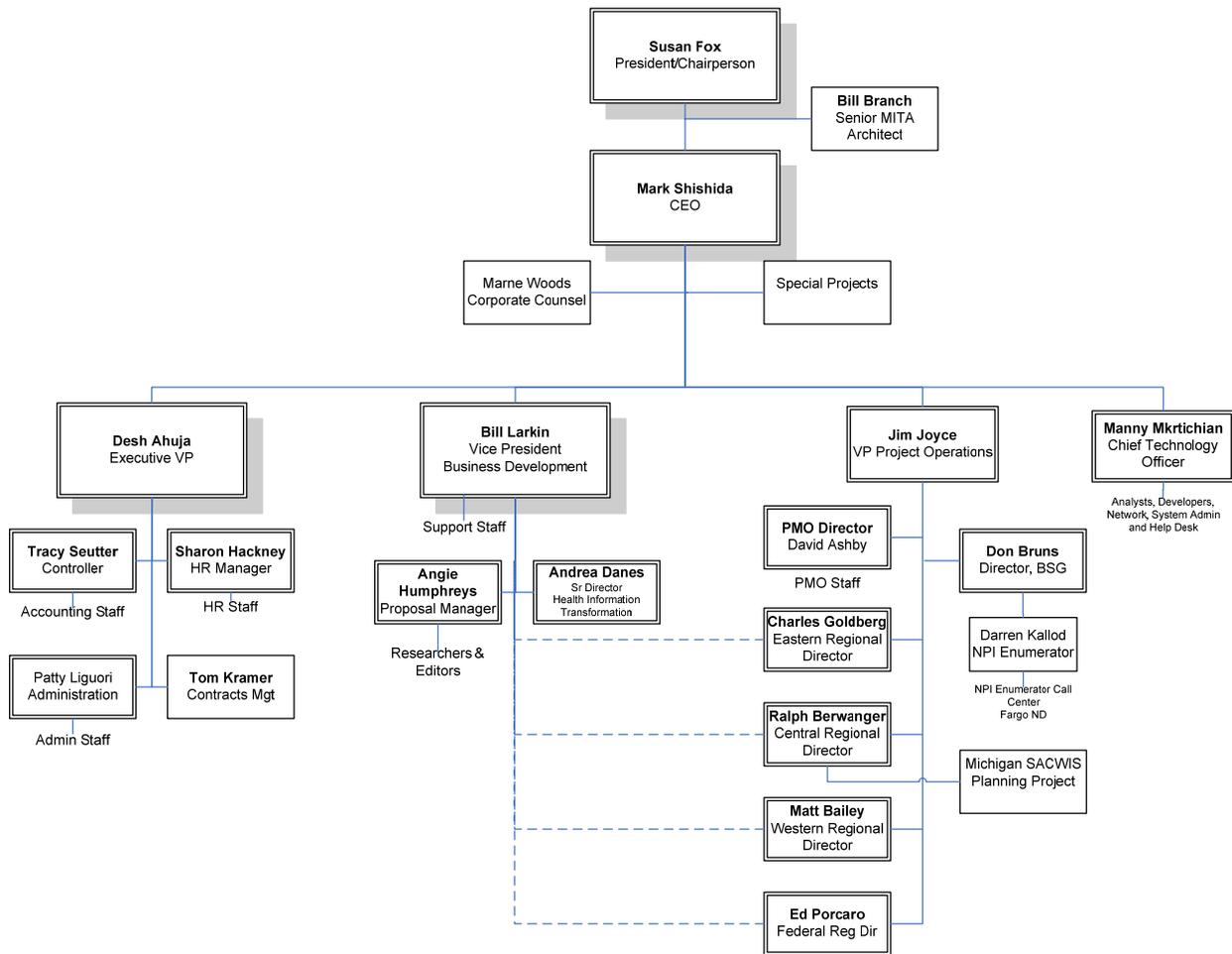
Project Organizational Structure

The contract and performance of the Michigan SACWIS Planning Project come under our Division of Project Operation's Project Management Office (PMO), which is responsible for overseeing all consulting engagements. The PMO structure is based on a regional approach for all consulting projects that provides a focal point in each region for client services activities, including project leadership, oversight, and proactive support to project managers. Ralph Berwanger, our Central Regional Director and proposed Client Executive, will be responsible for the contract and will have corporate responsibility for the success of the project. He is certified Project Management Professional and a seasoned and Project Manager with extensive experience managing large, complex IT projects with multiple Contractors.

Figure 8 on the following page presents an organizational chart that shows the FOX corporate management structure and its relation to the Michigan SACWIS Planning Project.



Figure 8: Corporate Organization Chart



Project Team Roles and Responsibilities

Our project team organization and resource assignments are based on the RFP requirements; our knowledge of SACWIS and the State’s IT environment and standards; and our experience performing planning services for state public health, health and human services, behavioral and mental health agency projects, including the Michigan MMIS Replacement Project. The MMIS has a number of interfaces to systems operated and maintained by DHS. We have assembled a project team that is comprised of Key Personnel, who are dedicated 100 percent to the contract, and a support team.

Key Personnel

The Key Personnel positions are the Project Manager and the SACWIS Subject Matter Expert. We have assigned senior consultants who possess the combined expertise, special capabilities, and skill sets required to:

- Analyze and evaluate the current SWSS business processes and staffing
- Assess options for the new MACWIS, including a cost benefit analysis and recommendations
- Prepare a Strategic Implementation Plan
- Facilitate focus group sessions and develop detailed requirements
- Develop the APD for submission to ACF
- Assist in the development of the RFP to obtain the services of a SACWIS System Implementation Vendor, including the development of the proposal evaluation criteria

Summaries of the Key Personnel’s qualifications and responsibilities are presented below. Detailed resumes for these key staff members are provided at the end of this section.



Belyn Richardson, Project Manager	
Experience Overview	Belyn Richardson is a former state SACWIS official and human services Subject Matter Expert (SME) with 10 years of child welfare applications experience. Her 27 years of state government experience includes program areas such as welfare reform, child support enforcement, child welfare, revenue maximization, and childcare. She managed the Alabama Department of Human Resources (DHR) information systems, including development of SACWIS and Child Care systems and maintenance of Child Support, Food Stamps, TANF, and Work Activity systems. Ms. Richardson's expertise includes Progressive Elaboration, PMBOK, and SDLC methodologies.
Project Responsibilities	Ms. Richardson will be responsible for all project management activities identified at the end of RFP Section 1.031. Additional responsibilities include: <ul style="list-style-type: none"> ▪ Provide day-to-day project management ▪ Provide scope, risk, and issue management ▪ Create and maintain the project schedule and budget ▪ Provide services supporting the development of deliverables for work tasks as identified in RFP Section 1.022, A. through H. ▪ Primary responsibility for Comprehensive High-Level Requirements Definition and Validation Plan, Needs Assessment Document, Cost/Benefit Methodology Document, Comprehensive Strategic Implementation Plan, Comprehensive Advance Planning Document, and Other Services deliverables
Length of Assignment	Full-time for the duration of the project

Jim Warner, SACWIS Subject Matter Expert	
Experience Overview	James Warner has several years of systems and analyst experience. His background encompasses 25 years of state government operations in the human service arena working with SACWIS and child welfare. For the last three years he has been a Project Lead Management Analyst for the State of Arizona's SACWIS system. Previously, he was a systems trainer for the Child Welfare Training Institute, specializing in both SACWIS systems and theory training.
Project Responsibilities	<ul style="list-style-type: none"> ▪ Support project management activities ▪ Provide services supporting the development of deliverables for work tasks as identified in RFP Section 1.022, A. through G. ▪ Primary responsibility for development of the Gap Analysis, Cost Benefit Analysis, Recommendations, Requirements Definition and Validation Plan, Documentation of Validated Existing and Additional Requirements, Requirements Validation Document, System Requirements Specification (SRS), and Requirements Traceability Matrix (RTM) deliverables
Length of Assignment	Full-time for the duration of the project

Support Team

The Key Personnel will be supported by a Client Executive, Business Analyst, Junior Business Analyst, and a value-added Technical Advisory Group (TAG).

- The Client Executive has corporate responsibility for the success of project activities and FOX's role in the project. His responsibilities include monitoring the FOX team, attending key meetings, participating in presentations, and monitoring the quality of deliverables. He will be available to DHS and MDIT management throughout the contract to answer questions and resolve issues.
- The Business Analyst supports all project services and has lead responsibility for development of the Implementation Request for Proposals. She is assigned full-time to the project.



- The Junior Business Analyst will support the Needs Assessment and Requirements Definition activities and will serve as a Scribe during the facilitated focus group sessions. This position will be assigned upon contract award.
- The TAG supplements the project team by providing national health and human service Subject Matter Experts who can provide guidance and advice to the FOX Project Manager on strategic issues as they may arise during the project. There may be some limited direct interaction with the State project team, but the TAG's role is not operational in respect to the project.

An overview of the support team's qualifications is provided below.

- **Ralph Berwanger, PMP, Client Executive.** Ralph Berwanger is the FOX Director, Central Region, and he understands both the executive management and project management issues facing FOX clients during the planning, procurement, and implementation phases of large Health and Human Services information system projects. Prior to becoming a Regional Director, he managed the IV&V Phase of Florida's MMIS fiscal agent procurement and transition IV&V project. Mr. Berwanger is a certified Project Management Professional (PMP) and seasoned Project Manager, and he is currently serving as the Client Executive for large systems procurement projects in the states of Illinois, Iowa, Missouri, and Oklahoma. Mr. Berwanger is technically proficient in a variety of software applications and several programming languages. In addition, he serves as Chair for the American National Standards Institute, Accredited Standards Committee X12 and works with ANSI to develop the national strategy for standards.
- **Sandy Wolak, Business Analyst.** Ms. Wolak is a Senior Business Analyst with extensive experience on planning and procurement projects for state health and human services agencies. Her background spans more than 17 years of health care industry experience and expertise in determining clients' business needs, recommending enhancements to existing software applications, and implementing new applications. As a Business Analyst on a strategic planning project for the Kansas Department of Social & Rehabilitation Services' Human Service Management (HSM) modernization effort, she validated the current state of SRS by completing a business process and workflow analysis, helped develop a recommended approach to implement organizational, business process, and technical architecture changes based on the outcome of the strategic visioning sessions, and helped complete the Feasibility Study. The HSM project included integration of an eligibility system, as well as a child welfare, child support, and vocational rehabilitation system. For a recent State of Washington MMIS replacement project, her responsibilities included evaluating the current business processes, producing future business models, performing gap analysis between the current and future business model, identifying deficiencies in the new MMIS, and producing migration plans to implement the future business models.

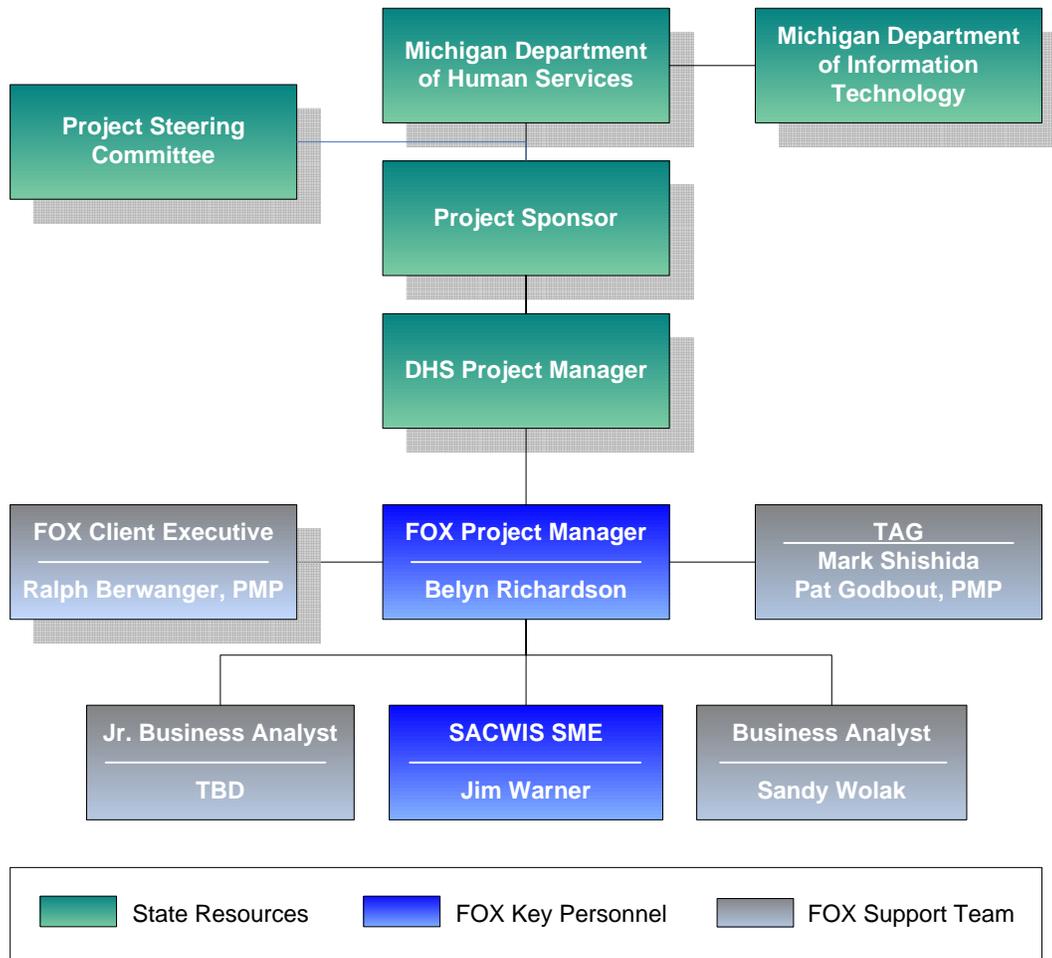
Technical Advisory Group

- **Mark Shishida.** Mark Shishida, Chief Executive Officer of FOX, is an expert in health and human service programs and supporting systems. His more than 30 years of experience with federal, state and county programs includes Medicaid, Medicaid Waiver, Medicare, AFDC/TANF, child welfare, child support enforcement, and managed care.
- **Pat Godbout, PMP.** Throughout her 28-year career, Pat Godbout has managed state health and human service programs, participated in system procurement projects, and provided management, planning, business re-engineering, and HIPAA consulting services. She is an experienced Financial Analyst with extensive experience developing and APD and RFP requirements, including cost benefit analyses.



Figure 9 presents a project organization chart.

Figure 9: Project Organization Chart



Letters of Commitment and Resumes

Key Personnel Letters of Commitment and project team resumes are provided on the following pages.

FOX’s business practice is to consistently mark the resumes of FOX employees and associate consultants dedicated to FOX projects as proprietary information in our proposals. FOX understands that the Department of Management and Budget has the right to accept or deny our request to withhold resumes from public inspection, based on the State’s regulations.



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PAGE 01



March 23, 2009

Belyn Richardson
104 Camellia Drive
Wetumpka, AL 36092

Dear Ms. Richardson:

The State of Michigan issued a Request for Proposal for Statewide Automated Child Welfare System (SACWIS) planning services for the Department of Human Services. Fox Systems, Inc. (FOX) is submitting a proposal in response to this RFP. This is a letter of commitment for your services as the Project Manager for the Michigan SACWIS Planning Project in the event FOX is successful in its bid for the contract.

This letter confirms:

- 1) You are available immediately to perform the services under the contract upon contract award.
- 2) You are bound by the terms of this commitment for the full duration of the contract period.

Thank you for agreeing to be a part of the FOX Team.



Mark Shishida
Chief Executive Officer, Fox Systems, Inc.



Belyn Richardson
Project Manager



MAR-24-2009 14:24

P. 02/02



March 23, 2009

James Warner
7784 W Myrtle Avenue
Glendale, AZ 85303

Dear Mr. Warner:

The State of Michigan issued a Request for Proposal for Statewide Automated Child Welfare System (SACWIS) planning services for the Department of Human Services. Fox Systems, Inc. (FOX) is submitting a proposal in response to this RFP. This is a letter of commitment for your services as the SACWIS Subject Matter Expert (SME) for the Michigan SACWIS Planning Project in the event FOX is successful in its bid for the contract.

This letter confirms:

- 1) You are available immediately to perform the services under the contract upon contract award.
- 2) You are bound by the terms of this commitment for the full duration of the contract period.

Thank you for agreeing to be a part of the FOX Team.



Mark Shishida
Chief Executive Officer, Fox Systems, Inc.



James Warner
SACWIS SME

6263 N Scottsdale Road, Suite 200 • Scottsdale, AZ 85250-5402 • voice 480.423.8184 • fax 480.423.8108
www.foxsys.com

TOTAL P. 02



1.040 Project Plan

1.041 Project Plan Management

Preliminary Project Plan

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

1. In particular, the Preliminary Project Plan will include a MS Project plan or equivalent that includes the following:
 - a. A description of the deliverables to be provided under this Contract.
 - b. Target dates and critical paths for the deliverables.
 - c. Identification of roles and responsibilities, including the resource responsible. Contractor is to provide a roles and responsibility matrix for each deliverable per Section A through G under 1.022 Work and Deliverable. The matrix must be formatted as follows:

<u>Function/Task</u>	<u>Responsibility</u>	<u>Time Frame</u>

- d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
 - e. Internal milestones
 - f. Task durations
2. The Preliminary Project Plan shall include, at a minimum, the following:
 - Deliverable/milestones for which payment shall be made.
 - a. Payment to the Contractor will be made upon the completion and acceptance of the deliverable or milestone, not to exceed Contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed and approved by the State.
 - b. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2, Section 2.243

Note: A Final Project Plan will be required as stated in Article 1, Section 1.041 (C) Project Control.

A. Orientation Meeting

1. Upon 5 working 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 monthly meetings, at a minimum, to review the Contractors performance under the Contract.
2. The meetings will be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor.
3. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.



C. Project Control

1. The Contractor will carry out this project under the direction and control of the DHS Project Manager.
2. Within 10 working days of the execution of the Contract, the Contractor will submit the final project plan to the State project manager(s) for final approval.
 - a. This project plan must be in agreement with Article 1, Section 1.022 Work and Deliverable, and must include the following:
 - i. The Contractors project organizational structure.
 - ii. The Contractors staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - iii. The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
 - iv. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
3. The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
 - a. Contractor will use an automated tool for planning, monitoring, and tracking 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 30 to 60 calendar days, 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 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.

Contractor Response:

Our team will ensure that all project tasks, deliverables and milestones are reflected in the baseline project plan. Based on initial discussion with the DHS Project Team and review of existing documentation, we will apply a greater level of detail to Project Work Plan and Schedule. We will verify that all activities are identified and that both FOX and State resource requirements are assessed and reflected in the Project Work Plan and Schedule. We will provide facilitating project plans, such as the Communications Plan, and verify that all appropriate project controls are included.

We closely follow the Project Management Institute (PMI) methodology for managing projects, which aligns with MDIT's SUITE methodology, and this is reflected in our project plans. By following the PMI methodology, we ensure that all Project Management Knowledge Areas are addressed in our Project Plan Deliverable.

This section of our proposal addresses the Preliminary Project Plan requirements listed in RFP Section 1.041, Items 1 and 2 and presents the MS Project Work Plan and Schedule and the Roles and Responsibility Matrix for each deliverable identified in RFP Section 1.022 Work and Deliverable, subsections A through G. It also addresses the requirements for an orientation meeting, performance review meetings, and project control activities.

Preliminary Project Plan

FOX fully understands the criticality of the Project Plan because it represents the blueprint for all FOX activities during the project. The Project Work Plan is composed of two principal elements:

- Work Plan Narratives – a description of the project scope, the work to be performed, applicable methodologies, and any assumptions and constraints
- Work Breakdown Structure (WBS) – a hierarchical, structured presentation of all project tasks and associated schedules



Narrative Description of Deliverables

Per RFP Section 1.041.1, Item a, and the State’s response to Contractor question 18, a narrative description for the contract deliverables is provided below.

Project Management	04/07/09	12/29/09
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The Project Management activity consists of project start up and project monitoring tasks. During this activity, we will begin the project; plan and conduct the Orientation Meeting; develop the final Project Management Plan, including the work plan and schedule; and finalize the project monitoring and status reporting procedures. Also included under this activity are the tasks to update the work plan and to report status.

Tasks for this activity are:

- Plan Orientation Meeting
- Conduct Orientation Meeting
- Develop Project Management Plan
- Status reporting

Needs Assessment	04/07/09	07/22/09
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The Needs Assessment activity consists of the development of three deliverables: a Comprehensive High-level Requirements Definition and Validation Plan, a Requirements Validation and Deficiency Document, and a Needs Assessment Document.

Comprehensive High-level Requirements Definition and Validation Plan	04/07/09	04/28/09
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As with all Deliverables, we will develop and annotated table of contents (ATOC) for the Deliverable at the beginning of the activity. We will meet with the DHS Project Manager to discuss the format and content of the Deliverable to ensure the scope of the document is understood and mutually acceptable.

During this activity, Fox will describe the approach that we will use to determine and prioritize the business needs of the Department and the approach that we will use to document the high level requirements (needs) and organize them for refinement later in the project. We will also work with the Department to put together a schedule for information gathering activities and identify State and private provider resources necessary for those activities.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for Plan
- Meet to discuss approach and Plan format
- Document the approach to gathering, assessing, and prioritizing the business needs
- Describe the approach to document the existing functional and non-functional requirements and document missing requirements
- Submit approach sections for interim review
- Develop interview and focus group schedule
- Submit Requirements Definition and Validation Plan for Review and Acceptance
- DHS Review of Requirements Definition and Validation Plan



Requirements Validation and Deficiency Document	04/13/09	07/03/09
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After developing an ATOC for the Deliverable Document and submitting it for review and comment, we will perform the activities outlined in the Plan developed in the previous activity. We will review current system and policy documentation and relevant other documentation, such as the Children’s Rights Settlement Agreement. We will also conduct interviews of small focus groups of DHS, MDIT, and private provider staff. The object of these interview sessions is to establish a baseline of high level requirements and to discover the deficiencies in the existing system. We will also establish a technical baseline of understanding for the existing systems. This will be use in the feasibility study in subsequent activities.

At this point, we will document the high level requirements and develop a gap analysis between the functionality of the existing system and the department’s needs.

The tasks for the development of this Deliverable are:

- Review existing system documentation
- Develop Annotated TOC for Deliverable
- Submit ATOC for Review
- Conduct interviews and focus groups for functional requirements
- Submit interview notes for review
- Conduct interview and focus groups for non-functional requirements
- Submit interview notes for review
- Develop high-level functional and technical requirements
- Submit requirements document for interim review
- Review SWSS system
- Develop gap analysis
- Submit gap analysis for interim review
- Prepare final Requirements Validation and Deficiency Report
- Submit Requirements Validation and Deficiency Report for Review and Acceptance
- DHS Review of Requirements Validation and Deficiency Report

Needs Assessment Document	06/29/09	07/22/09
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During this activity, Fox will develop a formal Needs Assessment Document based on the information obtained in the previous activity. This needs assessment document will include a summary of the analysis activities for inclusion in the Department’s APD.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for Deliverable
- Submit ATOC for review
- Develop a Needs Assessment document
- Submit Needs Assessment document for Review and Acceptance
- DHS Review of Needs Assessment document

Feasibility Study and Alternatives Analysis	06/03/09	08/24/09
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During this activity, we will concentrate on two major objectives. The first of these is a feasibility analysis for going forward with SWSS. This analysis will look at the functional gaps between SWSS and the Department’s needs and the effort required to bridge them using the current system platform, the effort required to convert the system to newer technology, and system architecture issues. Once this analysis is completed, the Department will be asked to decide whether the option is sufficiently viable to consider as one of the alternatives for comparison. The feasibility study portion of the deliverable will be submitted to the Department for review and comment.



The second objective is the Alternatives Analysis. During this activity, we will identify a number of alternative approaches to acquiring a SACWIS compliant system by 2012. These will include, at a minimum, the alternatives identified in the RFP. If the feasibility study so indicates and the Department so decides, the alternative of enhancing the existing SWSS will be included. We will examine the alternatives in detail. We will identify assumption and constraints; risks and impacts, and the pros and cons for each alternative. In particular, we will carefully examine the risks and impacts of each alternative relative to the ability to achieve implementation by October 2012. As each section of the deliverable is developed, it will be submitted to the Department for review and comment. Once the analysis is complete, we will present the Department with the results of our analysis including a ranked list of alternatives and a set of evaluation criteria. The Department will then choose which alternatives will be the subject of the cost/benefit analysis in the next activity. FOX will then finalize the Feasibility Study and Alternatives Analysis document and submit it for review and acceptance.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for Deliverable
- Submit ATOC for review
- Identify areas where needs are not sufficiently being met by the SWSS system
- Convert the identified operational problems within the current environment into specific system objectives
- Perform Feasibility Analysis on SWSS
- Submit SWSS Analysis for interim review
- Identify alternative approaches
- Identify system and fiscal constraints and assumptions of all evaluated systems.
- Submit system constraints and assumptions for interim review
- Identify any mobile abilities of the evaluated systems
- Identify most viable alternatives
- Determine risks and effects for each alternative
- Develop pros and cons for each alternative
- Submit draft report for interim review
- Develop evaluation criteria
- Develop Feasibility Study and Alternatives Analysis Report
- Submit Feasibility Study and Alternatives Analysis
- DHS Review of Feasibility Study and Alternatives Analysis

Cost/Benefit Analysis	07/27/09	11/16/09
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This activity consists of the creation of three Deliverables: the Cost/Benefit Methodology Document, Cost/Benefit Analysis, and Recommendation Document.

Develop Cost/Benefit Methodology Document	07/27/09	08/14/09
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In this activity we will describe our methodology for performing the cost/benefit analysis. We will examine methods for determining the cost of the alternatives selected, as well as how to show the cost of maintaining the status quo. Particular attention will be what costs to compare and how to ensure that the cost categories are the same. We will also describe our methodology for discovering benefits, both qualitative and quantitative, for the various alternatives.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for methodology document
- Meet to discuss approach and methodology document format
- Develop Cost/Benefit methodology document
- Submit Cost/Benefit methodology document for review and acceptance
- DHS Review of Cost/Benefit methodology document



Develop Cost/Benefit Methodology Document	07/27/09	08/14/09
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In this activity we will describe our methodology for performing the cost/benefit analysis. We will examine methods for determining the cost of the alternatives selected, as well as how to show the cost of maintaining the status quo. Particular attention will be what costs to compare and how to ensure that the cost categories are the same. We will also describe our methodology for discovering benefits, both qualitative and quantitative, for the various alternatives.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for methodology document
- Meet to discuss approach and methodology document format
- Develop Cost/Benefit methodology document
- Submit Cost/Benefit methodology document for review and acceptance
- DHS Review of Cost/Benefit methodology document

Develop Recommendation Document	09/28/09	11/02/09
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During this activity, Fox will develop a Recommendation Document, in consultation with the Department and based on the Cost/Benefit Analysis performed in the previous activity.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for Recommendation Document
- Submit ATOC for Recommendation Document
- Develop Recommendation Document
- Submit Recommendation Document for review and acceptance
- DHS Review of Recommendation Document

Strategic Implementation Plan	08/05/09	11/06/09
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During this activity, Fox will develop a Strategic Implementation Plan for the new system. The plan will provide the Department with a roadmap for activities necessary to accomplish the goal of SACWIS compliant system implementation by 2012. This Deliverable will also provide input to the APD produced in a later activity. While this activity can not be finished until the CBA is complete, many of the sections of the report can be developed once the viable alternatives are selected.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC Strategic Implementation Plan
- Submit ATOC for Strategic Implementation Plan
- Assess and document estimated staff resources
- Document fiscal resources needed
- Submit draft for interim review
- Identify key stakeholder personnel with roles and responsibilities
- Propose a governance structure
- Submit draft for interim review
- Identify key milestones and timelines
- Develop a Communications strategy
- Recommend a strategy for training
- Recommend a strategy for data migration and transition
- Submit draft for interim review
- Compile Strategic Implementation Plan
- Submit Strategic Implementation Plan for review and acceptance
- DHS Review of Strategic Implementation Plan

Detailed Requirements Development	07/06/09	12/09/09
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This activity consists of the development of four Deliverables: the Requirements Definition and Validation Plan, the Documentation of Validated Existing and Additional Requirements, the Requirements Validation Document, and the System Requirements Specification (SRS) and Requirements Traceability Matrix (RTM).



Requirements Definition and Validation Plan	07/06/09	07/28/09
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During this activity, Fox will elaborate on our approach to Requirements Definition and will, in conjunction with the Department, develop a plan and schedule for requirements definition activities.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for Plan
- Meet to discuss approach and Plan format
- Document approach
- Develop schedule for requirements validation sessions
- Document Requirements Definition and Validation Plan
- Submit Requirements Definition and Validation Plan for review and acceptance
- DHS review of Requirements Definition and Validation Plan

Documentation of Validated Existing and Additional Requirements	08/21/09	09/18/09
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Prior to conducting additional requirements definition sessions, FOX will elaborate on the requirements identified in the Needs Assessment. We will develop a starting-point document from the Needs Assessment, existing system documentation, and from our knowledge of other systems.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for Existing Requirements Document
- Submit ATOC for Existing Requirements Document
- Review existing functional requirements documents
- Review existing non-functional requirements documents
- Compare with Needs Assessment
- Develop Existing and Additional Requirements Document
- Submit Existing and Additional Requirements Document for review and acceptance
- DHS Review of Existing and Additional Requirements Document

Requirements Validation Document	09/21/09	11/30/09
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Using the Existing and Additional Requirements Document as a straw man model, FOX will conduct focus group sessions dedicated to specific portions of the system functionality to determine and document requirements at a sufficient level of detail for inclusion in procurement and planning documents.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for Requirements Validation Document
- Submit ATOC for Requirements Validation Document
- Conduct requirements validation sessions
- Review validation session notes
- Develop Requirements Validation Document
- Submit Requirements Validation Document for review and acceptance
- DHS Review of Requirements Validation Document

System Requirements Specification (SRS) and Requirements Traceability Matrix (RTM)	11/09/09	12/09/09
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In this activity, we will make a further elaboration of the system requirements. The Requirements Validation document will be written in a format that can easily be reviewed by the system users. We will take this document and convert it into a System Requirements Specification and Requirements Traceability Matrix, using the State's document format. In doing so, we will restructure the requirements, converting complex requirements into atomic steps, to ensure that the requirements can be validated and verified.



The tasks for the development of this Deliverable are:

- Develop Annotated TOC for SRS and Traceability Matrix
- Submit ATOC for SRS and Traceability Matrix
- Develop SRS from Requirements Validation Document
- Develop Traceability Matrix
- Submit SRS and Traceability Matrix for review and acceptance
- DHS Review of SRS and Traceability Matrix

Advance Planning Document Preparation	07/06/09	12/17/09
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During this activity, FOX will develop an APD for the selected alternative. Most of the sections of this document will come directly from the deliverables produced in the prior activities.

The tasks for the development of this Deliverable are:

- Develop Annotated TOC for APD
- Submit ATOC for APD
- Review Previous APD
- Statement of Needs and Objectives
- Summary of Requirements Analysis, Feasibility Study, and Alternatives Analysis
- Cost/Benefit Analysis
- Project Management Plan
 - Nature, Scope, Methods, Activities, Schedule and Deliverables
 - Project Organization and Personnel Resources
 - State and Contractor Resource Needs
 - System Life
- Proposed Budget
- Prospective Cost Allocation
- Compile APD
- Submit APD for review and acceptance
- DHS Review of APD

Implementation Request for Proposals	10/26/09	12/30/09
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During this activity, FOX will develop the RFP statements of work with associated evaluation criteria and other required sections for up to three follow-up procurements for the selected option.

The tasks for the development of this Deliverable are:

- Review State format and previous RFPs
- Develop Annotated TOC for RFP
- Submit ATOC for RFP
- Develop Vendor Business Requirements
- Develop Vendor Staff Requirements
- Develop Vendor Project Management Requirements
- Submit draft for interim review
- Develop System Functional Requirements
- Develop System Non-Functional Requirements
- Develop evaluation criteria
- Submit draft for interim review
- Develop RFP
- Submit RFP for review and acceptance
- DHS Review of RFP



Roles and Responsibilities Matrix

Per RFP Section 1.041.1, Item c, the following matrix identifies the roles and responsibilities for each project deliverable. Please note: the FOX Project Manager is ultimately responsible for all work products created by FOX Staff on this project

Roles and Responsibilities Matrix		
Function/Task	Responsibility	Time Frame
A1. Comprehensive High-Level Requirements Definition and Validation Plan	FOX Project Manager	04/21/09
A2. Requirements Validation and Deficiency Document (Gap Analysis)	FOX SACWIS SME	06/26/09
A3. Needs Assessment Document	FOX Project Manager	07/08/09
B1. Comprehensive Feasibility Study and Alternatives Analysis Document	FOX SACWIS SME	08/17/09
C1. Cost/Benefit Methodology Document	FOX Project Manager	07/31/09
C2. Cost/Benefit Analysis	FOX SACWIS SME	10/12/09
C3. Recommendation Document	FOX SACWIS SME	10/26/09
D1. Comprehensive Strategic Implementation Plan	FOX Project Manager	11/02/09
E1. Requirements Definition and Validation Plan	FOX SACWIS SME	07/21/09
E2. Documentation of Validated Existing and Additional Requirements	FOX SACWIS SME	09/11/09
E3. Requirements Validation Document	FOX SACWIS SME	11/23/09
E4. System Requirements Specification (SRS) and Requirements Traceability Matrix (RTM) Documents	FOX SACWIS SME	12/02/09
F1. Comprehensive Advance Planning Document	FOX Project Manager	12/10/09
G1. Implementation RFP Document	FOX Business Analyst	12/23/09

Deliverable/Milestones for Which Payment Shall Be Made

FOX is proposing a payment schedule based on completion of the following deliverables. We understand that a deliverable is considered complete when it has been completed and approved by the State.

- A1. Comprehensive High-Level Requirements Definition and Validation Plan
- A2. Requirements Validation and Deficiency Document (Gap Analysis)
- A3. Needs Assessment Document
- B1. Comprehensive Feasibility Study and Alternatives Analysis Document
- C1. Cost/Benefit Methodology Document
- C2. Cost/Benefit Analysis
- C3. Recommendation Document
- D1. Comprehensive Strategic Implementation Plan
- E1. Requirements Definition and Validation Plan
- E2. Documentation of Validated Existing and Additional Requirements
- E3. Requirements Validation Document
- E4. Systems Requirements Specification (SRS) and Requirements Traceability Matrix (RTM) Documents
- F1. Comprehensive Advance Planning Document
- G1. Implementation RFP Document

MS Project Plan

Based on experience in similar projects with several other states, we have proposed a baseline work plan that is work product-oriented and presents tasks and sub-tasks that have been successful in past projects. The draft MS Project Schedule submitted with this proposal contains a column that associates WBS element numbers for the proposed tasks and sub-tasks. The schedule includes:

- Proposed start and end dates for each work package (RFP 1.041.1, Item f)
- Milestones used to monitor progress (RFP 1.041.1, Item e)
- Time dependent interrelationships between tasks
- Critical path with parallel and dependent project tasks (RFP 1.041.1, Item b)
- State resource loading by task and role (RFP 1.041.1, Item d)

The work effort is further defined by identifying dependencies between work packages and the level and type of resources required to complete the work. The tasks within work packages are sequenced, identifying the order in which the work is to be performed. Estimates of work time and elapsed time required for each task will be continuously monitored throughout the project.

The following pages provide the detailed Microsoft Project WBS proposed for the Michigan SACWIS Planning Project. During the Orientation Meeting, we will review this WBS with the Department, obtain comments as to its adequacy, and then modify per those comments. Once approved, the WBS will be baselined and used to track status and budget. Modifications to the baselined plan will be made only with the Department's approval.



Preliminary Project Work Plan and Schedule

ID	Task Name	Duration	Start	Finish	April 2009		May 2009		June 2009					
					3/29	4/19	5/10	5/31						
1	Project Management	191 days	Tue 4/7/09	Tue 12/29/09										
2	Plan Orientation Meeting	4 days	Tue 4/7/09	Fri 4/10/09										
3	Conduct Orientation Meeting	1 day	Tue 4/7/09	Tue 4/7/09										
4	Develop Project Management Plan	9 days	Tue 4/7/09	Fri 4/17/09										
5	Status reporting	187 days	Mon 4/13/09	Tue 12/29/09										
162														
163	Needs Assessment	77 days	Tue 4/7/09	Wed 7/22/09										
164	Comprehensive High-level Requirements Definition and Validation Plan	16 days	Tue 4/7/09	Tue 4/28/09										
165	Develop Annotated TOC for Plan	3 days	Tue 4/7/09	Thu 4/9/09										
166	Meet to discuss approach and Plan format	1 day	Fri 4/10/09	Fri 4/10/09										
167	Document the approach to gathering, assessing and prioritizing the busin	2 days	Mon 4/13/09	Tue 4/14/09										
168	Describe the approach to document the existing functional and non-functi	2 days	Mon 4/13/09	Tue 4/14/09										
169	Submit approach sections for interim review	0 days	Tue 4/14/09	Tue 4/14/09										
170	Develop interview and focus group schedule	5 days	Wed 4/15/09	Tue 4/21/09										
171	Submit Requirements Definition and Validation Plan for Review and Acce	0 days	Tue 4/21/09	Tue 4/21/09										
172	Review Requirements Definition and Validation Plan	5 days	Wed 4/22/09	Tue 4/28/09										

ID	Task Name	Duration	Start	Finish	April 2009		May 2009		June 2009					
					3/29	4/19	5/10	5/31						
174	Requirements Validation and Deficiency Document	60 days	Mon 4/13/09	Fri 7/3/09										
175	Review existing system documentation	5 days	Mon 4/13/09	Fri 4/17/09										
176	Develop Annotated TOC for Deliverable	3 days	Mon 4/13/09	Wed 4/15/09										
177	Submit ATOC for Review	0 days	Wed 4/15/09	Wed 4/15/09										
178	Conduct interviews and focus groups for functional requirements	15 days	Wed 4/29/09	Tue 5/19/09										
179	Submit interview notes for review	15 days	Mon 5/4/09	Fri 5/22/09										
180	Conduct interview and focus groups for non-functional requirements	15 days	Wed 4/29/09	Tue 5/19/09										
181	Submit interview notes for review	15 days	Mon 5/4/09	Fri 5/22/09										
182	Develop high-level functional and technical requirements	10 days	Wed 5/20/09	Tue 6/2/09										
183	Submit requirements document for interim review	0 days	Tue 6/2/09	Tue 6/2/09										
184	Review SWSS system	3 days	Wed 6/3/09	Fri 6/5/09										
185	Develop gap analysis	10 days	Mon 6/8/09	Fri 6/19/09										
186	Submit gap analysis for interim review	0 days	Fri 6/19/09	Fri 6/19/09										
187	Prepare final Requirements Validation and Deficiency Report	5 days	Mon 6/22/09	Fri 6/26/09										
188	Submit Requirements Validation and Deficiency Report for Review and Acceptance	0 days	Fri 6/26/09	Fri 6/26/09										
189	Review Requirements Validation and Deficiency Report	5 days	Mon 6/29/09	Fri 7/3/09										

TERMS AND CONDITIONS

CONTRACT NO. 071B9200175



ID	Task Name	Duration	Start	Finish	July 2009		August 2009		Septem
					6/21	7/12	8/2	8/23	
191	Needs Assessment document	18 days	Mon 6/29/09	Wed 7/22/09					
192	Develop Annotated TOC for Deliverable	3 days	Mon 6/29/09	Wed 7/1/09					
193	Submit ATOC for review	0 days	Wed 7/1/09	Wed 7/1/09					
194	Develop a Needs Assessment document	5 days	Thu 7/2/09	Wed 7/8/09					
195	Submit Needs Assessment document for Review and Acceptance	0 days	Wed 7/8/09	Wed 7/8/09					
196	Review Needs Assessment document	10 days	Thu 7/9/09	Wed 7/22/09					
197									
198	Feasibility Study and Alternatives Analysis	59 days	Wed 6/3/09	Mon 8/24/09					
199	Develop Annotated TOC for Deliverable	3 days	Wed 6/3/09	Fri 6/5/09					
200	Submit ATOC for review	0 days	Fri 6/5/09	Fri 6/5/09					
201	identify areas where needs are not sufficiently being met by the SWSS system	3 days	Mon 6/29/09	Wed 7/1/09					
202	Convert the identified operational problems within the current environment into specific system objectives	3 days	Mon 6/29/09	Wed 7/1/09					
203	Perform Feasibility Analysis on SWSS	7 days	Mon 6/29/09	Tue 7/7/09					
204	Submit SWSS Analysis for interim review	0 days	Tue 7/7/09	Tue 7/7/09					
205	Identify alternative approaches	3 days	Mon 6/8/09	Wed 6/10/09					
206	Identify system and fiscal constraints and assumptions of all evaluated systems.	15 days	Thu 7/2/09	Wed 7/22/09					
207	Submit system constraints and assumptions for interim review	0 days	Wed 7/22/09	Wed 7/22/09					
208	Identify any mobile abilities of the evaluated systems	5 days	Thu 6/11/09	Wed 6/17/09					
209	Identifier most viable alternatives	5 days	Thu 7/23/09	Wed 7/29/09					
210	Determine risks and effects for each alternative	5 days	Thu 7/23/09	Wed 7/29/09					
211	Develop pros and cons for each alternative	5 days	Thu 7/30/09	Wed 8/5/09					
212	Submit draft report for interim review	0 days	Wed 8/5/09	Wed 8/5/09					
213	Develop evaluation criteria	3 days	Thu 8/6/09	Mon 8/10/09					
214	Develop Feasibility Study and Alternatives Analysis Report	5 days	Tue 8/11/09	Mon 8/17/09					
215	Submit Feasibility Study and Alternatives Analysis	0 days	Mon 8/17/09	Mon 8/17/09					
216	Review Feasibility Study and Alternatives Analysis	5 days	Tue 8/18/09	Mon 8/24/09					



ID	Task Name	Duration	Start	Finish	2009		
					7/12	August 2009	Septem
218	Cost/Benefit Analysis	81 days?	Mon 7/27/09	Mon 11/16/09	[Gantt bar]		
219	Develop Cost/Benefit Methodology Document	15 days?	Mon 7/27/09	Fri 8/14/09	[Gantt bar]		
220	Develop Annotated TOC for methodology document	1 day?	Mon 7/27/09	Mon 7/27/09	[Task bar]		
221	Meet to discuss approach and methodology document format	1 day	Tue 7/28/09	Tue 7/28/09	[Task bar]		
222	Develop Cost/Benefit methodology document	3 days	Wed 7/29/09	Fri 7/31/09	[Task bar]		
223	Submit Cost/Benefit methodology document for review and acceptance	0 days	Fri 7/31/09	Fri 7/31/09	[Task bar]		
224	Review Cost/Benefit methodology document	10 days	Mon 8/3/09	Fri 8/14/09	[Task bar]		

ID	Task Name	Duration	Start	Finish	2009						
					7/12	August 2009	September 2009	October 2009	November 2009	De	
226	Develop Cost/Benefit Analysis	79 days?	Wed 7/29/09	Mon 11/16/09	[Gantt bar]						
227	Develop Annotated TOC for CBA	3 days?	Wed 7/29/09	Fri 7/31/09	[Task bar]						
228	Submit ATOC for CBA	0 days	Fri 7/31/09	Fri 7/31/09	[Task bar]						
229	Gather existing system costs	10 days	Mon 8/3/09	Fri 8/14/09	[Task bar]						
230	Develop Alternative System Costs	10 days	Tue 8/18/09	Mon 8/31/09	[Task bar]						
231	Submit cost information for interim review	0 days	Mon 8/31/09	Mon 8/31/09	[Task bar]						
232	Develop Qualitative Benefits	15 days	Tue 8/18/09	Mon 9/7/09	[Task bar]						
233	Develop General Quantitative Benefits	15 days	Tue 8/18/09	Mon 9/7/09	[Task bar]						
234	Develop Benefits specific to alternatives	15 days	Tue 9/1/09	Mon 9/21/09	[Task bar]						
235	Submit benefits information for interim review	0 days	Mon 9/21/09	Mon 9/21/09	[Task bar]						
236	Develop ROI spreadsheets	10 days	Tue 9/22/09	Mon 10/5/09	[Task bar]						
237	Develop CBA document	5 days	Tue 10/6/09	Mon 10/12/09	[Task bar]						
238	Submit CBA document for review and acceptance	0 days	Mon 10/12/09	Mon 10/12/09	[Task bar]						
239	Review CBA document	25 days	Tue 10/13/09	Mon 11/16/09	[Task bar]						



ID	Task Name	Duration	Start	Finish	2009				
					September	October	November	December	
					9/13	10/4	10/25	11/15	12/6
286	Requirements Validation Document	51 days	Mon 9/21/09	Mon 11/30/09					
287	Develop Annotated TOC for Requirements Validation Document	3 days	Mon 9/21/09	Wed 9/23/09					
288	Submit ATOC for Requirements Validation Document Document	0 days	Wed 9/23/09	Wed 9/23/09					
289	Conduct Requirements Validation Sessions	20 days	Tue 10/13/09	Mon 11/9/09					
290	Review Validation Session Notes	20 days	Tue 10/20/09	Mon 11/16/09					
291	Develop Requirements Validation Document	10 days	Tue 11/10/09	Mon 11/23/09					
292	Submit Requirements Validation Document for review and acceptance	0 days	Mon 11/23/09	Mon 11/23/09					
293	Review Requirements Validation Document	5 days	Tue 11/24/09	Mon 11/30/09					
294									
295	System Requirements Specification (SRS) and Requirements Traceability	23 days	Mon 11/9/09	Wed 12/9/09					
296	Develop Annotated TOC for SRS and Traceability Matrix	3 days	Mon 11/9/09	Wed 11/11/09					
297	Submit ATOC for SRS and Traceability Matrix	0 days	Wed 11/11/09	Wed 11/11/09					
298	Develop SRS from Requirements Validation Document	5 days	Tue 11/24/09	Mon 11/30/09					
299	Develop Traceability Matrix	5 days	Thu 11/26/09	Wed 12/2/09					
300	Submit SRS and Traceability Matrix for review and acceptance	0 days	Wed 12/2/09	Wed 12/2/09					
301	Review SRS and Traceability Matrix	5 days	Thu 12/3/09	Wed 12/9/09					



ID	Task Name	Duration	Start	Finish	July 2009		August 2009		September 2009		October 2009		November 2009		December 2009	
					6/21	7/12	8/2	8/23	9/13	10/4	10/25	11/15	12/6			
303	Advance Planning Document Preparation	119 days	Mon 7/6/09	Thu 12/17/09												
304	Develop Annotated TOC for APD	3 days	Mon 7/6/09	Wed 7/8/09												
305	Submit ATOC for APD	0 days	Wed 7/8/09	Wed 7/8/09												
306	Review Previous APD	5 days	Thu 7/9/09	Wed 7/15/09												
307	Statement of Needs and Objectives	5 days	Thu 7/9/09	Wed 7/15/09												
308	Summary of Requirements Analysis, Feasibility Study, and Alternatives Analysis	5 days	Tue 11/24/09	Mon 11/30/09												
309	Cost/Benefit Analysis	10 days	Tue 10/27/09	Mon 11/9/09												
310	Project Management Plan	11 days	Wed 9/9/09	Wed 9/23/09												
311	Nature, Scope, Methods, Activities, Schedule and Deliverables	3 days	Mon 9/21/09	Wed 9/23/09												
312	Project Organization and Personnel Resources	3 days	Wed 9/9/09	Fri 9/11/09												
313	State and Contractor Resource Needs	3 days	Mon 9/14/09	Wed 9/16/09												
314	System Life	3 days	Thu 9/17/09	Mon 9/21/09												
315	Proposed Budget	5 days	Tue 11/10/09	Mon 11/16/09												
316	Prospective Cost Allocation	5 days	Tue 12/1/09	Mon 12/7/09												
317	Compile APD	3 days	Tue 12/8/09	Thu 12/10/09												
318	Submit APD for review and acceptance	0 days	Thu 12/10/09	Thu 12/10/09												
319	Review APD	5 days	Fri 12/11/09	Thu 12/17/09												

ID	Task Name	Duration	Start	Finish	October 2009		November 2009		December 2009		January 2010					
					10/4	10/25	11/15	12/6	12/27							
321	Implementation Request for Proposals	49 days	Mon 10/26/09	Thu 12/31/09												
322	Review State Format and previous RFPs	5 days	Mon 10/26/09	Fri 10/30/09												
323	Develop Annotated TOC for RFP	3 days	Mon 11/2/09	Wed 11/4/09												
324	Submit ATOC for RFP	0 days	Wed 11/4/09	Wed 11/4/09												
325	Develop Vendor Business Requirements	5 days	Thu 11/5/09	Wed 11/11/09												
326	Develop Vendor Staff Requirements	5 days	Thu 11/12/09	Wed 11/18/09												
327	Develop Vendor Project Management Requirements	5 days	Thu 11/19/09	Wed 11/25/09												
328	Submit draft for interim review	0 days	Wed 11/25/09	Wed 11/25/09												
329	Develop System Functional Requirements	8 days	Thu 12/3/09	Mon 12/14/09												
330	Develop System Non-Functional Requirements	8 days	Thu 12/3/09	Mon 12/14/09												
331	Develop Evaluation Criteria	3 days	Tue 12/15/09	Thu 12/17/09												
332	Submit draft for interim review	0 days	Thu 12/17/09	Thu 12/17/09												
333	Develop RFP	5 days	Fri 12/18/09	Thu 12/24/09												
334	Submit RFP for review and acceptance	0 days	Thu 12/24/09	Thu 12/24/09												
335	Review RFP	5 days	Fri 12/25/09	Thu 12/31/09												

**A. Orientation Meeting**

On a date agreed upon with the State, FOX will attend an orientation meeting in Lansing, Michigan that takes place within five working days from the execution of the contract. We believe this meeting will set the tone for the project and establish early project momentum.

FOX anticipates the orientation meeting has several purposes, including: 1) introduce the FOX Client Executive and Project Team to the DHS Project Team; 2) discuss the mission, scope, and goals of the project; 3) present a summary level description of the approach and methodology FOX will utilize during the term of the contract; and 4) discuss the project resources, roles and responsibilities.

Due to the project's tight timeframe, teamwork and clear and frequent communications are vital for project success. During the meeting, we propose to discuss how information will be disseminated, to whom it will be disseminated, and how frequently it will be disseminated.

We also propose to present our preliminary Work Plan and Schedule for discussion. Based on discussions during the orientation meeting, FOX will make modifications to the work plan and submit the revised plan to the DHS Project manager for review and approval.

B. Performance Review Meetings

The FOX Project Manager and other required FOX team members will attend performance review meetings. The proposed FOX Team has extensive experience conducting and participating in such meetings. This includes developing agendas, preparing minutes, and researching and reporting on any topics or issues that require discussion. We are proposing weekly status meetings and will work with DHS during project initiation activities to settle on the frequency and a standing day and time for these meetings.

C. Project Control

We understand that the FOX Project Manager will work under the direction and control of the DHS Project Manager. We committed to working collaboratively with the Department to achieve quality work products and to keep the project on track and on budget.

Final Project Plan

Based on our discussions with the State during the orientation meeting, as well as information gathered during project initiation, the FOX team will update the Preliminary Project Plan. Within ten working days of the execution of the contract, the FOX Project Manager will submit the final Project Plan to the DHS Project Manager for final approval.

The final Plan will provide the necessary guidelines for managing the nine-month Michigan SACWIS Planning Project from its inception through project close-out. It will describe the methodologies, resources, and procedures required to successfully manage our planning activities and per RFP Section 1.041.C, Item 2.a. will include:

- Project organizational structure
- Staffing table
- Project WBS
- A graphic showing each event, task, and decision point in the WBS

Our Project Plans for similar engagements include additional information, such as a scope statement; assumptions, constraints, and dependencies; communications, risk management, and staffing plans; and quality assurance review and acceptance criteria. The FOX Project Manager will work with the DHS Project Manager to finalize the format and content of the final Project Plan.

Project Management Methodology

Our overall project management methodology is based upon a combination of the Project Management Body of Knowledge (PMBOK) and the Capabilities Maturity Model Integrated (CMMI). We have reviewed MDIT's Project Management Methodology document and believe our methodologies align with the State Unified Information Technology Environment (SUITE) standards for project management.



Our approach, which has been refined over 21 years, is to follow our formal project management methodology that aligns with Project Management Institute (PMI) guidelines and is based on completing our projects on time and to the satisfaction of our clients. The PMBOK is the basis for the individual Project Management Professional (PMP) certification possessed by our proposed Project Manager and other FOX project managers. To illustrate how our approach supports the State’s standards, the major elements of our project management methodology and mapping to PMBOK principles are summarized in Table 13.

Table 13: FOX Project Management to PMBOK Map

PMBOK Requirement	Equivalent FOX Process
<p>Project Integration Management – processes which ensure that elements of the project are properly coordinated</p>	<ul style="list-style-type: none"> • Developing a detailed project plan using Microsoft Project software based on the project scope of work and metrics from previous, similar projects • Incorporating the project plan into the contract scope of work • Utilizing the project plan as the basis for all work activities and staff assignments • Generating project reports tracking activity status, deadlines and costs • Making the baseline project plan a “living document” to incorporate changes discussed with and agreed upon with DHS
<p>Project Scope Management – processes which ensure that the scope of work is defined and followed</p>	<ul style="list-style-type: none"> • Refining activities into a Work Breakdown Structure (WBS) format • Participating in an orientation meeting with DHS to discuss scope of work and ensure common understanding • Documenting all known assumptions and constraints • Defining all project deliverables and milestones • Developing detailed deliverable outlines and Tables of Contents in advance of actual work on the deliverable • Developing procedures for discussing potential changes in scope and for addressing their contractual impacts • Developing and maintaining project issue lists including those issues related to scope of work
<p>Project Time Management – those processes required to ensure timely completion of the project</p>	<ul style="list-style-type: none"> • Defining scheduled task durations, beginning and ending task dates in the project work plan • Defining task predecessors and successors so that all task dependencies are known • Maintaining FOX and DHS staff calendars so that resource constraints are known • Capturing and maintaining data about task status and dates • Generating reports using Microsoft Project on late activities
<p>Project Cost Management – those processes required to ensure that the project budget is complied with</p>	<ul style="list-style-type: none"> • Defining staff and other resource “per unit” costs based on actual costs • Capturing project resource utilization on an ongoing basis • Reporting to-date costs and comparing against budgeted costs with appropriate adjustments for actual project status • Comparing projected project costs against project budget to identify potential cost overruns • Periodically reconciling financial system and time reporting system reports to estimated Microsoft Project cost reports



PMBOK Requirement	Equivalent FOX Process
<p>Project Quality Management – those processes which ensure that the project satisfies project objectives. In other words, did you successfully solve the correct problem?</p>	<ul style="list-style-type: none"> • Identifying non-project resources responsible for project quality assurance • Developing project quality assurance procedures and standards • Implementing project quality assurance
<p>Project Human Resource Management – processes to ensure effective use of project human resources</p>	<ul style="list-style-type: none"> • Defining project staffing requirements by skills and function • Identifying appropriate internal resources and assigning them to project tasks as appropriate • Orienting project members to the project’s objectives, scope of work, deliverables, schedules and budget • Monitoring staff utilization and assignments versus the project plan
<p>Project Communication Management – processes which ensure effective and timely communication with the client, team members and project stakeholders</p>	<ul style="list-style-type: none"> • Developing project directory for FOX and DHS staff with email addresses, phone numbers and other directory information • Defining project reporting and deliverable distribution protocols including who, when, and how gets appropriate information • Defining project status report formats and content • Establishing network folders and files for shared documents • Defining deliverable and work paper standards • Producing and distributing status reports and deliverables • Holding frequent verbal project status update sessions
<p>Project Risk Management – processes which identify, analyze and respond to project risk</p>	<ul style="list-style-type: none"> • Involving the project Technical Advisory Group in the review and analysis of all FOX deliverables • Developing a risk management plan • Including ongoing assessment of project risks in written status reports to DHS using risk analysis techniques to prioritize potential risks
<p>Project Procurement Management – processes required to acquire goods and services, when required, from outside organizations</p>	<ul style="list-style-type: none"> • Project Manager access to corporate administrative resources, including Accounting and HR, should any resource be required

We complement and supplement PMBOK practices used by our project managers with the corporate standards of the Capability Maturity Model Integration (CMMI) of Carnegie Mellon’s Software Engineering Institute (SEI). FOX achieved a SCAMPI-A CMMI Level 2 appraisal in December 2007 that encompassed the following business processes:

- Configuration Management (CM) - establishing and maintaining the integrity of work products using configuration identification, configuration control, configuration status accounting, and configuration audits
- Measurement and Analysis (MA) - developing and sustaining a measurement capability that is used to support management information needs
- Project Monitoring and Control (PMC) - providing an understanding of the project's progress so that appropriate corrective actions can be taken when the project's performance deviates significantly from the plan
- Project Planning (PP) - establishing and maintaining plans that define project activities
- Process and Product Quality Assurance (PPQA) - providing staff and management with objective insight into processes and associated work products
- Requirements Management (REQM) - producing and analyzing customer, product, and product-component requirements



- Supplier Agreement Management (SAM) - managing the acquisition of products from suppliers for which there exists a formal agreement

Components of our project management, such as risk, issue, and change management, are described in the Preliminary Project Plan submitted as Appendix A of our proposal.

Project Management Tools

We use a number of automated project management tools. The primary tools proposed for this project are the WBS and the FOX Enterprise Portal. In addition, as stated previously, the FOX Requirements Analysis Management System (RAMS) is an optional tool for managing the SACWIS requirements.

Work Plan and Schedule. Per the DHS/MDIT's requirement, we have developed and will maintain the project Work Breakdown Structure and Gantt schedule using Microsoft Project, which is our standard project management software.

The Project Work Plan and Schedule is the main tool for tracking project progress, including deliverables and milestones; financial status; and updated risks, issues, and changes. The FOX Project Manager will keep the Work Plan up-to-date to accurately reflect project and task status and allow the team to proactively address any issues that may arise. The Work Plan will be updated throughout the project as new information becomes known, and the Project Manager is responsible for ensuring all parties have a complete and current understanding of the status of the project as outlined in the project schedule.

Using the Work Plan, FOX will perform ongoing monitoring of project adherence to the schedule, adequacy of the budget, and reasonableness of staffing assumptions to identify potential issues as early as possible. We also will carefully monitor critical path tasks, since these tasks do not allow for any slippage without direct impact on the project schedule. To accomplish this, the FOX Project Manager will generate and analyze exception reports to identify schedule variation, unplanned costs, and changes in the cost-resource mix that may indicate these problems.

The FOX Enterprise Portal (Portal). The Portal is a comprehensive project planning, monitoring, and management tool. It provides browser-based access to a collaborative document management platform for FOX project teams and designated DHS and MDIT management and project staff. Through its web-based architecture, project planning and monitoring is conducted in an online, real time mode. Authorized users are granted complete access to the project work plan, budget, documentation, dashboard, and all project-related information by simply logging into the system via the Internet.

The Portal provides centralization and standardization of project and resource information to enable:

- Web-based time and status reporting – so that all parties can directly submit on-line project status updates through the Internet into a secure website without having to be on-site
- Web-based views of portfolio and project performance and health – so that any authorized State executive can obtain real-time work plan status reports consistent with their authority and project role.
- Collaboration – so that issues can be documented, tracked, and updated on-line through the Website and shared with all project participants. Documents such as memos, deliverables, status reports, etc. can also be shared in this manner and version controlled.

The Portal integrates and supports critical project management activities, including the project work plan; risk, issue, and change control tracking; and document management.

- **Project Work Plan.** The Portal uses a standard Microsoft Project version as the basis for project schedule and staffing documentation, with modifications to accommodate data that we have found to be necessary for comprehensive project management and control. We use the MS Project component to enter the Work Breakdown Structure (WBS) required to create all project tasks. These tasks provide the basis for the project schedule, staffing requirements, and a staffing plan. The work plan is maintained and updated in the Portal throughout the project, allowing the project team and authorized DHS and MDIT staff to view the current status at any time.



- **Issue and Change Control Management.** The Portal supports entry of project issues and change control items. Entry includes an identifier, issue name, issue description, source, status, due date, and staff assignment. When the issue is resolved, the resolution narrative is entered in a memo field on the same record. If an issue requires a change in project scope, a related change control record is created on the same database. This change item includes assignments, status, due date, expected cost and expected schedule impact. Reports are generated as required indicating which issues or change control items are outstanding, due, overdue, and resolved. Similar reporting is available on change control items.
- **Risk Management.** Project risks are entered in the Portal similar to issue entry. Risk entries include an ID, name, description, assignments, probability, severity, mitigation tasks, task assignments and due dates. Reports on project risks and mitigation tasks can be generated to document outstanding risks and the current and historical level of risk, outstanding mitigation tasks, tasks overdue, and closed risks.
- **Document Management.** We propose to use the Portal documentation library for the Michigan SACWIS Planning Project, which has full built-in security, version control, and automatic audit trails, to store all documents pertinent to the project in a SQL Server database. This includes management documents, status reports, issue papers, design documents, notices, resolution documents, and any other management or system documentation pertinent to the project. Security is role-based, so that the ability to create, update, delete, or view records is defined by a project team member's assigned role. The version control feature creates a full history of changes made to documents once they have been saved in the repository, including the date of the modification and who modified it. Project documents can be imported into the project library from scanned hard copy documents or electronic documents. The tool supports multi-layered subdirectories by which documents are organized in multiple dimensions, such as by topic, source, project phase, etc. In addition, documents will be linked to project tasks and deliverables, issues, change control items and project risks. The Portal thus provides a completely integrated document management system. For this project, we will use the documentation library as a repository to store and maintain project-specific data and information.

The Portal is a fully integrated system, with cross referencing among all elements. For example, an issue can be linked to a task on the Project Plan, a change request, a risk, and/or documents in the project library. In addition, a change request might be linked to the original issue that generated it, a risk to the project, an issue paper in the project library, and one or more design documents in the project library. This integration of project management functions eliminates the need to enter or reference data or documents in multiple places and facilitates the management of complex issues.

Requirements Analysis Management System (RAMS). As stated in Section 1.022.E, our RAMS tool can be used to capture, manage, and report Child Welfare system requirements for the project. We also use Excel as a requirements management tool and understand that the MDIT has a Requirements Specifications template that captures requirements. If awarded the contract, we will discuss the utility of the tool and the cost-effectiveness of using RAMS with DHS and collaboratively decide on the best tool for the project.

RAMS is a comprehensive requirements management suite designed to support FOX consulting projects for Child Welfare, eligibility, Medicaid, Behavioral Health, Public Health and other state health and human service clients. We have incorporated all the requirements of the SACWIS Assessment Review Guide (SARG) as required by ACF into RAMS, which we use to maintain full requirements traceability. Data can be exported to MS Excel 2003 to generate reports and the Requirements Traceability Matrix (RTM).

The FOX requirements development and management methodology and RAMS combine to make the requirements development process a productive and successful experience for all participants. Use of RAMS enables all participants to access requirements, greatly facilitating the requirements development process, and most importantly, supporting subsequent RFP, procurement, and system implementation tasks through to the end of the project with full traceability. Figure 10 shows the modules that make up the RAMS tool.



Figure 10: RAMS Modules

Requirements Analysis & RFP Development	Procurement and Negotiation	System DDI	Testing	Operations
Procurement and Testing				
	Design Evaluation			
Requirements Tracking and Gap Remediation				
	Proposal Evaluation			
Requirements Capture and Reporting				
RAMS Applicability to Project Phases				

1.042 Reports

Reporting formats must be submitted to the State’s Project Manager for approval within 10 business days after the execution of this 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. The following reports are required **weekly**:

- Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Action Item status
- Issues
- Change Control

Contractor Response:

The status report is the primary written status document for this project. It is designed to report scheduled and budget status, plans, risks and issues, recommendations, and all other items of relevance and importance to the success of the project. FOX has developed and successfully used a number of status report templates that are compatible with PMBOK and CMMI standards.

Within ten business days after the execution of the contract, the FOX Project Manager will submit the weekly progress reporting format to the DHS Project Manager for review and approval. We propose to use MDIT’s Project Status Report template, with any modifications DHS would like to make for the SACWIS Planning Project. If desired, we can include a “dashboard” that provides a quick and readily interpretable snapshot of project statuses linked to color meters – green (good), yellow (marginal), and red (dangerous) – as shown in Figure 11.



Figure 11: Status Report Dashboard

For Period:			
Submitted By:			
Distribution:			
Status Item	Current Status	Prior Status	Comments
OVERALL PROJECT STATUS			Continuing to make progress in all areas.
Schedule			Awaiting Project Director's project work plan comments.
Scope			Awaiting Project Director's Scope draft comments.
Resources			No resource issues for the current period.
Communications & Change Management			No change requests received at this time. Conducted communications meeting for IS and business users.
Technical Issues			No technical issues to report at this time
Quality Issues			No quality issues identified at this time
= on schedule / time / budget / scope = schedule/scope slipping, may impact results = behind schedule, or expansion of scope, requires attention			

We will also provide an updated Project Work Plan with the project status reports.

1.050 Acceptance

1.051 Criteria

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this SOW:

Document Deliverables

- Documents are submitted to the DHS Project Manager for review and approval.
- Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 2, Section 2.271.
- Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
- Draft documents are not accepted as final deliverables.
- The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices.
- DHS and MDIT will review documents within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by DHS Project Manager.
 - b. Issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 15 calendar days of receipt.



1.052 Final Acceptance

Final acceptance is expressly conditioned upon completion of ALL tasks and deliverables in the project plan, as approved, and the certification by DHS that the Contractor has met the defined requirements.

1.060 Proposal Pricing

1.061 Proposal Pricing

Cost proposals must be all-inclusive as this will be a firm fixed-price deliverables-based Contract. Contractors must complete the proposal Total Price, Cost Verification, and Reserve Hours worksheets provided in Attachment A. Failure to complete all tabs of the worksheet and including all requested information in its entirety may disqualify the bid from consideration. All electronic and hard copy submittals must be exact duplicates. If they are not, the hard copy will take precedence. The cost proposal must be completed in the Microsoft Excel format provided. Contractors should not modify the format or add any assumptions or notes in the cost proposals. Any Contractor questions and State responses shall be submitted in accordance with Article 3.013 of this Contract.

Contractor must complete the Total Price worksheet by entering the total cost per deliverable, estimated due date, and the total, not-to-be-exceeded Contract amount.

Contractor is also required to complete the Cost Verification worksheet. This information is required to support the reasonableness of the Contractors total pricing and is for internal use only. The purpose of requested cost information is to determine the underlying cost factors of the Contractors proposal and evaluate its feasibility. Unless required by law or court of competent jurisdiction, this information will not be disclosed to competing Contractors. The total amount proposed on the Cost Verification worksheet must equal proposed deliverable costs and milestone totals in the Total Price worksheet. Contractors must provide full disclosure of itemized direct costs including labor time and wages, travel expenses, etc. as well as indirect costs including general overhead costs, etc. Itemize transportation, lodging, per diem and other costs separately.

For Other Services (Reserve Bank of Hours) the Contractor shall complete the Reserve Hours worksheet including providing the Positions/Titles and associated **fully-loaded** hourly rates that shall apply to performance of the work that shall be used in calculating the cost in the impact assessment of requested services/tasks. Fully-loaded hourly rates shall include, but are not limited to, labor wages and benefits for the resource, travel expenses, and any other incidental or reasonably determinable costs.

Contractors out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See www.michigan.gov/dmb for current rates.

1.062 Price Term

(X) Firm Fixed Price

Prices quoted are firm for the entire length of the Contract.

**1.063 Tax Excluded from Price**

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064 Holdback

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

FOX Response:

A copy of the Excel workbook for *SACWIS Planning Services Pricing* is provided in Attachment A (Pricing).



1.070 Additional Requirements

1.071 Additional Terms and Conditions specific to this Contract

A. Location of Work

- On-Site Work Location

Work that must be completed on-site is to be performed, completed, and managed at the following location:

Department of Human Services
235 S. Grand Avenue
Lansing, MI 48909

- Contractor should identify in their proposals elements of the required work that may be performed off-site, as well as key personnel required to perform such work, with an estimate of the amount of work and work space needs that will be required of the State.
- The State expects that there will be, at a minimum, site visits to 3 DHS local offices and 3 private providers, representing small, medium and large child welfare offices.
- No travel or expenses of Contractor will be reimbursed.
- Travel time for Contractor staff will not be reimbursed.

Contractor Response:

FOX will perform most of the tasks identified in the Needs Assessment activity and the Detailed Requirements Definition activity on site in Lansing. In addition, FOX staff will be on-site as required for data collection; information gathering; and communications activities, such as meetings with the Department's project management staff. We will require work space for no more than four staff, and there will always be an on-site presence throughout the contract.

When data and information have been collected for each milestone, the Project Manager, SACWIS SME, and Business Analyst will prepare drafts and final versions of deliverables off-site.

We understand and will plan to visit the DHS local offices and three private providers, representing small, medium and large child welfare offices. We suggest that site visits be representative locations across the State, such as one visit in the Detroit metropolitan area, one in the central region of the State, and one in the western region. We will work with the State to determine the exact locations. We also acknowledge that travel, expenses, and travel time will not be reimbursed.

B. Hours of Operation:

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

Contractor Response:

The FOX project team will adhere to the State's normal working hours and standard holidays when performing on-site tasks. We understand that the State may modify the project work hours, if deemed beneficial to the project, and will not compensate FOX staff for overtime or holiday pay.



C. Background Checks

Child welfare data is highly sensitive. Before any Contractor staff may have access to State facilities and systems, they must submit to an enhanced level of background checks. The following checks will be required of the successful Contractor for any staff assigned to this project, and results will be used to determine Contractor staff eligibility for working within State facilities and systems:

- Electronic (LiveScan) fingerprints to be submitted to the Michigan State Police, and then the National Crime Information Center.
- Michigan Child Abuse and Neglect Central Registry
- Michigan Sex Offender Registry
- National Sex Offender Registry
- Current Drug Tests

Contractor will be required to document, and is responsible for any costs associated with ensuring, that their staff meets all requirements.

Contractor Response:

FOX understands that, prior to accessing any State facilities and systems, project team members will be required to undergo a background check that includes:

- Electronic (LiveScan) fingerprints to be submitted to the Michigan State Police, and then the National Crime Information Center
- Michigan Child Abuse and Neglect Central Registry
- Michigan Sex Offender Registry
- National Sex Offender Registry
- Current Drug Tests

We further understand that FOX is responsible for ensuring team members' completion of and documenting and paying for the background checks.

D. Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it will be precluded from bidding on the subsequent RFP.

Contractor Response:

FOX understands that we are precluded from bidding on any Request for Proposals that results from the work on the Michigan SACWIS Planning contract.



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of nine months beginning approximately on April 8, 2009 through January 7, 2010. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) 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 Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to three additional months.

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's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of 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 the 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. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within Purchasing Operations for this Contract is:

Andy Ghosh, CPPB
Contract Administrator
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor, PO Box 30026
Lansing, MI 48909
Email – ghosha@michigan.gov
Phone – 517-373-7396

2.022 Contract Compliance Inspector (CCI)

After DMB-Purchasing Operations receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with the Department of Human Services, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DMB Purchasing Operations.** The Contract Compliance Inspector for this Contract is:

Beverly Davenport, Special Assistant to the Chief Deputy Director
Michigan Department of Human Services
235 S. Grand Avenue, Suite 1514
Lansing, MI 48933
Email DavenportB@michigan.gov
Phone 517-373-7500
Fax 517-335-6101

**2.023 Project Manager**

The following individual will oversee the project:

Beverly Davenport, Special Assistant to the Chief Deputy Director
Michigan Department of Human Services
235 S. Grand Avenue, Suite 1514
Lansing, MI 48933
Email DavenportB@michigan.gov
Phone 517-373-7500
Fax 517-335-6101

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 Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) 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").
- (b) No proposed Change may 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.
- (c) 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: Andy Ghosh, CPPB

PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor: Fox Systems, Inc.
Name: Mark K. Shishida
Address: 6263 N. Scottsdale RD, Suite 200
Scottsdale, AZ 85250

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 Contractors behalf within the bounds set forth in this 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

(a) 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.

(b) 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.

(c) If the Contractor intends to assign the Contract or any of the Contractors 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.

Bidder Response:

Fox Systems, Inc. acknowledges and agrees to all terms and conditions contained in Article 2 of the RFP.

Per the requirements identified in the RFP Checklist for Bidder Proposal Contents and Responsiveness, FOX is providing the following statement:

Section 2.133, Certificates of Insurance and Other Requirements

FOX carries general liability and workers' compensation and employer's liability insurance that meets or exceeds the requirements of all our government contracts. If awarded a contract, we will submit a Certificate of Insurance to DMB-Purchasing Operations that includes the contract number.

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 Contractors website, even if the Contractors 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 Contractor if the State determines that the Contractor 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 Contractors 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. Prompt payment by the State is contingent on the Contractors invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(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) The specific payment schedule for any Contract(s) entered into, will be 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 month following final acceptance of a deliverable.

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 State assigns to the Contractor 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, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractors 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. Contractor is 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

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

2.052 Sales and Use Taxes

Contractor is 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 in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that 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 does 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 does 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.

(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

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 Contractors 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 Contractors time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractors performance under this Contract with the requests for access.

2.067 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.

2.068 Contract Management Responsibilities

The Contractor will be required to assume responsibility for all Contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to Contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

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.

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, 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

The Contractor shall select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

2.080 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 Contractors 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 Contractors 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 investigate the Contractors 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 -- Deleted, Not Applicable



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.

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 Subcontractors 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 Contractors and the Subcontractors 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 of **Section 2.100** 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 **Section 2.100** 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 Contractors 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 Contractors books, records, documents and papers pertinent to establishing Contractors compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractors 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 pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract 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 Contractors 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

(a) 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.

(b) In addition to other available remedies, 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 the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, 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 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 Contractor for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Contractor; 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 change 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.



2.122 Warranty of Merchantability – Deleted. Not Applicable

2.123 Warranty of Fitness for a Particular Purpose – Deleted. Not Applicable

2.124 Warranty of Title – Deleted. Not Applicable

2.125 Equipment Warranty – Deleted. Not Applicable

2.126 Equipment to be New – Deleted. Not Applicable

2.127 Prohibited Products – Deleted. Not Applicable

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 which 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's 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 INSURED'S on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.



2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractors 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 Contractors domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

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

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision 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 a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).

6.. 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.

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 Contractors 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 Contractors 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 OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages 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 less than 20 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 insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.



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 tail 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 Contractors 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 Contractors opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractors 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 Contractors 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 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.

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 necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) 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 at the level of completion determined by the State. 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 2.190** 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 thirty (30) calendar days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175.**

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 practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractors, Subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractors, Subcontractors or vendors. Contractor will notify all Contractors, Subcontractors, or vendors 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 Contractors 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, reimbursement must be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations) at the rates 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 perform the following obligations, and any others upon which the State and the Contractor agree:

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

2.180 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 identified as a stop work order and must indicate that it is issued under this **Section 2.180**. 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 2.150**.

**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 2.150**, 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 to be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

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:

- (i) 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.
- (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process within 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>.

2.210 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**

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

2.230 Disclosure Responsibilities**2.231 Disclosure of Litigation**

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

(b) Assurances. 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:

- (i) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (ii) 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:
 - (a) 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
 - (b) 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 must make the following notifications in writing:

- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purchasing Operations.
- (2) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
- (3) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure – Deleted. Not Applicable**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(a)**, 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 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 Agreements (SLAs) – Deleted. Not Applicable

2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of deliverables, and the State does not elect to exercise its rights under **Section 2.152**, the State may assess liquidated damages in the amount of \$4,000.00 per deliverable and an additional \$250.00 per day for each day Contractor fails to remedy the late or improper completion of the deliverable.

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.152**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is \$20,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the \$20,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$666.66 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$20,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed \$40,000.00 per individual.

**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, workaroud 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 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 Contractors 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 Subcontractors default or delay in performance through the use of alternate sources, workaroud plans or other means.

2.250 Approval of Deliverables**2.251 Delivery Responsibilities**

Unless otherwise specified by the State within an individual order, the following must be applicable to all orders issued under this Contract.

- (a) Shipment responsibilities - Services performed/Deliverables provided under this Contract must be delivered "F.O.B. Destination, within Government Premises." The Contractor must have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.
- (b) Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.
- (c) Damage Disputes - At the time of delivery to State Locations, the State must examine all packages. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage. Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five days of inspection



2.252 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.253 Testing

(a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor must certify to the State that (1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service 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.

(b) If a Deliverable includes installation at a State Location, then Contractor must (1) perform any applicable testing, (2) correct all material deficiencies discovered during the quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State is entitled to observe or otherwise participate in testing.

2.254 Approval of Deliverables, In General

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications. Formal approval may include the successful completion of Testing as applicable in **Section 2.253**, to be led by the State with the support and assistance of Contractor. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.253**.

(d) The State will approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service 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/Service that remain outstanding at the time of State approval.

(e) If, after three opportunities (the original and two repeat efforts), the Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to cure the failure at the sole expense of the Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the Contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot 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.



(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable. If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 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 Deliverable (and if the Statement of Work does not state the State Review Period, it is by default five Business Days for Written Deliverables of 100 pages or less and 10 Business Days for Written Deliverables of more than 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 before 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 Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State notifies the Contractor about deficiencies, the Contractor will correct the described deficiencies and within 15 calendar 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 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 Deliverable to confirm that the identified deficiencies have been corrected.

2.256 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 15 calendar days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service 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 Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 continuous Business Days for a Physical Deliverable). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 15 calendar days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the 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 Deliverable to confirm that the identified deficiencies have been corrected.

2.258 Final Acceptance

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables as they are works 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.

Federal License - In addition to the above, the Federal Department of Health and Human Services reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation.



2.262 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

(a) 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.

(b) 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.

2.264 Ownership of Materials

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

2.270 State Standards

2.271 Existing Technology Standards

The links below will provide information on the State's Enterprise IT policies, standards and procedures which include security policy and procedures, IT strategic plan and the State's Project Management Methodology.

Contractors are advised that the State has methods, policies, standards and guidelines that have been developed over the years. Contractors are expected to provide proposals that conform to 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 this Contract is issued. The Contractor awarded the Contract must request any exception to State IT policies and standards in accordance with MDIT processes. It will be the responsibility of the State to deny the exception request or to seek a policy or standards exception.

Contractor is required to review all applicable links provided below.

Enterprise IT Policies, Standards and Procedures:

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

IT Strategic Plan:

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

The State's Project Management Methodology (PMM) must be followed: http://www.michigan.gov/dit/0,1607,7-139-18391_22016-58009--,00.html



The State Unified Information Technology Environment (SUITE):

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

All software and hardware items recommended by the Contractor must run on and be compatible with the MDIT Standard Information Technology Environment. Additionally, if the State is hosting the solution, 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 Single Login.
- MDIT provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

MDIT requires that its single - login security environment be used for all new client-server software development. Where software is being converted from an existing package, or a client-server application is being recommended, the security mechanism must be approved in writing by the State's Project Manager and MDIT's Office of Enterprise Security.

MDIT's Office of Enterprise Security follows federal security standards, and, in accordance with the United States Office of Management and Budget policy memorandum M-07-11, "Implementation of Commonly Accepted Configurations for Windows Operating Systems":

- The provider of information technology shall certify applications are fully functional and operate correctly as intended on systems using the Federal Desktop Core Configuration (FDCC). This includes Internet Explorer 7 configured to operate on Windows http://csrc.nist.gov/itsec/guidance_WinXP.html Windows XP and Vista (in Protected Mode on Vista). For the Windows XP settings, see: http://csrc.nist.gov/itsec/guidance_vista.html, and for the Windows Vista settings, see: http://csrc.nist.gov/itsec/guidance_vista.html.
- The standard installation, operation, maintenance, update, and/or patching of software shall not alter the configuration settings from the approved FDCC configuration. The information technology should also use the Windows Installer Service for installation to the default "program files" directory and should be able to silently install and uninstall.
- Applications designed for normal end users shall run in the standard user context without elevated system administration privileges.

MDIT/MDHS Child Welfare technology current environment consists of:

- Hardware Listing
 - HP Database server (converting to Sun)
- Operating Systems
 - Windows XP on desktop
 - HPUX 11i on DB server (converting to Sun)
- Database
 - Oracle 9i – (moving to Oracle 10g soon)
- Locations
 - Statewide



- Application language
 - Visual Basic 6
 - MS Visual Studio
 - VB.Net
 - Oracle PL/SQL
- Identity Management
 - Oracle user security
 - Custom application module
- Version Control
 - Serena PVCS Tracker
- Browser
 - Internet Explorer 6.0
- Reporting tools
 - Crystal reports XI through VB
 - MS Word templates filled in from application
- Interfaces
 - Datadirect database driver between database and client
 - Webservices with States Medicaid application
 - IDSMail
 - Flat files
 - XML
- Classes of users – Administrative Support, Eligibility Specialist, Family Independence Specialists, Services Specialists, Services Supervisors, and Analysts

Contractors must provide a detailed description of the infrastructure requirements for the software proposed. For example, the database, operating systems (including versions), and hardware required for maximum effectiveness of the software. Contractor must describe the proposed architecture, technology standards, and programming environment. Consideration must be given to the feasibility and cost implications of maximizing reuse of the existing infrastructure and reuse of existing data and requirements.

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 Deleted. Not Applicable

2.281 – MIDEAL – Deleted. Not Applicable

2.282 State Employee Purchases – Deleted. Not Applicable

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 recyclability; 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 Contractors 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 **Section 2.242** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor 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).

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 Contractors 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.).

2.292 Acceptance

Contractor must include a statement agreeing to the terms and conditions contained in the Article 2 of the Request for Quotation (RFP):

Contractor Response:

Fox Systems, Inc. acknowledges and agrees to all terms and conditions contained in Article 2 of the RFP.

Per the requirements identified in the RFP Checklist for Bidder Proposal Contents and Responsiveness, FOX is providing the following statement:

Section 2.133, Certificates of Insurance and Other Requirements

FOX carries general liability and workers' compensation and employer's liability insurance that meets or exceeds the requirements of all our government contracts. If awarded a contract, we will submit a Certificate of Insurance to DMB-Purchasing Operations that includes the contract number.



Attachment A, Price Proposal

Quick Payment Term : 0%

Price Proposal for Contract #071B9200175



RFP# 07119200060

Attachment A
Total Price Worksheet

State of Michigan
Department of Human Services
Statewide Automated Child Welfare Information System (SACWIS) Planning Services
Total Price Worksheet

Bidder: **Fox Systems, Inc.**

Deliverable Name	Deliverable #	Total Price	Due Date
Needs Assessment & Identification of Business Needs and Functional Requirements			
Comprehensive High-level Requirements Definition and Validation Plan	A1	\$ 19,310	4/21/2009
Requirements Validation and Deficiency Document (Gap Analysis)	A2	\$ 86,894	6/26/2009
Needs Assessment document to be used in the overall Feasibility Assessment and Alternatives Analysis	A3	\$ 86,894	7/8/2009
Feasibility Study and Alternatives Analysis			
Comprehensive Feasibility Study and Alternatives Analysis Document	B1	\$ 75,090	8/17/2009
Cost/Benefit Analysis			
Cost/Benefit methodology document	C1	\$ 80,096	7/31/2009
Cost/Benefit analysis of SWSS and the chosen alternatives	C2	\$ 40,048	10/12/2009
Recommendation on most viable solution to achieve SACWIS compliance by October 2012	C3	\$ 13,349	10/26/2009
Strategic Implementation Plan			
Comprehensive Strategic Implementation Plan	D1	\$ 50,060	11/2/2009
Detailed Requirements Development			
Requirements Definition and Validation Plan	E1	\$ 14,691	7/21/2009
Documentation of validated existing and additional requirements	E2	\$ 58,764	9/11/2009
Requirements Validation Document	E3	\$ 205,674	11/23/2009
System Requirements Specification (SRS) and Requirements Traceability Matrix (RTM) documents	E4	\$ 14,691	12/2/2009
Advance Planning Document Preparation			
Comprehensive Advance Planning Document suitable for submission to ACF	F1	\$ 50,060	12/10/2009
Implementation Request for Proposals			
Implementation RFP document	G1	\$ 41,717	12/24/2009
Total Price for Milestones & deliverables		\$ 837,339	
Other Services			
Preliminary Estimates – duration, effort, cost, schedule	H1	Included	
Impact Assessment – duration, effort, cost, risk, schedule	H2	Included	
Delivery of requested services & tasks (automatically calculated from Reserve Hours tab)	H3	\$ 149,040	
Total potential contract price		\$ 986,379	



RFP# 071B9200080

Attachment A
Cost Verification

State of Michigan
Department of Human Services
Statewide Automated Child Welfare Information System (SACWIS) Planning Services
Cost Verification by Milestones

Bidder: Fox Systems, Inc.

Needs Assessment & Identification of Business Needs and Functional Requirements

	# Hours	Rate	Total
Labor Resources			
Project Manager	440.5	\$ 170	\$ 74,877
SACWIS Expert	330.1	\$ 162	\$ 53,468
Junior Analyst	17.4	\$ 145	\$ 2,521
Senior Analyst	378.7	\$ 162	\$ 61,032
Facilitator		\$ 155	\$ -
Administrative Support		\$ 35	\$ -
Other - IT RAMS Support	16.0	\$ 75	\$ 1,200
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Travel Costs			
Lodging			\$ -
Transportation			\$ -
Per Diem			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Overhead			
Indirect			\$ -
Direct			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Miscellaneous			
Other - Please provide			\$ -
Other - Please provide			\$ -
Total Cost			\$ 193,098



RFP# 07119200060

Attachment A
Cost Verification

State of Michigan
Department of Human Services
Statewide Automated Child Welfare Information System (SACWIS) Planning Services
Cost Verification by Milestones

Bidder: **Fox Systems, Inc.**

Feasibility Study and Alternatives Analysis

	# Hours	Rate	Total
Labor Resources			
Project Manager	172.4	\$ 170	\$ 29,300
SACWIS Expert	129.2	\$ 162	\$ 20,922
Junior Analyst	6.8	\$ 145	\$ 987
Senior Analyst	147.4	\$ 162	\$ 23,882
Facilitator		\$ 155	\$ -
Administrative Support		\$ 35	\$ -
Other - IT RAMS Support		\$ 75	\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Travel Costs			
Lodging			\$ -
Transportation			\$ -
Per Diem			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Overhead			
Indirect			\$ -
Direct			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Miscellaneous			
Other - Please provide			\$ -
Other - Please provide			\$ -
Total Cost			\$ 75,090



RFP# 071B9200060

Attachment A
Cost Verification

State of Michigan
Department of Human Services
Statewide Automated Child Welfare Information System (SACWIS) Planning Services
Cost Verification by Milestones

Bidder: **Fox Systems, Inc.**

Cost/Benefit Analysis

	# Hours	Rate	Total
Labor Resources			
Project Manager	306.4	\$ 170	\$ 52,088
SACWIS Expert	229.6	\$ 162	\$ 37,195
Junior Analyst	12.1	\$ 145	\$ 1,754
Senior Analyst	262.1	\$ 162	\$ 42,457
Facilitator		\$ 155	\$ -
Administrative Support		\$ 35	\$ -
Other - IT RAMS Support		\$ 75	\$ -
Other - Please provide		\$	\$ -
Other - Please provide		\$	\$ -
Other - Please provide		\$	\$ -
Other - Please provide		\$	\$ -
Other - Please provide		\$	\$ -
Travel Costs			
Lodging		\$	\$ -
Transportation		\$	\$ -
Per Diem		\$	\$ -
Other - Please provide		\$	\$ -
Other - Please provide		\$	\$ -
Other - Please provide		\$	\$ -
Overhead			
Indirect		\$	\$ -
Direct		\$	\$ -
Other - Please provide		\$	\$ -
Other - Please provide		\$	\$ -
Miscellaneous			
Other - Please provide		\$	\$ -
Other - Please provide		\$	\$ -
Total Cost			\$ 133,494



RFP# 071B9200060

Attachment A
Cost Verification

State of Michigan
Department of Human Services
Statewide Automated Child Welfare Information System (SACWIS) Planning Services
Cost Verification by Milestones

Bidder: **Fox Systems, Inc.**

Strategic Implementation Plan

	# Hours	Rate	Total
Labor Resources			
Project Manager	114.9	\$ 170	\$ 19,533
SACWIS Expert	86.1	\$ 162	\$ 13,948
Junior Analyst	4.5	\$ 145	\$ 658
Senior Analyst	98.3	\$ 162	\$ 15,921
Facilitator		\$ 155	\$ -
Administrative Support		\$ 35	\$ -
Other - IT RAMS Support		\$ 75	\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Travel Costs			
Lodging			\$ -
Transportation			\$ -
Per Diem			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Overhead			
Indirect			\$ -
Direct			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Miscellaneous			
Other - Please provide			\$ -
Other - Please provide			\$ -
Total Cost			\$ 50,060



RFP# 07119200080

Attachment A
Cost Verification

State of Michigan
Department of Human Services
Statewide Automated Child Welfare Information System (SACWIS) Planning Services
Cost Verification by Milestones

Bidder: **Fox Systems, Inc.**

Detailed Requirements Development

	# Hours	Rate	Total
Labor Resources			
Project Manager	870.3	\$ 170	\$ 113,943
SACWIS Expert	502.3	\$ 162	\$ 81,385
Junior Analyst	26.6	\$ 145	\$ 3,837
Senior Analyst	573.3	\$ 162	\$ 92,875
Facilitator		\$ 155	\$ -
Administrative Support		\$ 35	\$ -
Other - IT RAMS Support	24.0	\$ 75	\$ 1,800
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Travel Costs			
Lodging			\$ -
Transportation			\$ -
Per Diem			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Overhead			
Indirect			\$ -
Direct			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Miscellaneous			
Other - Please provide			\$ -
Other - Please provide			\$ -
Total Cost			\$ 293,818



RFP# 07119200060

Attachment A
Cost Verification

State of Michigan
Department of Human Services
Statewide Automated Child Welfare Information System (SACWIS) Planning Services
Cost Verification by Milestones

Bidder: **Fox Systems, Inc.**

Advance Planning Document Preparation

	# Hours	Rate	Total
Labor Resources			
Project Manager	114.9	\$ 170	\$ 19,533
SACWIS Expert	86.1	\$ 162	\$ 13,948
Junior Analyst	4.5	\$ 145	\$ 658
Senior Analyst	98.3	\$ 162	\$ 15,921
Facilitator		\$ 155	\$ -
Administrative Support		\$ 35	\$ -
Other - IT RAMS Support		\$ 75	\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Travel Costs			
Lodging			\$ -
Transportation			\$ -
Per Diem			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Overhead			
Indirect			\$ -
Direct			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Miscellaneous			
Other - Please provide			\$ -
Other - Please provide			\$ -
Total Cost			\$ 50,060



RFP# 07119200080

Attachment A
Cost Verification

State of Michigan
Department of Human Services
Statewide Automated Child Welfare Information System (SACWIS) Planning Services
Cost Verification by Milestones

Bidder: **Fox Systems, Inc.**

Implementation Request for Proposals

	# Hours	Rate	Total
Labor Resources			
Project Manager	95.8	\$ 170	\$ 16,278
SACWIS Expert	71.8	\$ 162	\$ 11,624
Junior Analyst	3.8	\$ 145	\$ 548
Senior Analyst	81.9	\$ 162	\$ 13,268
Facilitator		\$ 155	\$ -
Administrative Support		\$ 35	\$ -
Other - IT RAMS Support		\$ 75	\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Travel Costs			
Lodging			\$ -
Transportation			\$ -
Per Diem			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Overhead			
Indirect			\$ -
Direct			\$ -
Other - Please provide			\$ -
Other - Please provide			\$ -
Miscellaneous			
Other - Please provide			\$ -
Other - Please provide			\$ -
Total Cost			\$ 41,717



APPENDIX A

Description of systems that must be incorporated into the SACWIS:

Stand Alone Systems

The Interstate Compact on the Placement of Children (ICPC) processes mirror those in other states and are supported by an ACCESS database adopted from Illinois in 2007. This ACCESS database was needed to support the requirements of the Safe and Timely Interstate Placement of Foster Children Act of 2006 (HR 5403). This system allows Michigan to process information on the interstate placement of children for the purposes of adoption, foster care, relative or residential placement. Although this ACCESS system is functional, its use occurred as a reaction to an immediate need to meet 'Safe and Timely' rather than a planned strategy to support the business needs of the users.

The Families First application tracks intensive services designed to prevent the removal of children from their families. This is a web enabled application used by private agencies, on State supplied equipment and network connections.

Team Decision Making (TDM) (aka Family to Family) is an application which captures the decisions made at planning conferences that include the child, parents, relatives, significant family friends, and other agency representatives. The purpose of these planning meetings is to determine the appropriate resolution of family problems and the safe placement of the child. It is estimated that 80% of the information captured in this application is already available in SWSS.

The Juvenile Justice OnLine Technology (JJOLT) system captures information on the availability and treatment provided for children in residential care. This system overlaps information on child demographics and characteristics for children who move between the child welfare and juvenile justice systems. JJOLT is currently a stand alone third party developed and supported application.

In Wayne County, there is a Child Placing Network (CPN) application that takes information from the providers about available beds and characteristics of the homes and matches this against information about the child being placed. The results are displayed in geographic proximity to the child's neighborhood or an address entered by the worker.

The Michigan Adoption Resource Exchange (MARE) is a database of all children whose parental rights have been terminated, whose case plan is adoption, and for whom no family has been identified. Information on the Exchange is provided on hard copy by the children's foster care worker. MARE services are provided by a private child placing agency under Contract with DHS.

Ancillary Systems

The Adoption AFCARS File is an ACCESS database that contains information on children whose adoptions were finalized during the 6 month AFCARS reporting period.

The Adoption Registry is an ACCESS database that contains information on adopted persons along with the verifying that their biological parents have consented to having the information shared with the adoptee.

The Adoption Subsidy system utilizes the same Client/Server technology as SWSS with the client being written in Visual Basic 6. The application uses the SWSS centralized Oracle database. In addition, this system accesses the Model Payment System to process subsidy payments.

Interfaces

Title IV-A – TANF: Michigan is in the process of implementing a new technology for its Cash Assistance and Medical Assistance programs. This technology is known as Bridges. An electronic interface is required for statewide file clearances to establish customer identifiers and to obtain income and asset information for foster care funding eligibility determinations.

Title XIX - Medical Assistance: An electronic interface is required to transmit Medical Assistance information to the Department of Community Health. This interface is being implemented as a part of the Bridges rollout.

Title IV-D – Child Support: A robust, two-way interface is required with the State's Title IV-D program. This interface is not in place at present.



SSA/SSI Information: An electronic interface to obtain SSA/SSI/RSDI information is being implemented with Bridges rollout.

State Financial System – Interface with the legacy Model Payment System is complete for both SWSS and Adoption Subsidy. Based on DHS and MDIT initiatives to eliminate the legacy payments system and feedback from the last Federal review, this function must be included in SACWIS and interface directly with the State Financial System, MAIN.

State Licensing System – Interface with child welfare licensing is currently through the legacy Model Payment System. This must be rewritten to eliminate the Model Payment System connection.

Vital Statistics– There is currently an interface with the Department of Community Health’s Michigan Childhood Immunization Registry. In addition, administrative copies of birth certificates can be obtained, and new births can be matched with individuals known to SWSS whose parental rights have been terminated.

Court System– Efforts are underway to share data with the juvenile division of the family courts.

Juvenile Justice – The County of Wayne has a stand alone juvenile justice information system know as JAIS. Discussion is occurring with the County of Wayne to determine if an electronic interface should be considered.

State Dept. of Education. – A statewide listing of schools and school districts (electronically obtained from the Dept of Education) is included in SWSS.

**APPENDIX B**

USEFUL WEBSITES

Michigan DHS website with links to Michigan Child Welfare Law
http://www.michigan.gov/dhs/0,1607,7-124-5458_7700---,00.html

Michigan DHS website with links to Michigan's Child Welfare policy
<http://www.mfia.state.mi.us/olmweb/ex/html/>

Glossary of SACWIS terms
<http://www.acf.hhs.gov/programs/cb/systems/sacwis/glossary.htm>

APD presentation from ACF Children's Bureau
<http://www.state-itc.org/ntc2006/accessible/NTC2006-Wetterhan-APD/textmostly/index.html>

Federal APD Guide
<http://www.acf.hhs.gov/programs/cb/systems/sacwis/apdguide/index.htm>

SACWIS Federal Guidance page – numerous links to Statutes, Regulations, and other information
<http://www.acf.hhs.gov/programs/cb/systems/sacwis/federal.htm>

SACWIS regulations
http://www.access.gpo.gov/nara/cfr/waisidx_02/45cfr1355_02.html

Statewide Information Technology Consortium Child Welfare resources – website has links to presentations from National and Regional training conferences.
http://www.state-itc.org/cw_resources.html

National Resource Center for Child Welfare and Information Technology
<http://www.nrccwdt.org/index.html>