

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

November 19, 2009

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B9200311
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Hewlett-Packard Company 3000 Hanover Street Palo Alto, CA 94304 Email: Sheila.wright@hp.com	TELEPHONE Sheila Wright (410) 379-0402
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: ENHANCED DOCUMENT MANAGEMENT	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: September 14, 2009 To: September 13, 2014	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT HAS BEEN EXTENDED TO ALL LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE(S):

Effective immediately, this contract is amended to include the attached Product License Schedule. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor and agency agreement.

ESTIMATED CONTRACT VALUE REMAINS: \$11,000,000.00

PRODUCT LICENSE SCHEDULE
AMMENDMENT #1 TO STATE CONTRACT 071B9200311

*This Product License Schedule is entered into between the State of Michigan and Hewlett-Packard Company, a Delaware corporation with its principal offices at 3000 Hanover Street, Palo Alto, California 94304 pursuant to the terms and conditions of state contract 071B9200311 ("**Contract**") with Contract period from September 14, 2009 through September 13, 2014. The pricing provided in this Product License Schedule supersedes the "Procurement of Software (Licensing)" chart originally defined on Page 90 of the Contract. This Product License Schedule is effective as of the date of later signature hereto.*

HP TRIM Software – Cumulative User Pricing							
Model #	Description	DEQ Pilot (200 Users)	201-499	500-999	1,000-9,999	10,000-50,999	>=60000
T9626AAE	HP TRIM 6.22 SW E-Media	\$78.00	\$65.98	\$40.02	\$28.13	\$13.49	\$13.49
T9627AAE	HP TRIM Pkg 1 NmdUsr SW E-LTU	\$524.12	\$450.45	\$273.24	\$192.06	\$92.07	\$92.07
T9633AAE	HP TRIM Workflow 1 NmdUsr SW E-LTU	\$74.12	\$63.70	\$38.64	\$27.16	\$13.02	\$13.02
T9639AAE	HP TRIM Rendering 1 NmdUsr SW E-LTU	\$60.35	\$51.87	\$31.46	\$22.12	\$10.60	\$10.60
T9645AAE	HP TRIM WCM 1 NmdUsr SW E-LTU	\$423.53	\$364.00	\$220.80	\$155.20	\$74.40	\$74.40
T9651AAE	HP TRIM Space Mgmt 1 NmdUsr SW E-LTU	\$74.12	\$63.70	\$38.64	\$27.16	\$13.02	\$13.02
T9657AAE	HP TRIM Mtg Mgr 1 NmdUsr SW E-LTU	\$93.18	\$80.08	\$48.58	\$34.14	\$16.37	\$16.37
T9663AAE	HP TRIM Sharepoint Int 1 NmdUsr SW E-LTU	\$34.41	\$29.58	\$17.94	\$12.61	\$6.05	\$6.05
TA194AAE	HP TRIM SAP Int 1 NmdUsr SW E-LTU	\$1,058.84	\$910.00	\$552.00	\$388.00	\$186.00	\$186.00
HA106A1	HP 1y SW Support						
HA106A1 97D	HP Software 97D Supp (SW E-Media)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
HA106A1 7RG	HP Software 7RG Supp (TRIM Pkg)	\$104.93	\$90.09	\$54.65	\$38.41	\$18.41	\$18.41
HA106A1 9WG	HP Software 9WG Supp (Space Mgmt; or Workflow)	\$14.84	\$12.74	\$7.73	\$5.43	\$2.60	\$2.60
HA106A1 9N2	HP Software 9N2 Supp (Rendering)	\$12.08	\$10.37	\$6.29	\$4.42	\$2.12	\$2.12
HA106A1 43R	HP Software 43R Supp (WCM)	\$84.79	\$72.80	\$44.16	\$31.04	\$14.88	\$14.88
HA106A1 9WK	HP Software 9WK Supp (Mtg Mgr)	\$14.84	\$16.02	\$9.72	\$6.83	\$3.27	\$3.27
HA106A1 95U	HP Software 95U Supp (Sharepoint)	\$18.65	\$5.92	\$3.59	\$2.52	\$1.21	\$1.21
HA106A1 43S	HP Software 43S Supp (SAP Int)	\$6.89	\$182.00	\$110.40	\$77.60	\$37.20	\$37.20

IN WITNESS WHEREOF, the parties have caused this Product License Schedule to be executed by their duly authorized representatives.

Hewlett-Packard Company

State of Michigan

Signature: _____

Signature: _____

Name (print or type): _____

Name (print or type): _____

Date: _____

Date: _____

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

September 15, 2009

NOTICE
OF
CONTRACT NO. 071B9200311
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Hewlett-Packard Company 3000 Hanover Street Palo Alto, CA 94304 Email: Sheila.wright@hp.com	TELEPHONE Sheila Wright (410) 379-0402
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: ENHANCED DOCUMENT MANAGEMENT	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: September 14, 2009 To: September 13, 2014	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT HAS BEEN EXTENDED TO ALL LOCAL UNITS OF GOVERNMENT

Estimated Contract Value: \$11,000,000.00

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. 071B9200311
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MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION: THIS CONTRACT HAS BEEN EXTENDED TO ALL LOCAL UNITS OF GOVERNMENT The terms and conditions of this Contract are those of ITB #071I9200126, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$11,000,000.00		

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

FOR THE CONTRACTOR:	FOR THE STATE:
<u>Hewlett-Packard Company</u> Firm Name	<u>Signature</u> Sergio Paneque
<u>Authorized Agent Signature</u>	<u>Senior Deputy Director</u> DMB, Business Services Administration
<u>Authorized Agent (Print or Type)</u>	
<u>Date</u>	<u>Date</u>



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

**Contract Number: 071B9200311
Enhanced Document Management**

**Buyer Information
Dale N. Reif
(517) 373-3993
reifd@michigan.gov**



Table of Contents

DEFINITIONS	10
Article 1 – Statement of Work (SOW)	12
1.000 Project Identification	12
1.001 Project	12
1.002 Background - General	12
1.003 Background—Records Management	13
1.100 Scope of Work and Deliverables	14
1.101 In Scope	14
1.102 Out Of Scope	14
1.103 Environment	14
1.104 Work and Deliverables	15
1.200 Roles and Responsibilities	28
1.201 Contractor Staff, Roles, and Responsibilities	28
1.202 State Staff, Roles, And Responsibilities	29
1.203 Other Roles And Responsibilities	30
1.300 Project Plan	30
1.301 Project Plan Management	30
1.302 Reports	31
1.400 Project Management	32
1.401 Issue Management	32
1.402 Risk Management	33
1.403 Change Management	33
1.500 Acceptance	33
1.501 Criteria	33
1.502 Final Acceptance	35
1.600 Compensation and Payment	35
1.601 Compensation and Payment	35
1.602 Holdback	37
1.700 Additional Information Specific to this SOW	37
Article 2, Terms and Conditions	38
2.000 Contract Structure and Term	38
2.001 Contract Term	38
2.002 Options to Renew	38
2.003 Legal Effect	38
2.004 Attachments & Exhibits	38
2.005 Ordering	38
2.006 Order of Precedence	38
2.007 Headings	39
2.008 Form, Function & Utility	39
2.009 Reformation and Severability	39
2.010 Consents and Approvals	39
2.011 No Waiver of Default	39
2.012 Survival	39
2.020 Contract Administration	39
2.021 Issuing Office	39
2.022 Contract Compliance Inspector	39
2.023 Project Manager	40
2.024 Change Requests	40
2.025 Notices	41
2.026 Binding Commitments	41
2.027 Relationship of the Parties	41
2.028 Covenant of Good Faith	41
2.029 Assignments	42
2.030 General Provisions	42
2.031 Media Releases	42



2.032	Contract Distribution	42
2.033	Permits	42
2.034	Website Incorporation	42
2.035	Future Bidding Preclusion	42
2.036	Freedom of Information	43
2.037	Disaster Recovery	43
2.040	Financial Provisions	43
2.041	Fixed Prices for Services/Deliverables	43
2.042	Adjustments for Reductions in Scope of Services/Deliverables	43
2.043	Services/Deliverables Covered	43
2.044	Invoicing and Payment – In General	43
2.045	Pro-ration	44
2.046	Antitrust Assignment	44
2.047	Final Payment	44
2.048	Electronic Payment Requirement	44
2.050	Taxes	44
2.051	Employment Taxes	44
2.052	Sales and Use Taxes	44
2.060	Contract Management	45
2.061	Contractor Personnel Qualifications	45
2.062	Contractor Key Personnel	45
2.063	Re-assignment of Personnel at the State's Request	45
2.064	Contractor Personnel Location	46
2.065	Contractor Identification	46
2.066	Cooperation with Third Parties	46
2.067	Contract Management Responsibilities	46
2.068	Contractor Return of State Equipment/Resources	46
2.070	Subcontracting by Contractor	46
2.071	Contractor full Responsibility	46
2.072	State Consent to delegation	47
2.073	Subcontractor bound to Contract	47
2.074	Flow Down	47
2.075	Competitive Selection	47
2.080	State Responsibilities	47
2.081	Equipment	47
2.082	Facilities	47
2.090	Security	48
2.091	Background Checks	48
2.092	Security Breach Notification	48
2.093	PCI DATA Security Requirements	48
2.100	Confidentiality	49
2.101	Confidentiality	49
2.102	Protection and Destruction of Confidential Information	49
2.103	Exclusions	49
2.104	No Implied Rights	49
2.105	Respective Obligations	50
2.110	Records and Inspections	50
2.111	Inspection of Work Performed	50
2.112	Examination of Records	50
2.113	Retention of Records	50
2.114	Audit Resolution	50
2.115	Errors	50
2.120	Warranties	51
2.121	Warranties and Representations	51
2.122	Warranty of Merchantability	52
2.123	Warranty of Fitness for a Particular Purpose	52
2.124	Warranty of Title	52
2.125	Equipment Warranty	52
2.126	Equipment to be New	52
2.127	Prohibited Products	53
2.128	Consequences for Breach	53
2.130	Insurance	53



2.131	Liability Insurance	53
2.132	Subcontractor Insurance Coverage	54
2.133	Certificates of Insurance and Other Requirements	54
2.140	Indemnification	55
2.141	General Indemnification	55
2.142	Code Indemnification	55
2.143	Employee Indemnification	55
2.144	Patent/Copyright Infringement Indemnification	55
2.145	Continuation of Indemnification Obligations	56
2.146	Indemnification Procedures	56
2.150	Termination/Cancellation	57
2.151	Notice and Right to Cure	57
2.152	Termination for Cause	57
2.153	Termination for Convenience	57
2.154	Termination for Non-Appropriation	57
2.155	Termination for Criminal Conviction	58
2.156	Termination for Approvals Rescinded	58
2.157	Rights and Obligations upon Termination	58
2.158	Reservation of Rights	59
2.160	Termination by Contractor	59
2.161	Termination by Contractor	59
2.170	Transition Responsibilities	59
2.171	Contractor Transition Responsibilities	59
2.172	Contractor Personnel Transition	59
2.173	Contractor Information Transition	59
2.174	Contractor Software Transition	59
2.175	Transition Payments	60
2.176	State Transition Responsibilities	60
2.180	Stop Work	60
2.181	Stop Work Orders	60
2.182	Cancellation or Expiration of Stop Work Order	60
2.183	Allowance of Contractor Costs	60
2.190	Dispute Resolution	60
2.191	In General	60
2.192	Informal Dispute Resolution	61
2.193	Injunctive Relief	61
2.194	Continued Performance	61
2.200	Federal and State Contract Requirements	61
2.201	Nondiscrimination	61
2.202	Unfair Labor Practices	62
2.203	Workplace Safety and Discriminatory Harassment	62
2.210	Governing Law	62
2.211	Governing Law	62
2.212	Compliance with Laws	62
2.213	Jurisdiction	62
2.220	Limitation of Liability	62
2.221	Limitation of Liability	62
2.230	Disclosure Responsibilities	63
2.231	Disclosure of Litigation	63
2.232	Call Center Disclosure	63
2.233	Bankruptcy	63
2.240	Performance	64
2.241	Time of Performance	64
2.242	Service Level Agreement (SLA) – Deleted NA	64
2.243	Liquidated Damages	64
2.244	Excusable Failure	65
2.250	Approval of Deliverables	65
2.251	Delivery of Deliverables	65
2.252	Contractor System Testing	66
2.253	Approval of Deliverables, In General	66



2.254	Process for Approval of Written Deliverables	67
2.255	Process for Approval of Custom Software Deliverables	68
2.256	Final Acceptance	68
2.260	Ownership	68
2.261	Ownership of Work Product by State – Deleted NA	68
2.262	Vesting of Rights – Deleted NA	68
2.263	Rights in Data – Deleted NA	68
2.264	Ownership of Materials	68
2.270	State Standards	69
2.271	Existing Technology Standards	69
2.272	Acceptable Use Policy	69
2.273	Systems Changes	69
2.280	Extended Purchasing	69
2.281	MI DEAL (Michigan Delivery Extended Agreements Locally	69
2.282	State Employee Purchases	69
2.290	Environmental Provision	70
2.291	Environmental Provision	70
2.300	Deliverables	71
2.301	Software	71
2.302	Hardware	71
2.303	Equipment to be New	71
2.304	Equipment to be New and Prohibited Products	71
2.310	Software Warranties	71
2.311	Performance Warranty	71
2.312	No Surreptitious Code Warranty	72
2.313	Calendar Warranty	72
2.314	Third-party Software Warranty	72
2.315	Physical Media Warranty	72
2.320	Software Licensing	73
2.321	Cross-License, Deliverables Only, License to Contractor	73
2.322	Cross-License, Deliverables and Derivative Work, License to Contractor	73
2.323	License Back to the State	73
2.324	License Retained by Contractor	73
2.325	Pre-existing Materials for Custom Software Deliverables	73
2.330	Source Code Escrow	74
2.331	Definition – Deleted NA	74
2.332	Delivery of Source Code into Escrow – Deleted NA	74
2.333	Delivery of New Source Code into Escrow – Deleted NA	74
2.334	Verification – Deleted NA	74
2.335	Escrow Fees – Deleted NA	74
2.336	Release Events – Deleted NA	74
2.337	Release Event Procedures – Deleted NA	74
2.338	License – Deleted NA	74
2.339	Derivative Works – Deleted NA	74

Additional Documents to the CONTRACT

Exhibit A – Agency Specific Technical Environment – see separate document Exhibit A
 HP Software Support Foundation – 9x5 & 24x7_37.pdf
 Appendix E - Enterprise Architecture Solution Assessment
 Attachment B - Organization Chart
 Attachment C – Pricing and Labor Rates



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	See Section 2.110
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	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DMB	Michigan Department of Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in this contract. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services



Services	Any function performed for the benefit of the State.
Source reduction	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	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	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	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)

1.000 Project Identification

1.001 Project

This Contract is for an Enhanced Document Management (EDM) solution that, at a minimum, includes the following four core fundamental EDM functions:

1. Electronic Image Management,
2. Business Process Management (workflow),
3. Document Management (including e-mail)
4. Records Management.

This Contract is for an EDM solution for use by state employees, SOM contractors and external entities (trusted 3rd parties). The solution will be comprised of the acquisition of necessary software, hardware (as necessary), and services for an enterprise EDM implementation and for the DEQ pilot(s) that will be used as a model for future implementations. It is a long range goal to offer a hosted solution to non-State government entities.

The Contractor and its software product, HP TRIM, will provide a complete solution and industry best practices for implementation and support to ensure the needs of the state of Michigan (SOM) are met. Flexibility in meeting the needs of the SOM will come in many forms including:

- Ability to manage a wide variety of data formats
- Experienced Information Management experts to guide the SOM through the process successfully
- Responsive and accurate project management (on time and on budget)
- Open and honest communication to ensure all desired objectives of the SOM are met
- Post implementation support to include 1-800 technical support, Web support, Wiki's and user group forums

HP TRIM will provide the SOM with a solution to meet the desired immediate needs of content management out of the box while providing the flexibility to expand as needs change and grow. Out of the box, HP TRIM provides some of the easiest to use tools so that critical business information assets can be quickly and easily captured for compliance and reuse. The SOM will benefit from the tight integration TRIM provides at the desktop into the Microsoft suite of products including e-mail, Word, PowerPoint and other applications, providing an easy to use and configurable solution enterprise wide.

HP TRIM will help the SOM meet its different business requirements department by department providing the flexibility to configure solutions that make sense to individual departments.

1.002 Background - General

The SOM executive branch agencies have undertaken many projects designed to automate, streamline and improve their existing business processes and practices. Many of these solutions have included DM tools that are wide and varied in set up, but functionally they resemble each other in providing similar services to the client. In order to improve upon these efforts and optimize future endeavors, both functionally and from a cost perspective, the SOM is purchasing an EDM solution in order to provide document management in the SOM as one integrated solution (most of the time for most of the clients).

Many of the existing DM implementations have highly customized user interfaces for standard DM back-end processes. As a result, these applications are very costly to maintain and support. These systems must be modified and updated every time there is a revision in the back-end DM software. Unstructured paper and electronic documentation has become an administrative problem. Since the early 1990's agencies have relied on file servers to store an ever-increasing amount of electronic records. Electronic file structures currently in place were created with little consideration of proper records retention schedules, because many official



records were printed and included in paper files. The proliferation of electronic documentation has made it impossible to review these records to assure proper records management practices are applied.

The SOM E-mail systems are frequently used as records management tools by employees that do not have the ability to store e-mail records in an actual records repository. Employees routinely use the e-mail archive feature to store vast amounts of older e-mail in case they need to produce these records for legal cases, Freedom of Information Act requests or other business purposes. Terabytes of electronic records are currently stored on local hard drives, the network, and in e-mail systems.

The SOM employs approximately 55,000 employees who work for 19 departments. To date, more than 10 state agencies have implemented DM systems, in whole or in part, to address various business needs. All of these systems are independent, even when the same software is used. There are several related initiatives taking place within state government, which identify DM tools as all or part of the solution. These projects are in various phases from preliminary research, to initiation, to design/development, to testing and implementation. Software and hardware purchases have been independent of each other and technical support and maintenance are also handled independently. Providing a statewide EDM strategy, with shared knowledge and expertise, as well as support and maintenance, will reduce the overall cost of content management for the SOM.

The objective of a SOM EDM system, and the impetus behind this overall effort, is to improve efficiency, reduce duplication of effort, and to provide cost effective solutions and support for most state agencies' content management needs. The SOM will develop an EDM integration process that will begin with an agency contacting the HAL sponsored, DMSC and end with solution implementation, including support and maintenance for the application.

1.003 Background—Records Management

The Department of History, Arts and Libraries (HAL), Records Management Services (RMS) operates a centralized records management program for the State of Michigan. RMS is responsible for:

- the establishment of procedures, standards and techniques for records management activities;
- the operation of a records center to house inactive records;
- the development and approval of Retention and Disposal Schedules;
- providing training to government employees about all aspects of records management; and
- providing centralized microfilming and digital imaging services.

RMS has also established an electronic image management solution that provides storage and retrieval of static content, mostly digital images. The Image Repository for Michigan Agencies (IRMA) is administered by the Records Management Services (RMS) within HAL. IRMA is hosted by MDIT.

RMS publishes its policies, standards and guidelines on its website
<http://www.michigan.gov/recordsmanagement/>.

Records analysts employed by RMS develop Retention and Disposal Schedules for Michigan government agencies using methodologies that combine the big bucket and functional analysis theories. Schedules list all of the public records maintained by the agency named on the schedule, regardless of their physical format. Schedules define how long each record should be retained, and they explain how a record's retention period is divided between the creating office and the State Records Center, if applicable. Retention and Disposal Schedules also indicate which records have archival value, and when those records should be transferred to the Archives of Michigan. The Archives of Michigan (another agency within HAL) is the official repository responsible for permanently preserving Michigan government records with historical value.

No public records (regardless of physical format) may be destroyed without the authorization of an approved Retention and Disposal Schedule. Retention and Disposal Schedules are submitted to the agency, the Records Management Services, the Auditor General, the Attorney General, the Archives of Michigan, and the State Administrative Board for their respective approvals. Approved Retention and Disposal Schedules have the force of law. Currently there are approximately 900 agency-specific schedules covering over 15,000



unique record series that are approved for use by Executive Branch agencies. Versatile Enterprise software is used to store and maintain these schedules, and links them to the approximately 370,000 bar-coded boxes of paper and microfilm in the State Records Center.

[The Michigan Freedom of Information Act \(FOIA\)](#) defines public records as recorded information “prepared, owned, used, in the possession of, or retained by a public body in the performance of an official function, from the time it is created.”

[General Schedule #1](#) broadly defines "non-records" as drafts, duplicates and convenience copies, and does not require that they be retained for any length of time. However, if an agency/employee retains non-record materials in the EDM repository or anywhere else, those materials remain releasable in accordance with FOIA and discoverable. SOM recognizes that many EDM tools/systems have the capability to identify a document as an official record vs. a non-record, and for select business processes (not identified at this point in time) this will be a desirable feature.

Michigan laws relevant to records management:

- M.C.L. 15.231-15.232 (Freedom of Information Act, Definitions)
- M.C.L. 18.1284-18.1292 (Management and Budget Act, Records Management)
- M.C.L. 24.401 - 24.406 (Records Reproduction Act)
- M.C.L. 399.1-399.10 (Historical Commission Act)
- M.C.L. 750.491 (Penal Code, Public Records)

Note: The Michigan Compiled Laws are available online at <http://www.legislature.mi.gov/>.

1.100 Scope of Work and Deliverables

1.101 In Scope

This Contract is for an EDM solution for use by state employees, SOM contractors and external entities (trusted 3rd parties). The solution will be comprised of the acquisition of necessary software, hardware (as necessary), and services for an enterprise EDM implementation and for the DEQ pilot(s) that will be used as a model for future implementations. It is a long range goal to offer a hosted solution to non-State government entities. The EDM initiative will focus on the four core EDM functionalities:

1. Electronic Image Management
2. Business Process Management (workflow)
3. Document Management (including e-mail)
4. Records Management

This project consists of the following scope:

- Project Planning
- Procurement of Software/Hardware (as necessary)
- Implementation
- Preparation Planning for Future Implementations
- Full Support and Transition Of Interfaces to State of Michigan

A more detailed description of the software, services and deliverables required for this Contract is provided in Article 1, Section 1.104, Work and Deliverables.

1.102 Out Of Scope

The intent of this Contract is not to retrofit all existing SOM applications to a new EDM solution. State agencies will have the discretion of implementing the multi-agency EDM Solution in order to replace their existing applications, or as a supplement to fill in the gaps that their current document management solution does not satisfy.

1.103 Environment



Contractor's solution, HP TRIM, must operate within the SOM architectural standards (see Appendix E), must be interoperable with the current e-mail management systems (Novel GroupWise and Microsoft Exchange), must work in collaboration with the SOM fiscal year periods (Oct 1 through Sep 30) and must meet the Records Management requirements as defined by DoD 5015.2 standards.

The links below provide information on the State's Enterprise IT policies, standards and procedures and include security policy and procedures, IT strategic plan and the State's project management methodology. All services and products provided as a result of this Contract must comply with all applicable SOM IT policies and standards in effect at the time the services are provided. Contractor must request any exception to SOM IT policies and standards. It will be the responsibility of the SOM to deny the exception request or to seek a policy or standards exception. **Contractor is required to review all applicable links provided below. Exhibit A contains the Agency Specific Technical Environment.**

Enterprise IT Policies, Standards and Procedures:

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

All software and hardware requisites provided by the Contractor must run on, and be compatible with, the MDIT Standard Information Technology Environment. Except where superseded by specific SOM policies, Federal security standards and regulations including the NIST SP800-53 moderate controls apply. Additionally, the SOM must be able to maintain software and other items produced as a 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 (Enterprise Architecture), before work may proceed based on the changed environment.

Enterprise IT Security Policy and Procedures:

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

The State's security environment includes:

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

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

IT eMichigan Web Development Standard Tools:

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

The State Unified Information Technology Environment (SUITE): Contractor must follow the standards for project management, systems engineering, and associated forms and templates.

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

1.104 Work and Deliverables

The Contractor shall provide deliverables, services and staff, and otherwise do all things necessary or incidental to provide the functionality required for business operations, in accordance with the requirements as set forth below.

The Contractor will provide the complete HP TRIM ECM Suite, out of the box, that includes Records Management, E-Mail Management, Document Management, Workflow, Physical Records Management,



Warehouse Management, and Web Content Management. This HP TRIM solution will integrate with the SOM's Microsoft SharePoint environment and provide Kofax as a high volume scanning solution.

As part of this Contract, additional EDM functionality (e.g., repository management, reports management, information lifecycle management, forms management, digital asset management, collaboration and web content management) may be purchased under this Contractor in combination with other state owned or procured technologies.

HP TRIM must be an intuitive out-of-the-box (OOTB) solution that must be administered at the program level by staff with little information technology background. This solution must be scalable and maintainable to the enterprise level with no customization of the base source code. The DEQ pilot will allow the SOM to evaluate the transition of administration, support and maintenance of the HP TRIM solution to the SOM Document Management Solutions Center (DMSC).

The DMSC will be the enterprise HP TRIM administrator. It is the intent of the DMSC to be able to grant the right to administer select functions including managing agency users and access, to certain specific Agencies or other trusted entities, as it relates to their content and use of the solution.

The Contractor will complete a pilot project for the Department of Environmental Quality (DEQ). Satisfactory implementation of the DEQ pilot, as defined by metrics to be collectively determined by the SOM and the Contractor, will provide a model to expand and scale the solution to serve business needs of multiple SOM agencies.

The DMSC staff will adopt an Application Service Provider (ASP) model that is easily understandable to the end user agencies and easily comparable to the costs of other solutions the SOM may have at its disposal. The model should also be predictable from one fiscal year to the next, given there is no significant change in the activities of an agency. The Contractor will assist the DMSC with the development of the ASP model.

The DMSC will conduct a pilot within DEQ in order to establish a standard set of functionality that any state agency can deploy. A standard set of policies and procedures will be established that must be followed in order to implement and use the EDM tools.

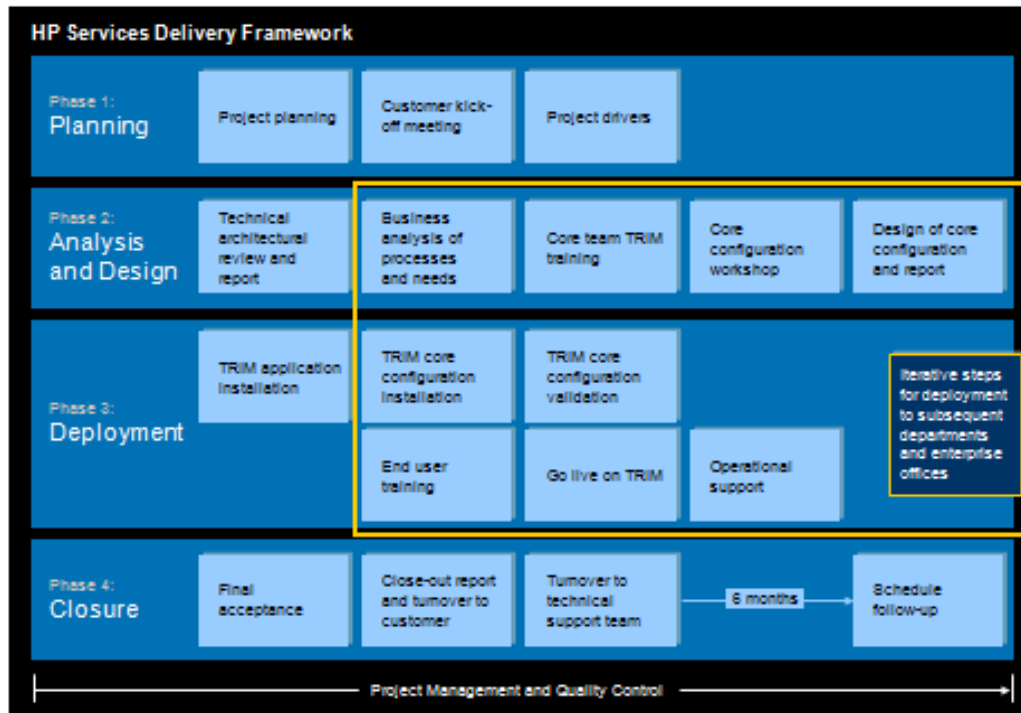
Services To Be Provided and Delivered

Project Plan - Project Planning covers those activities that require ongoing administrative oversight throughout all the EDM implementation processes, from initiation to completion of the project. Planning also includes a number of plans that will guide and govern the project from requirements gathering through deployment and also for preparing for the eventual assumption of responsibilities by the SOM. Project Planning includes ongoing administrative activities and deliverables required in Sections 1.3 and 1.4, and from below.

The recommended approach for a successful roll-out of HP TRIM across an enterprise is to apply the HP TRIM Delivery Framework below to a limited number of users such as a department or an office and focus on one or two business processes. At the conclusion of the deployment, this department or office is called the Model Office. The Model Office has a core HP TRIM configuration that can be used as the standard when rolling HP TRIM out to other business processes and departments across the enterprise. Each additional business process or department that TRIM is deployed to follows the highlighted structure of the HP TRIM Delivery Framework as illustrated below.



Contractor's Delivery Methodology consists of the following phases:



Project Planning Phase

The Project Planning Phase serves as the initiation of the project, the development of the project, training, and rollout plans. It also provides status reporting and project monitoring throughout the entire project. The engagement begins with a "Project Kick-off Meeting".

The objective of this Phase is to ensure that:

- All the appropriate authorities exist for delivering the project in both the customer and supplier organizations.
- Refine the initial project plan which will serve as a living document throughout the entire project
- Identify project expectations and success factors or drivers
- Identify risks and begin to develop mitigation strategies
- Develop and maintain the appropriate planning documents

Key to the success of any project is continual and consistent communication among all interested parties. The proposed project management framework provides an organization structure which ensures constant and regular communication throughout the life of the project. Progress reporting is done during all project phases. Status meetings will be held on a regular basis, at a minimum bi-weekly. A status report and an updated project plan are prepared by the Contractor's Project Manager prior to the meeting.

The status report will include the following:

- Tasks completed during the period
- Tasks to be completed before the next Status Meeting
- Budget status
- Schedule status
- Project action items, issues and resolution plans
- Risk updates and mitigation strategies



Key deliverables for the Project Planning Phase of a Model Office implementation include:

- Project Kick-off Meeting
- Project Schedule
- Risk Management Plan including Risk Register

Additional project management deliverables for an Enterprise Rollout or other large-scale implementation may include some or all of the following:

- Integrated Project Plan including
 - Scope Management Plan
 - Schedule Management Plan
 - Communication Management Plan
 - Change Control Process
- Training Plan
- Validation Test Plan
- Enterprise Rollout Strategy

Analysis and Design

The purpose of this phase is to fully engage with the customer to understand the breadth of the customer's requirements and to develop the configuration or design documents that will serve as a basis for the implementation of the solution. This includes an analysis from both the technical perspective and the business perspective.

From a technical perspective, Contractor will conduct an assessment of the current infrastructure and prepare a Technical Architecture Report that details the recommended configuration for the deployment of the solution.

From a business perspective, Contractor will conduct an initial business analysis to understand the current business processes and how documents are controlled within those processes. Then basic training is provided for the core project team to acquaint the customer with the application to define language and clarify terms. Immediately following the training, Contractor will conduct a workshop to define the components of the TRIM configuration and determine the required fields based on the business processes. Contractor will prepare a Configuration Report based on the workshop discussions. The SOM Project Manager must approve the Configuration Report before the Contractor can implement the TRIM application as configured to the Configuration Report.

Key deliverables for the Analysis and Design Phase are:

- Technical Architecture Report
- Core Team Training (Power User and Application Administration)
- TRIM Configuration Workshop
- TRIM Configuration Report

Project Deployment Phase

The purpose of the Deployment Phase is to install, configure, and validate the products required to enable the full solution to be brought into operational use. The Project Execution Phase has a number of steps:

- The software products are installed and configured according to the Technical Architecture Report
- Validation is conducted in collaboration with project team members to verify the products as meeting the agreed configuration criteria as defined in the approved Configuration Report.



- End user personnel are trained in the use of the system. At the end of this stage, the system is handed over for operational use, and is considered to have gone live.
- On-site support and floor walking to insure operational support and customer acceptance immediately following cutover of the system into production.

Project Closure Phase

When the Project Deployment Phase is completed and the SOM Project Manager has verified that all deliverables have been met, Contractor will conduct the Project Closure Phase. The purpose of this Phase is to ensure that all necessary products are handed over to the operational area for ongoing support and maintenance. This stage also undertakes to formally recommend any follow-on actions, and reports on overall performance.

Key deliverables for the Project Planning Phase are:

- Final Acceptance
- Turnover to HP Trim Helpdesk
- Lessons Learned Report (as appropriate in support of additional planned rollouts)

Deliverables:

1. **Detailed Project Plan** - within fifteen (15) business days of Contract Orientation meeting, the Contractor will update the draft Project Plan, Deliverable (A.1) from the Pricing Tables. See Section 1.301 Project Plan Management for detailed requirements on the Project Work Plan. The detailed plan will:
 - a. Be provided in Microsoft Project.
 - b. Include a schedule and Gantt chart (for all project tasks, subtasks, and activities), milestones, and deliverables.
 - c. Identify Contractor and State resources for all tasks, subtasks, and activities that exist as line items within the Project Plan, including those identified for the DEQ Pilot Implementation.
 - d. Include the following date-related information:
 - i. Originally scheduled start and end dates for all tasks, subtasks, and activities (including milestones and deliverables).
 - ii. Anticipated start dates for future tasks, subtasks, and activities.
 - iii. Anticipated end dates for all current and future tasks, subtasks, and activities.
 - e. Identify percent of work to be performed on-site and the percent of work to be performed off-site.
 - f. Identify type of work to be performed on-site and the type of work to be performed off-site. (NOTE: Under no circumstances, unless specifically approved in a current SOW, shall any records or information, including coding, customizing or API/SDK language, regardless of format, content or structure, be transferred outside the State of Michigan or the location of the contractor's facility. Furthermore, the Contractor shall not allow any external sources, including off-shore or out of state staff, subcontractors, or consultants regardless of physical location or employment status, to gain access to state records or information, including coding, customizing or API/SDK language, or other information generated as a result of this Contract without the specific written consent of the agency for which the work is being performed and the Project Manager. The location of all storage (physical and digital), processing, production, server room, backup facilities etc., used to fulfill this Contract, shall be provided to the state.)
 - g. Include communication protocols for Contractor's interaction with the State project management team.
2. **Test Plan** – In collaboration with SOM, the Contractor will provide a detailed Test Plan that includes Interface Testing, User Acceptance Testing, Quality Assurance, Performance and Operations Testing, Deliverable (A.2) from the Pricing Tables. The Test Plan Deliverable shall contain the following, at a minimum:
 - a. Description of testing approach.



- b. Definition of test cases or processes, in corroboration with SOM.
 - c. Resources from the State and Contractor.
 - d. Schedule.
 - e. Validation of test results.
 - f. Corrective action approach.
3. **Transition Plan** – In collaboration with SOM, the Contractor will deliver the completed transition plan, Deliverable (A.3) from the Pricing Tables. This plan will include:
- a. A description of how the Contractor will prepare SOM staff to assume responsibility for supporting the system and its interfaces.
 - b. A description of how the Contractor will perform application software support for the system and provide the knowledge to SOM staff to take over the administration and maintenance responsibilities when the Contractor's support ends.
 - c. Schedules.
 - d. Identification of key personnel, project staff organization and SOM counterparts.

Acceptance Criteria

Acceptance criteria for the Project Plan documents must contain the minimum items as outlined in the above listed plans. General Document Deliverables acceptance criteria are contained in Section 1.501.

B. Procurement of Software and Hardware

Software

Contractor must provide the software and install the system. Software includes the COTS software (HP TRIM) and any necessary 3rd party software. Contractor must provide a detailed description of the infrastructure requirements for the software proposed in order for the SOM to initiate the purchasing of that hardware, database licensing, operating software etc. As this system has been declared "High Priority", the proposed infrastructure requirements must provide for full redundancy of data and processing components with no single points of failure. The Contractor must provide software and installation services onto state provided hardware.

Hardware (as necessary)

It is the intent of the SOM to leverage existing contracts for the purchase of hardware components for this system. The SOM will, however, review recommendations and consider purchasing of hardware off of this Contract. The SOM intends to leverage existing mass storage systems. The Contractor may provide a proposal for the purchase and support of hardware that is not currently supported by the SOM through other contracts; however, the SOM is under no obligation to acquire them.

Deliverables:

1. Delivery of all approved software, Deliverable (B.1) from the Pricing Tables and hardware as appropriate.

Acceptance Criteria

Acceptance criteria for Software Deliverables are listed in Section 1.501.

- C. Implementation** - The implementation will encompass the configuration of the software with key business and IT personnel from the State's Infrastructure Services Group. The implementation will also include the development of a data dictionary for documenting the database schema, and the delivery of the interface SDK/API in order to transpose data from the EDM environment to the SOM environment. Once the solution is readied, the Contractor will develop and run technical and user acceptance testing, prepare and provide operational and technical documentation, and conduct SOM training for use of the system. The pilot installation will be implemented within the state's architecture system (one instance for the Grand Rapids Division, and two other instances for the Lansing Divisions). At the State's option, subsequent implementations will be scheduled after the DEQ Pilot is in production and deemed successful according to the performance criteria. Other projects may be initiated during the DEQ pilot phase, at the state's discretion.



Deliverables:

1. **Configurations and Data Definition** – The Contractor shall provide the SOM with a data dictionary of the database schema, Deliverable (C.1) from the Pricing Tables. The data dictionary must include:
 - a. Field definitions.
 - b. Field edits.
 - c. Domain values.
 - d. Field constraints.
 - e. Field attributes.

Deliverable Description – Contractor will install and configure the HP TRIM software on one (1) Server and will demonstrate that HP TRIM was installed successfully. The Model Office approach at the State of Michigan will include the following groups:

1. The Western Michigan District Office of the DEQ in Grand Rapids
2. The QMP (Quality Management Plan) initiative, which will provide a central repository for QMP documentation based on the identified needs of the QMP committee.
3. The Major Project Team at DEQ.

This deliverable will be completed in a period of approximately six (6) weeks

Key Activities –

- Contractor, in accordance with the Technical Architecture Report, will install HP TRIM on server designated by the SOM Project Manager. Specifically, Contractor will install HP TRIM at the SOM's Primary location on one (1) server. This installation will include:
 - Data Tier
 - Database Tables
 - Object/ File Store
 - Full Text / Content Index
 - Services Tier:
 - Workgroup Services
 - Event Services
 - Workflow
 - Client Tier:
 - HP TRIM Base Product
- **Business Analysis and Initial Build**– Business Analyst (BA) will conduct a series of up to ten (10) meetings for up to 2 – 3 days with various SOM identified Subject Matter Experts (SMEs) The BA will evaluate SOM requirements and begin building the solution in HP TRIM, mapping SOM requirements into HP TRIM product modules/ features which may include, but not limited to workflow. Additionally, throughout the Business Analysis and Initial Build, the BA will be communicating with SOM to capture additional details as they emerge during the build process
- **Configuration Workshop** - Business Analyst will conduct an interactive Workshop for up to 2 days with SOM. The Workshop will allow the BA to demonstrate, and gather SOM feedback on the preliminary configuration created based on the Business Analysis. Additionally, the Workshop will provide an opportunity to review and refine the solution as it relates to the finer details. Many refinements will be performed during the workshop given the ease – of – use
- **Configuration** – The Consultants, in accordance with the configuration workshop and SOM's requirements will configure HP TRIM with the following parameters (the parameters are totals for both Lines of Business):
 - o **Active User Locations** (includes users, groups, and organizations). The Business Analyst will include up to two hundred (200) users and up to ten (10) groups.
 - o **Security** – The Business Analyst will configure a security model that ensures appropriate record access to both single users and groups. The Security model will consist of the following items:



- a. Security Levels - up to six (6) Security Levels
 - b. Security Caveats – basic Security Caveats 6
 - c. Access Controls – basic Access Control configuration if required
- o **Retention Schedules and Disposition** – The Business Analyst will include up to thirty (30) of SOM's existing, defined and detailed Retention and Disposition Schedules used for physical and/ or electronic records to ensure on- going, proper retention and disposition of records.
- o **Classification Scheme** - The Business Analyst will include up to thirty (30) existing, defined, and detailed classifications. The Classification Scheme defines the filing structure for the records. Record Types – The Business Analyst will include up to seven (7) Record Types. Record Types define the main characteristic and behaviors of records; they are the main building blocks of the HP TRIM solution.
- o **Metadata Capture Fields** – The Business Analyst will include up to twenty (20) user defined metadata capture fields that are needed to capture information specific to SOM's records and are not included as defaults within the HP TRIM application.
- o **Workflow** – The Business Analyst will include 10 workflows in the core configuration design and will mentor the Application Administrator in this process.
- o **Data Migration** - Contractor will provide the data migration strategy to plan for the move of existing electronic data from one (1) system. Contractor will design the data mapping process via the TRIMPort function.
- Assist in Creation of script for Rolling out client to 10 desktops
- Mentoring SOM identified Subject Matter Experts throughout this phase for up to 4 persons
- Post Implementation Support - Contractor's Consultant will remain on SOM site as general floor support for up to 3 days

Interface SDK - The Contractor shall deliver a software development kit (SDK) that provides application programming interfaces (API) to enable development of applications for specific needs. The SDK, and its contained instructions and examples, must be compatible with SOM standard development languages (Java & .NET). Contractor will transition the interface development role to SOM developers and training the SOM developers on the proper use of the SDK and/or API. Training costs will be based on the pricing provided in the Pricing Tables.

This is delivered as part of the software media.

3. Testing

- a. As system functionality is configured and implemented, the Contractor will provide comprehensive testing to validate functionality and performance.
- b. Testing will include:
 - i. Interface testing
 - ii. User acceptance testing
 - 1) User Acceptance Test (UAT) Cases –
 - a) The Contractor will assist SOM in the development of test plans for User Acceptance Testing.
 - b) The user acceptance test cases should include data edits and data validation criteria.
 - 2) User Acceptance Testing –
 - a) The Contractor shall assist SOM to schedule, coordinate, monitor, and manage all User Acceptance Testing (UAT) activities.
 - b) The SOM is responsible for providing end users (from state and local agencies) and subject matter experts to perform the user acceptance testing.
 - c) Users participating in UAT are expected to signoff on the test results at the completion of UAT, providing their recommendation to the State Project Managers for formal approval and readiness for production.



- d) State testers will update the test cases with the test results. If results are successful, they will provide their signoff by marking the test case as 'Passed'.
 - e) The Contractor shall provide support for the duration of UAT. This support must include both business and technical assistance.
 - f) The testing process will include the ability to provide for a complete test cycle.
 - g) The Contractor shall support the UAT by:
 - Monitoring system performance.
 - Investigating why data was not processed.
 - Monitoring computer resource usage.
 - Participating in problem review meetings.
 - Investigating problems and identifying potential problems.
 - Answering user questions about the system.
 - Investigating and ensuring user access to the system in the UAT environment.
 - Generally helping the users execute tests and review results.
 - h) The Contractor shall correct all defects discovered during UAT in a timely manner by following normal application development procedures – modifying the appropriate configuration items in the development environment, unit and integration testing the change, promoting the configuration item to the testing environment, quality assurance testing the change, and promoting the change to the UAT environment.
 - i) Promotions to UAT shall occur on a regularly scheduled basis unless it is an emergency situation (e.g., UAT cannot continue until problem is resolved).
 - j) The Contractor must have procedures and tools for tracking, reporting, and correcting deficiencies.
 - i) Quality assurance testing.
 - ii) Performance testing.
 - iii) Operations testing:
 - 1) Identification of all operations areas requiring testing.
 - 2) Sequence of activities for operations test.
 - 3) State participants.
 - 4) Results and implications for overall DM operation.
 - 5) Deficiencies, corrective action, and required training.
 - k) The Contractor shall resolve all defects and perform all other technical support required to successfully complete this testing.
 - l) The Contractor shall conduct a walk-through of the testing process and the test results to enhance SOM understanding and to facilitate the SOM approval process, including a review of performance metrics and general "lessons learned" from all testing participants.
4. **Documentation (Operations and Technical)** – Contractor shall provide all documentation identified in Article I, Statement of Work, Deliverable (C.4) from the Pricing Tables. The Contractor shall produce and update documentation for the system, including system documentation (i.e., Operations Manual) and SDK documentation.
- a. Final versions of these documents are due before implementation as well as at interim time periods as agreed upon by the Contractor and the SOM.
 - b. The Operations and SDK Manuals shall include the following components:
 - i Object model.
 - ii System architecture.
 - iii High-level interaction between modules/packages.
 - iv Backup procedures.
 - v Batch schedule and procedures.
 - vi Standard system tasks such as starting up and shutting down software and servers.
 - c. All publicly facing SDKs must be documented to facilitate developer training and system maintenance.



- d. The combination of the Operations Manual and the SDK documentation should be sufficient to provide initial training for technical staff.
- e. One electronic version and one hardcopy of the technical documentation shall be provided to the SOM initially, and as updates are made.
- f. Updated Documentation – The Contractor will update any documentation that has been previously created by the Contractor to reflect the updated and enhanced functionality of the application/system.
- g. The Contractor will provide updated versions of all systems, user, and operations documentation prior to the implementation date.
- h. The documentation materials shall be delivered to the SOM, upon the completion of the installation.
- i. **The Contractor grants the SOM permission to reproduce for internal use, documentation for technical support purposes even if such material has a copyright.**

Contractor will provide detailed documentation regarding the HP TRIM configuration that will include a Technical Architecture Report and Configuration Report. This deliverable will be completed in a period of approximately four (4) weeks

Key Activities –

- **Technical Architecture Review and Report** - With SOM identified IT Subject Matter Experts (SMEs), Contractor's Technical Consultant will conduct a technical review of SOM's IT infrastructure (General Architecture, OS, DBMS, Applications, etc) and determine how best to configure and install HP TRIM on SOM's system. Matters related to the actual HP TRIM architecture and support thereof will be reviewed the SOM Project Manager as will items related to other environments such as testing and training. The actual roll out process will also be covered at this stage. Contractor's Technical Consultant will create and deliver a hard copy report outlining the technical requirements and maintenance of HP TRIM.
 - **Configuration Report** - Once the HP TRIM solution is finalized, the Business Analyst will create and deliver a hard copy report outlining the final configuration/ solution for the SOM. The report will document all of the HP TRIM settings in place to satisfy SOM's solution. The report is primarily used as a reference document, but in the case of a catastrophic failure, could be used to support the rebuild of the solution.
5. **Administrative and End User Training** - The Contractor shall train the SOM staff involved with the DEQ pilot, Deliverables (C.5.1) and (C.5.2) from the Pricing Tables. SOM staff will need to be properly trained and supplied with the proper tools and documentation in order to use, monitor, operate, and configure the application in accordance with the requirements of this Contract. The pilot implementation training shall be used to further refine the transition plan required thus allowing the SOM to take over full operations of the EDM system.
 - a. Develop a training plan for approximately 200 end users of the system and 10 Administrators.
 - b. Conduct training for SOM staff and end users in order for them to use, monitor, and operate the EDM solution as specified in this contract.
 - c. The Contractor shall provide training sessions for the following categories:
 - i Administrative training such as assigning end user security, functional roles, creation of workflows, importing of batch images, batch processing of electronic files, etc.
 - ii End user training such as introduction to all base functionality of the application, the filing of documents from all sources (MS Office, ESRI, e-mail, paper, existing network drives etc.).
 - d. The Contractor shall provide all required copies for classroom sessions.
 - i A student manual including additional practical exercises in the back of the manual that the end user can complete upon return to their work location.
 - ii Manuals should include curriculum by functionality, with sufficient examples and exercises to accomplish the stated training objective of assuring that end users gain the skills necessary to perform their job functions.



- e. The Contractor shall create any other necessary training aids such as presentation outlines and audio-visual materials.
 - i. Additional training materials may include Computer-Based Tutorials (CBTs), CDs, videos, and virtual classrooms. An introduction to these items should be provided during the classroom training, with the intent that these materials supplement the training received by students upon their return to their work location.
 - f. All training materials shall be delivered to the SOM in electronic format upon the completion of the pilot implementations.
6. **Technical Training** -The Contractor shall provide training for technical personnel, in order to fully support the system and SDK integrations, Deliverable (C.5.3) from the Pricing Tables. The Contractor shall:
- a. Develop a technical training plan for SOM staff to be agreed upon by the SOM and Contractor.
 - i. The training plan shall cover all aspects of the systems and processes necessary to provide stable, efficient and reliable maintenance support for the systems including disaster recovery, backup processes for the system in a cluster server environment in multiple data centers.
 - ii. Conduct training for technical staff to install and configure hardware and software for the expansion of the system.
 - b. The Contractor shall be responsible for providing training sessions for the following categories:
 - i. Application integration (SDK/API).
 - ii. Application server administration.
 - iii. Storage environment administration
 - iv. Database server administration
 - v. Backup and disaster recovery
 - c. The Contractor shall be responsible to provide all required copies for classroom sessions.
 - i. A student manual including additional practical exercises in the back of the manual that the end user can complete upon return to their work location.
 - ii. Manuals should include curriculum by functionality, with sufficient examples and exercises to accomplish the stated training objective of assuring that end users gain the skills necessary to perform their job functions.
 - d. The Contractor shall also create any other necessary training aids such as presentation outlines and audio-visual materials.
 - i. Additional training materials may include Computer-Based Tutorials (CBTs), CDs, videos, and virtual classrooms. An introduction to these items should be provided during the classroom training, with the intent that these materials supplement the training received by students upon their return to their work location.
 - e. All training materials shall be delivered to, and become the property of the State of Michigan, upon the completion of the system implementation.
 - f. The Contractor grants the SOM permission to reproduce for internal use, documentation for training purposes even if such material has a copyright.

Note: The technical training items c, d and e above is provided by the technical consultants and not by software education and does not include any training material or any items described therein. This training is more of a knowledge transfer/mentorship type activity. Contractor will only provide references to installation guides and base materials.

Acceptance Criteria

Acceptance criteria for Software, Documentation, and Service Deliverables are referenced in Section 1.501.



d. **Preparation Planning for Future Implementations**

Contractor shall develop a process, templates/forms, and workflow to plan for, prioritize, schedule, and migrate unstructured data (primarily e-mail and documents currently retained on share drives) from other agencies that currently do not have a DM system. The migration of existing systems that may have met their useful life will be analyzed and address on a case by case bases and are not being considered at this time.

1. The Contractor will provide a cost model for future adoption of additional system placements.
2. The Contractor will propose an option for purchase and installation of the server(s) and associated software for the new EDM environment at the SOM, to include maintenance. The SOM may accept this option or purchase the equipment through other SOM contracts.
3. Additional services related to future system enhancements and implementations may be initiated under this Contract. Such additional services will be scoped at a future date and costs will be derived from the agreed upon level of effort and labor rates identified in Attachment C, Pricing and Labor Rates, respectively.

Deliverables:

1. **ASP (Application Service Provider) Model**

The SOM will be developing an ASP model during the pilot phase of this project in order to assess the value of the service offerings to the enterprise. It is the intent to provide these core services (Document Management (including e-mail), Records Management, Workflow, and Image Management) and, or, other related services at a fixed rate simulating a simple ASP model. The rated service will include all cost components supporting the core services. The total cost of ownership (TCO) of this service must be such that a rate can be easily developed and would not be cost prohibitive for any agency to participate in "core" enterprise offerings. Therefore, Contractor's licensing cost structure must be configured to easily implement a fixed rate structure.

Cost components directly associated with this ASP model, and provided by the Contractor, include 1) annual software maintenance fees, 2) ongoing training costs, 3) future licenses, 4) product purchases, and 5) summaries of activity and resources necessary in standing up the pilot projects, including a recommended average cost of standing up new projects utilizing one or more of the four core functions. It is intended that the initial implementation costs, and the cost of a knowledge-transfer, will be absorbed by the initial pilot project(s).

Other internal components of the rate structure include, but may not be limited to:

- Digital storage in one or more of the states standard storage platforms
- Hosting fees associated with the various server components
- Backup fees associated with the various server components
- Direct DIT resources necessary to manage the system not otherwise accounted for in a current DIT rated service.
- Labor costs associated with the management of the services and the configuration of all service offerings to the extent that they do not require a technical background.

The cost model will include all four core functions and will be available to all users regardless of their usage. Contractors may recommend alternative approaches as deemed appropriate; however, these four components will be required for the management of all SOM desktops.

For the core functions, it is preferred that security rights be limited based on the user group and not on the license type. Contractor's cost structure for named users must provide licenses to satisfy all four functions. Concurrent user license structures can differentiate the function as long as the number of licenses can be managed at the server level and that the solution provides adequate report tools in order to manage and monitor the licensing activity.

Acceptance Criteria

Acceptance criteria for Software, Documentation, and Service Deliverables are referenced in Section 1.501.



- E. Full Support and Transition to State of Michigan (Implementation of the Transition Plan)** - Contractor will maintain and support the system until all responsibilities are transferred to the SOM and the SOM has accepted the transfer. Activities required to meet this requirement are split between Contractor responsibilities and SOM responsibilities as outlined below. The SOM envisions a three-phase process of Contractor support responsibilities transitioned to SOM responsibilities for the required activities under this transition approach. The Contractor will provide on-site staff as agreed upon with the SOM throughout this milestone.
1. **Phase One – Contractor Support** - Contractor is fully responsible to maintain and support the Contractor components of the EDM solution and performs all milestone activities. Contractor will follow the agreed upon plan to begin knowledge transfer to SOM for all aspects of the EDM solution. A knowledge transfer will be completed by the end of phase one.
 2. **Phase Two – Transition to State Support** - Contractor will assist with transition of the system to SOM-support for the SOM to assume full responsibility to maintain and support SOM components of the EDM solution by the end of phase two.
 - a. The Contractor is performing all milestone activities, and at the same time is training the SOM staff to gradually take over full support for the activities.
 - b. Contractor will continue to assist the SOM as the SOM assumes responsibility for activities.
 3. **Phase Three – State Support with Contractor assistance** – The SOM is fully responsible to support the SOM components of the EDM solution and performs all milestone activities with limited Contractor assistance as needed.
 - a. Provide any updates to Interface coding.
 - b. Provide configuration updates to ensure the SOM is aware of how best to manage the application.
 - c. Provide updates to all documentation necessary for the SOM to provide full support.

Deliverables:

1. **Turnover Report**, Deliverable (E.1) from the Pricing Tables.
 - a. The Contractor shall deliver this report to the SOM describing the successes and any deficiencies in SOM operation of the system during the Transition Phase.
 - b. This report is due 60 days prior to the termination of the phase 2 transition for the new system and should include:
 - i. Training provided to each business area.
 - ii. Any risks and proposed remediation for continued operation of the solution after the Transition Phase.
 - iii. Level (skill set and quantity) of SOM resources required after transition.
 - iv. Summaries of activity timing that are used in standing up a new instance of the software.
 - v. This deliverable will be completed in a period of approximately two (2) days.
2. **Updated Interface SDK** - The Contractor shall follow the agreed upon procedures to modify, test, and implement code and provide services required for this milestone.
 - a. Provide interface code in a version control environment.
 - b. Installation scripts and update.
 - c. Provide documentation for quality assurance and implementation of system releases and patches.
3. **Configuration Plan** - Deliverable (E.3) from the Pricing Tables. The Contractor shall deliver a Configuration Management (CM) Plan:
 - a. Describing how configurations for all environments should be managed.
 - b. Describing how configurations will be verified and promoted.
 - c. The configuration plan will be delivered as part of Deliverable (C.1).
4. **Updated Documentation**, Deliverable (E.4) from the Pricing Tables.
 - a. The Contractor will update all documentation previously created by the Contractor to reflect the updated and enhanced functionality of the application/system.



- b. The Contractor will provide updated versions of all systems, user, training, and operations documentation prior to the transition date.
- c. Documentation must be provided in electronic and hard copy, if requested by the SOM.
- d. Documentation includes:
 - i. Complete system documentation.
 - ii. User manuals (administrator and authorized user).
 - iii. Training manuals.
 - iv. Glossary.
 - v. Updates to a Help Desk Guide to reflect new functionality as it is released.
 - vi. All operations procedures not covered in a user manual and requested by the SOM.

Acceptance Criteria

Acceptance criteria for Documentation and Service Deliverables are referenced in Section 1.501.

Requirements Documents

Technical, functional, service level, security and general requirements are contained in Attachments and Appendices and incorporated into this Contract by reference.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, and Responsibilities

The Contractor must submit a letter of commitment for Key Personnel, signed by the identified resource, stating their commitment to work for the Contractor on this project.

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 SOM. The SOM has identified the following as key personnel for this project: Project Manager, Technical Lead and, or, a System Architect

The Contractor must provide a project manager and technical lead to work closely with the designated personnel from the SOM to insure a smooth transition to the new system. The project manager/technical lead must coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by SOM. The Contractor's project manager/technical lead responsibilities include, at a minimum:

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

The Contractor will provide, and keep current, an organizational chart (Attachment B) 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. The organizational 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.

The Contractor must identify a Single Point of Contact (SPOC). The duties of the **SPOC** shall include, but not be limited to:

- supporting the management of the Contract,
- facilitating dispute resolution, and



- advising the State of performance under the terms and conditions of the Contract.

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

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

On Site Work Requirements

Location of Work - The work is to be performed, completed and managed at the following locations:

Grand Rapids, Michigan

Lansing, Michigan

Hours of Operation - Normal SOM 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 SOM 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 SOM does not compensate for holiday pay.

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

Security and Background Check Requirements - Contractor must present certifications evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project. If required, Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints.

1.202 State Staff, Roles, And Responsibilities

The SOM project team will consist of Executive Subject Matter Experts (SMEs), project support, and a MDIT and Agency project manager.

Executive Subject Matter Experts

The SME representing the business units involved will provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis. The SMEs will be empowered to:

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

Name	Agency/Division	Title
Tim Diebolt	Department of Environmental Quality	Chief, Office of Business Services
Brice Sample	Records Management Services, HAL	RMS Specialist

SOM Project Manager- (MDIT and Agency)

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

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

- Provide SOM facilities, as needed
- Coordinate the SOM resources necessary for the project
- Facilitate coordination between various external contractors



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

Name	Agency/Division	Title
Vic Mankowski	DIT/Agency Services	Project Manager

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

Name	Agency/Division	Title
Mike Breen	DIT/Bureau of Strategic Policy	Contract Compliance Inspector

1.203 Other Roles And Responsibilities

1.300 Project Plan

1.301 Project Plan Management

Project Plan - Contractor will provide a Project Plan (See Section 1.104 Work and Deliverables).

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

Orientation Meeting – Within 10 business days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the SOM and the Contractor. The SOM shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Performance Review Meetings - The SOM will require the Contractor to attend monthly meetings, at a minimum, to review the Contractor's performance under the Contract.

1. The meetings (approximately 20) will be held in Lansing (16) and Grand Rapids (4) Michigan, or by teleconference, as mutually agreed by the SOM and the Contractor. The Contractor should anticipate one (1) onsite meeting in any three month period.
2. The SOM shall bear no cost for the time and travel expenses of the Contractor for attendance at the meeting.



3. The meetings shall not be considered begun or complete until initiated by the SOM.

Project Control - The Contractor will carry out this project under the direction and control of HAL and DEQ, and MDIT for Pilot implementation.

1. Within **15** business days of the Contract Orientation Meeting, the Contractor will submit the updated project plan to the State project manager for final approval.
 - a. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
 - i. The Contractor's project organizational structure.
 - ii. The Contractor's staffing table with names and title of personnel assigned to the project. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the SOM.
 - 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.
2. The Contractor will manage the project in accordance with the 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 calendar days, updated semi-monthly).
 - iii. Updates must include actual time spent on each task and a revised estimate to complete.
 - iv. Graphs showing critical events, dependencies and decision points during the course of the Contract.
 - 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 SOM standards.

1.302 Reports

Reporting formats must be submitted to the SOM Project Manager for approval within 15 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.

- A. Written monthly summaries or progress reports that outline work accomplished during the reporting period, work to be accomplished during the subsequent reporting period, if known; problems, real or anticipated, which should be brought to the attention of the SOM Project Manager, and notification of any significant deviation from the previously agreed upon work plans. All areas of decision-making that pertain to this Contract must be reviewed in detail with the SOM Project Manager prior to any final decision. Each monthly progress report will contain the following:
 1. Project schedule status.
 - a. Identify if the project is on schedule or if there is any deviation from the previously agreed upon schedule.
 - b. If the project has deviated from the previously agreed upon schedule, identify the reason for the deviation and the affected areas.
 - c. Identify in detail the steps that will be taken to resolve the deviation.
 - d. Specify any schedule adjustments that have resulted from the deviation.
 2. Activities of the past month (reporting period) - Summarize the actions taken and progress made on the project during the past month.
 3. Activities for the next month - Summarize the actions planned for the next month in order to meet the project delivery and performance schedule requirements.



4. Deliverables - Identify deliverables delivered to SOM and impacted state Agencies in the past month and deliverables planned for delivery to SOM and impacted SOM agencies in the following month.
 5. Issues - Identify problems, difficulties, either anticipated or encountered, and suggested solutions.
 6. Resolution of prior issues - Identify resolutions to issues identified in previous progress reports.
 7. Percentage completed, and then estimate to complete (ETC). Indicate the percentage completed for each task defined in the work plan during the past month, the total percentage completed for each task, total percentage completed for the development phase, and the total percentage completed for the project phase. Indicate ETC for tasks reported.
- B. The Contractor will maintain progress and resource schedules for all tasks under this contract. This documentation will include, as appropriate, progress Gantt charts, resource schedule reports, and progress reports. The Contractor is responsible for tracking hours expended on each task.
- C. All documentation prepared by the Contractor must be submitted to SOM as both a printed hard copy and in Microsoft Word electronic format. SOM and the Contractor must mutually agree upon alternative electronic formats.
- D. The Contractor's name, logo, or other company identifier may not appear on documentation delivered to the SOM without written authorization from the Contract Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents and invoices.
- E. All documentation submitted to SOM by the Contractor must contain a title page with the following information:
1. Contract Number
 2. Contract Expiration Date
 3. Task Name (if applicable)
 4. Deliverable Name
 5. Name of Contractor
 6. Contractor Project Manager
 7. Date of Deliverable or Report
 8. Time Period of Deliverable or Report
- F. All reports and deliverables to be furnished by the Contractor, as described in Section 1.104, Work and Deliverables, will be delivered to the SOM Project Manager for their approval.
- G. The Contractor will inspect all reports and deliverables for accuracy and adequacy prior to delivery.

1.400 Project Management

1.401 Issue Management

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

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the SOM Project Manager on an agreed upon schedule, with e-mail notifications and updates. The issue log must be updated and must contain the following minimum elements:

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

Once the Contractor or the SOM has identified an issue, the Contractor shall follow these steps:

1. Immediately communicate the issue in writing to the SOM Project Manager.
2. The Contractor will log the issue into an issue tracking system.
3. Identify what needs to be done and resources needed to correct the issue.
4. Receive approval from the SOM Project Manager for appropriate action.



5. Keep SOM Project Manager and appropriate parties informed on status of issue based on frequency established by the SOM Project Manager
6. At least monthly provide a listing of all issues with their current status, deadlines to correct and actual dates of completion that have occurred to the SOM Project Manager

Issues shall be escalated for resolution from level 1 through level 3, as defined below:

Level 1 – Business leads

Level 2 – Project Managers

Level 3 – Executive Subject Matter Experts (SMEs)

1.402 Risk Management

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

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

A risk management plan format shall be submitted to the SOM for approval within twenty (20) business days after the effective date of this contract. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the SOM PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

The Contractor shall provide the tool to track risks. The Contractor will work with the SOM and allow input into the prioritization of risks.

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

1.403 Change Management

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

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

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

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

1.500 Acceptance

1.501 Criteria

The following criteria will be used by the State to determine acceptance of services and/or deliverables provided under this contract. The criteria also cover two aspects of compliance: performance of the



Contractor in meeting the requirements in this contract, and contract compliance, both financial and non-financial. To the extent a Deliverables acceptance procedure or warranty is set forth in this SOW or the relevant agreement governing this SOW, such procedure, warranty and their associated remedies apply to Deliverables only and not to Products, even if said Products can be used in connection with the Professional Services or Deliverables.

- A. Document Deliverables - Documents include, but are not limited to plans, design documents, project schedules, user guides, and procedure manuals.
1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
 2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
 3. Draft documents are not accepted as final deliverables.
 4. The documents will be reviewed and accepted in accordance with the requirements of the Contract.
 5. The State will review and approve technical documents within fifteen (15) business days of receipt.
 - a. Approvals will be written and signed by the State's Program Manager, as assisted by other State resources and impacted Agencies.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within two (2) days of receipt
 - d. Upon receipt of resubmitted documents, MDIT will have two (2) business days to approve. If no approval is received within two (2) business days, document will be deemed accepted.
- B. Software Deliverables - Software Deliverables includes, development tools, support tools, data migration software, interfaces, integration software, and installation software.
1. Beta software is not accepted as final deliverable..
 2. The software services implementation will be reviewed and accepted in accordance with the requirements of the contract.
 3. HAL, Agency Business Owners, and MDIT will review software services implementation within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
 - a. Approvals will be written and signed by HAL, Agency Business Owners, and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit software services implementation for approval within two (2) days of receipt..
 - d. Upon receipt of resubmitted software services implementation, MDIT will have two (2) business days to approve. If no approval is received within two (2) business days, software services implementation will be deemed accepted.
 4. Software services implementation is installed and configured, with assistance from MDIT, in an appropriate environment (e.g. development, conversion, QA testing, UAT testing, production, and training), after transition of application to the State.
 5. Contingency plans, de- installation procedures, and software services implementation are provided by the Contractor and approved by HAL, Agency Business Owners, and MDIT Project Managers.
 6. Final acceptance of the software services implementation will depend on the successful completion of User Acceptance Testing (UAT).
 7. Testing will demonstrate the system's compliance with the requirements of this contract. At a minimum, the testing will confirm the following:
 - a. Functional - the capabilities of the system with respect to the functions and features described in this contract.
 - b. Performance - the ability of the system to perform the workload throughput requirements. All problems should be completed satisfactorily within the allotted time frame.
 8. MDIT will review software license agreements within a mutually agreed upon timeframe. Approvals will be written and signed by HAL, Agency Business Owners, and MDIT Project Managers.
 - a. Unacceptable issues will be documented and submitted to the Contractor.



- c. After issues are resolved or waived, the Contractor will resubmit the license agreement for approval and final signature by authorized State signatory within two (2) days of receipt.
 - d. Software is accepted upon delivery.
 - e. MDIT has the right to acquire Contractor's Services and Contractor Products separately. Products as used above means hardware or software listed in Contractor's standard price list at the time of Contractor's acceptance of MDIT order, including Products that are modified, altered, or customized to meet DIT requirements.
- C. Service Deliverables - Services include, but are not limited to training, data migration, help desk, and support.
- 1. The services will be accepted as performed in accordance with the requirements of the contract.
 - a. Unacceptable issues will be documented and submitted to the Contractor.
 - b. Contractor will re-perform any Professional Services not performed in accordance with the foregoing warranty provided that HP receives written notice from Customer within thirty (30) days after such Professional Services were performed. .
 - 2. The State will review and approve migrated and converted data within fifteen (15) business days of completion.
 - a. Approvals will be written and signed by the State's Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit a request for approval within two (2) days of receipt.
 - d. Upon receipt of resubmitted migrated and converted data, MDIT will have five (5) business days to approve. If no approval is received within five (5) business days, migrated and converted data will be deemed accepted.
 - 3. State staff are properly trained and supplied with the proper tools and documentation to support, upgrade, monitor, operate, and configure the system in accordance with the requirements of this contract.
 - 4. The Contractor has the tools and connectivity installed, in compliance with State standards, to properly support and monitor the system.

Ongoing Operations - For ongoing activities, such as project status reports and work plan updates, acceptance of the initial report or plan will constitute acceptance of the deliverable, for purposes of services' payment.

1.502 Final Acceptance

Final acceptance is expressly conditioned upon completion of ALL deliverables/milestones, completion of ALL tasks in the project plan as approved, completion of ALL applicable inspection and/or testing procedures, and the certification by the State that the Contractor has met the defined requirements as defined and agreed to by both parties in each Statement of Work. Payment will be made in accordance with the schedules as agreed upon in each Statement of Work.

1.600 Compensation and Payment

1.601 Compensation and Payment

The project will be paid as a firm, fixed priced, deliverable-based contract. Deliverables are either a physical deliverable or a service deliverables. Service deliverables will be invoiced on a monthly basis. Physical deliverables will be invoiced upon acceptance of the deliverable. The physical deliverables are those described in Section 1.104. Payment will be made based upon acceptance of a deliverable.

The Pricing Tables, included as Attachment A, must be used as the format for submitting pricing information.

Travel

The pricing for the deliverables is all-inclusive. Any expenses the Contractor expects to incur should be built into the price for the deliverable. The SOM will not pay for itemized travel costs. Travels costs are to be



estimated as a component of the Contractor pricing and included with the Contractor's bid submitted to the SOM.

As part of preparing the cost tables, Contractor must identify all information related, directly or indirectly, to the Contractor's proposed charges for services and deliverables including, but not limited to, costs, fees, prices, rates, bonuses, discounts, rebates, or the identification of free services, labor or materials. Identify any assumptions Contractor has made developing its Cost Proposal.

If Contractor reduces its price for any of the software or services during the term of this Contract, the SOM shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the SOM's MDIT Contract Compliance Inspector with the reduced prices within fifteen (15) Business Days of the reduction taking effect.

Statements of Work and Issuance of Purchase Orders

- Unless otherwise agreed by the parties, each Statement of Work will include:
 1. Background
 2. Project Objective
 3. Scope of Work
 4. Deliverables
 5. Acceptance Criteria
 6. Project Control and Reports
 7. Specific Department Standards
 8. Payment Schedule
 9. Travel and Expenses
 10. Project Contacts
 11. Agency Responsibilities and Assumptions
 12. Location of Where the Work is to be Performed
 13. Expected Contractor Work Hours and Conditions
- The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

Invoicing and Payment

Contractor will submit properly itemized invoices to "Bill To" Address on Purchase Order. Incorrect or incomplete invoices will be returned to Contractor for correction and reissue. **Invoices must provide and itemize, as applicable:**

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



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

1.602 Holdback

The State shall have the right to hold back, as a retainage, an amount equal to ten percent (10 %) of all amounts invoiced by Contractor for Services/Deliverables. The amounts held back shall be released to Contractor after the State has granted Final Acceptance. Acceptance is only in relation to the service deliverables and cannot be used as leverage for RFEs or prioritizing bug fixes regardless of the category.

1.700 Additional Information Specific to this SOW

Laws, Regulations, and Standards

The following laws and regulations will influence the implementation of an EDM solution.

- Department of Defense 5015.2 – Automated Records Management and Annotation.
- Freedom of Information Act, Definitions (FOIA) (MCL 15.231-15.246): Defines public records and authorizes public disclosure (with exceptions). Note: records that are exempt from public disclosure are not exempt from record retention laws.
- Management and Budget Act, Records Management (MCL 18.1284-1292): Establishes the RMS and defines its responsibilities. Defines approval process for retention schedules.
- Historical Commission Act (MCL 399.1-10): Establishes that public records are the property of the people of Michigan. Declares that public records cannot be destroyed without the approval of the Historical Commission (responsibility delegated to the State Archivist).
- Penal Code, Public Records (MCL 750.491): Establishes misdemeanor penalties for destroying records without the authorization of an approved Retention and Disposal Schedule.
- Records Reproduction Act (MCL 24.401 - 24.406): Authorizes the reproduction of public records by Michigan government agencies at all levels. Requires HAL to develop certain technical standards to regulate quality.
- Michigan Court Rules: Define how records are used as evidence in Michigan court cases.
- Federal Rules of Civil Procedure: Define how records are used as evidence in federal court cases, and the discovery process. Amended December 1, 2006 to include electronically stored information.
- Federal Laws and Regulations: Will impose requirements on select state agencies that receive funding or oversight from the federal government.
- State of Michigan Record Policies, Standards, and Guidelines can be found at:
http://www.michigan.gov/hal/0,1607,7-160-17445_19273_21738-96210--,00.html

Conflict with General Terms and Conditions of Article 2

In the event that any of the requirements and terms of this SOW conflict with general terms and conditions stated in Article 2 of this Contract, the requirements and terms of this SOW shall govern with respect to this SOW only.

B. Reservation of Selection of IT Product Standards

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



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of five (5) years beginning September 14, 2009 through September 13, 2014. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.130**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 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 two (2) additional one (1) year periods.

2.003 Legal Effect

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

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

2.004 Attachments & Exhibits

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

2.005 Ordering

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

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

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



2.007 Headings

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

2.008 Form, Function & Utility

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

2.009 Reformation and Severability

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

2.010 Consents and Approvals

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

2.011 No Waiver of Default

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

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration

2.021 Issuing Office

The Department of Management and Budget, Purchasing Operations, the Department of Environmental Quality, the Department of History, Arts and Libraries, and the Department of Information Technology (collectively, including all other relevant State of Michigan departments and agencies, the "State") issue this Contract. Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Dale N. Reif
Buyer
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
reifd@michigan.gov
(517) 373-3993

2.022 Contract Compliance Inspector

The Director of Purchasing Operations directs the person named below, or his or her designee, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. **Monitoring Contract activities**



does not imply the authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract. Purchasing Operations is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contract Compliance Inspector for this Contract is Michael Breen

2.023 Project Manager

The individual who will oversee the project is Vaughn Bennett.

2.024 Change Requests

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

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

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

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

(1) Change Request at State Request

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

(2) Contractor Recommendation for Change Requests:

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

(3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.



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

2.025 Notices

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

State:

State of Michigan
Purchasing Operations
Attention: Dale N. Reif
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:

Sheila Wright
Sheila.wright@hp.com

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

2.026 Binding Commitments

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

2.027 Relationship of the Parties

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

2.028 Covenant of Good Faith

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



2.029 Assignments

Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

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

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

2.030 General Provisions

2.031 Media Releases

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

2.032 Contract Distribution

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

2.033 Permits

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

2.034 Website Incorporation

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

2.035 Future Bidding Preclusion

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



2.036 Freedom of Information

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

2.037 Disaster Recovery

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

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

2.044 Invoicing and Payment – In General

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 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) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon. The schedule should show payment amount and should reflect actual work done



by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

The Government may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.045 Pro-ration

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

2.046 Antitrust Assignment

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

2.047 Final Payment

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

2.048 Electronic Payment Requirement

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

2.050 Taxes

2.051 Employment Taxes

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

2.052 Sales and Use Taxes

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

**2.060 Contract Management****2.061 Contractor Personnel Qualifications**

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

2.062 Contractor Key Personnel

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration 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 to 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 Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

2.067 Contract Management Responsibilities

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

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

2.068 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.070 Subcontracting by Contractor

2.071 Contractor full Responsibility

Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.



2.072 State Consent to delegation

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

2.074 Flow Down

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

2.075 Competitive Selection

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 Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor



otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

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

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

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA Security Requirements

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

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

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

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

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



2.100 Confidentiality

2.101 Confidentiality

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

2.102 Protection and Destruction of Confidential Information

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

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

2.103 Exclusions

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

2.104 No Implied Rights

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



2.105 Respective Obligations

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

2.110 Records and Inspections

2.111 Inspection of Work Performed

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

2.112 Examination of Records

For four years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period all 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 Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

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

2.115 Errors

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

In addition to other available remedies, 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 neither this Contract, nor their use by the State will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor 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 bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants



that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.

- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability

Goods provided by Contractor under this agreement shall be merchantable. All goods provided under this Contract shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the Contractor or on the container or label.

2.123 Warranty of Fitness for a Particular Purpose

When the Contractor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the Contractor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

2.124 Warranty of Title

Contractor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by Contractor, under this Contract, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 Equipment Warranty

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

The Contractor represents and warrants that the equipment/system(s) are in good operating condition and operates and performs to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of (1) one year commencing upon the first day following Final Acceptance.

Within _____ business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

The Contractor agrees that all warranty service it provides under this Contract must be performed by Original Equipment Manufacturer (OEM) trained, certified and authorized technicians.

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

2.126 Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new



or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 Prohibited Products

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

2.128 Consequences for Breach

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

2.130 Insurance

2.131 Liability Insurance

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

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

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

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

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

See www.michigan.gov/dleg.

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

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

- ☒ 1. Commercial General Liability with the following minimum coverage:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit

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



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

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

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

Any certificates of insurance received must also 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

2.132 Subcontractor Insurance Coverage

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

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not 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 insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure 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 Contractor's breach of the No Surreptitious Code Warranty.

2.143 Employee Indemnification

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and settle, and hold harmless any claim against the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim alleging that any Contractor Branded Products or Support (excluding Custom Products or Custom Support) supplied by the Contractor or its subcontractors under this Contract, infringes any United States patent, copyright, trademark or trade secret of any person or entity, in the country where they were sold, which is enforceable under the laws of the United States, if the State: (a) promptly notifies Contractor of the claim in writing; (b) cooperates with the Contractor in the defense of the claim; and (c) grants Contractor sole control of the defense or settlement of the claim.

In addition, should the equipment, software, commodity, or service, or its operation, Contractor Branded Products or Support become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense Contractor may (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, Contractor Branded Products or Support; or (ii) replace or modify at Contractor's option. If Contractor determines that none of these options are not reasonably available to Contractor, then Contractor will issue customer a refund equal to;

1. the purchase price paid for the affected item if within one year of delivery, or the Customer's net book value thereafter, or



2. if the claim relates to infringing Support, the lesser of twelve (12) months charges for the claimed infringing Support or the amount paid by Customer for that Support.

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) Contractor's compliance with equipment developed based on written specifications of the State or third party designs, specifications, instructions or technical information; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State or a third party; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract. (iv) the State's non-compliance with the Contract specifications, Statement(s) of Work or other related documents; or (v) the State's use with products, software, or services that are not Contractor Branded.

Contractor's entire liability for claims of intellectual property infringement are stated in this Section 2.144.

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 2.160** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed (insert number of days based on criticalness of project) days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145**.

2.172 Contractor Personnel Transition

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

2.173 Contractor Information Transition

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

2.174 Contractor Software Transition

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



used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

2.175 Transition Payments

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

2.176 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to reconcile all accounts between the State and the Contractor, complete any pending post-project reviews and perform any others obligations upon which the State and the Contractor agree.

- (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 2.150**. 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 2.130**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this Section.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the



amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

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

(1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

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

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

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

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.

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

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, and 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.

The Contractor's liability for damages to the State is limited to the amount paid for the product, support or services provided in the contract. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other



specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor is limited to the value of the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

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 that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor must make the following notifications to DMB Purchasing Operations 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.
 - (2) Within 30 days if Contractor procures an entity that has a current contractual relationship with the State of Michigan, Contractor will notify the State and work with the State to Assign the contractual rights and obligations to Contractor.

2.232 Call Center Disclosure

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

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or



- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreement (SLA) – Deleted NA

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 the Work and the State does not elect to exercise its rights under **Section 2.141**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel

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 2.141**, 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 \$25,000.00 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 \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$833.33 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 \$25,000.00 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 \$50,000.00 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, workaround plans or other means, including disaster recovery plans.

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

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

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

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

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

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance



activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

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

2.252 Contractor System Testing

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

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

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

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

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

2.253 Approval of Deliverables, In General

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

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

Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review



period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with this Section.

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

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

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

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

2.254 Process for Approval of Written Deliverables

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



2.255 Process for Approval of Custom Software Deliverables

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

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

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

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

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

2.256 Final Acceptance

"Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project.

2.260 Ownership

2.261 Ownership of Work Product by State – Deleted NA

2.262 Vesting of Rights – Deleted NA

2.263 Rights in Data – Deleted NA

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

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

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

2.280 Extended Purchasing

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally

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

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

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

2.282 State Employee Purchases

The State allows State employees to purchase from this Contract. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the State employee is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and Deliverables at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices to and pay the State employee on a direct and individual basis.

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



2.290 Environmental Provision

2.291 Environmental Provision

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

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

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

- (a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the



Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

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

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

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

2.300 Deliverables

2.301 Software

A list of the items of software the State is required to purchase for executing the Contract is attached. The list includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). The attachment also identifies certain items of software to be provided by the State.

2.302 Hardware

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

2.303 Equipment to be New

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

2.304 Equipment to be New and Prohibited Products

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

2.310 Software Warranties

2.311 Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the



event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

2.312 No Surreptitious Code Warranty

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

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

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

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

2.313 Calendar Warranty

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

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

2.314 Third-party Software Warranty

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

2.315 Physical Media Warranty

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than (30) thirty days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this



warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.320 Software Licensing

2.321 Cross-License, Deliverables Only, License to Contractor

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and exercise its full rights in the Deliverables, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables.

2.322 Cross-License, Deliverables and Derivative Work, License to Contractor

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable and/or Derivative Work now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and/or Derivative Work and exercise its full rights in the Deliverables and/or Derivative Work, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables and/or Derivative Work.

2.323 License Back to the State

Unless otherwise specifically agreed to by the State, before initiating the preparation of any Deliverable that is a Derivative of a preexisting work, the Contractor shall cause the State to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (1) use, execute, reproduce, display, perform, distribute internally or externally, sell copies of, and prepare Derivative Works based upon all preexisting works and Derivative Works thereof, and (2) authorize or sublicense others from time to time to do any or all of the foregoing.

2.324 License Retained by Contractor

Contractor grants to the State a non-exclusive, royalty-free, site-wide, irrevocable, transferable license to use the Software and related documentation according to the terms and conditions of this Contract. For the purposes of this license, "site-wide" includes any State of Michigan office regardless of its physical location.

The State may modify the Software and may combine such with other programs or materials to form a derivative work. The State will own and hold all copyright, trademarks, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks unless otherwise agreed by the parties.

The State will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor shall, for any reason, cease to conduct business, or cease to support the Software, the State shall have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment, but subject to payment obligations not to exceed the then current rates.

2.325 Pre-existing Materials for Custom Software Deliverables

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii)



such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

2.330 Source Code Escrow

- 2.331 Definition – Deleted NA
- 2.332 Delivery of Source Code into Escrow – Deleted NA
- 2.333 Delivery of New Source Code into Escrow – Deleted NA
- 2.334 Verification – Deleted NA
- 2.335 Escrow Fees – Deleted NA
- 2.336 Release Events – Deleted NA
- 2.337 Release Event Procedures – Deleted NA
- 2.338 License – Deleted NA
- 2.339 Derivative Works – Deleted NA



Attachment B – Organization Chart

HP is composed of three primary businesses, each of which is charged with driving the development and sale of related products and services to targeted markets.

The Personal Systems Group brings to market leading HP business and consumer PCs, mobile computing devices and workstations.

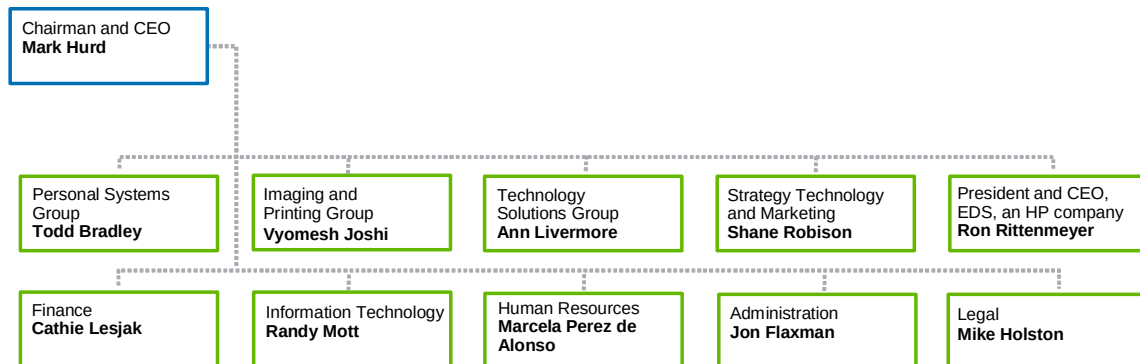
The Imaging and Printing Group applies its expertise to inkjet, LaserJet and commercial printing, printing supplies, digital photography and entertainment.

The Technology Solutions Group draws from a world-class portfolio of business products including storage and servers, outsourcing services and software.

These businesses share core functions, such as R&D, are structured flexibly to leverage joint opportunities effectively, and are linked by common processes and communications that enable the delivery of seamless service and a consistent message to customers.

The relationship between the businesses and HP corporate functions is presented in the following organization chart.

HP Organization





Appendix E – Enterprise Architecture Solution Assessment

Enterprise Architecture Solution Assessment

Contact Info & Purpose (vendor version)

The purpose of the EA Solution Assessment is to document architectural details of proposed IT solutions in order to determine compatibility with the overall SOM architecture. MDIT/SOM activities which require an Assessment include: the purchase of new licenses, contracting for development services, purchase of new software components, installation of new software components, the purchase of new hardware components or the use of MDIT staff resources on any project beyond the design phase. All vendor proposals and new contracts must be accompanied by an Assessment, documenting the architectural details of the proposed solution.

Vendor Version 2.04v

Solution/Project Name	Enhanced Document Management
RFP Name/Number	
Date Submitted	
Vendor Name	
Vendor City and State	
Vendor Phone No.	
Vendor eMail	
A brief description of the proposed solution and business purpose/process. <i>(please keep the description brief)</i>	The State of Michigan (SOM) is seeking to obtain an Enhanced Document Management (EDM) solution. This solution will, at a minimum, include the following four core EDM functionalities as its foundation: 5. Electronic Image Management, 6. Business Process Management (workflow), 7. Document Management (including e-mail) 8. Records Management.
Additional description of the solution and business purpose. <i>(please expand the row as much as needed)</i>	<additional information to be provided by the vendor>



Select all that apply ✓	Enterprise Architecture Solution Assessment	
	Architecture Overview (vendor version)	
	<i>Bidder: please provide a response to each technology category</i>	
1	Hosting	Comments
	Internally Hosted	
	Externally Hosted	
	Internally & Externally Hosted	
	N/A (Not Applicable)	
2	User Interface Type	Comments
	Browser	
	Client	
	Mobile Browser	
	Mobile Client	
	Terminal	
	Other	
	N/A (Not Applicable)	
3	System Interface Type	Comments
	EDI	
	Flat File	
	Web Service	
	XML	
	Other	
	N/A (Not Applicable)	
4	Type of System Integration	Comments
	Internal	
	External	
	Both Internal & External	
	N/A (Not Applicable)	
5	Method of Access	Comments
	Internet	
	Intranet	
	LG Net	
	Public facing internet	
	UT Net	
	VendorNet	
	VPN	
	Other	
	N/A (Not Applicable)	

(continued)



Select all that apply ✓	Enterprise Architecture Solution Assessment	
	Architecture Overview (continued)	
	<i>Bidder: please provide a response to each technology category</i>	
6	Data Audit Trail Implementation	Comments
	Application Code	
	Database Audit Files	
	Database Triggers	
	Stored Procedures	
	Other	
	N/A (Not Applicable)	
7	Development Language	Comments
	.NET Framework 1.1 (standard)	
	.NET Framework 2.x (standard)	
	ASP.NET 1.1 (standard)	
	ASP.NET 2.x (standard)	
	Java (JDK) 1.4 (standard)	
	JavaScript (standard)	
	MS Visual Basic 2003 (VB) (standard)	
	MS Visual Basic 2005 (VB) (standard)	
	MS Visual C# 2003 (standard)	
	MS Visual C# 2005 (standard)	
	MS Visual C++ 2003 (standard)	
	MS Visual C++ 2005 (standard)	
	Oracle Forms 10g (standard)	
	Oracle PL/SQL 10g (standard)	
	PHP 4.x (standard)	
	PHP 5.x (standard)	
	XHTML 1.0 (standard)	
	XML/XSLT (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
8	Database	Comments
	DB2 8.x (standard)	
	MS SQL Server 2005 (standard)	
	Oracle 10g (standard)	
	TeraData A28V2R6.1 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	

(continued)



Select all that apply ✓	Enterprise Architecture Solution Assessment	
	Architecture Overview (continued)	
	<i>Bidder: please provide a response to each technology category</i>	
9	Database Modeling Tools	Comments
	Rational Rose Data Model 7.0 (standard)	
	Erwin 7.0 (standard)	
	Oracle Designer 10g (standard)	
	Toad 8.x (standard)	
	Toad 9.0 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
10	Development Platform	Comments
	.Net (standard)	
	Java J2EE (standard)	
	Oracle (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
11	Presentation (Web) Server	Comments
	Apache HTTPD 2.2.x (standard)	
	Citrix 4.0 (standard)	
	IBM IHS 6.0 (standard)	
	IBM IHS 6.1 (standard)	
	Microsoft IIS 6.0 (standard)	
	Sun ONE Web Server (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
12	Application Server	Comments
	IBM WebSphere 6.0 (standard)	
	IBM WebSphere 6.1 (standard)	
	JBoss 4.0.x (standard)	
	Microsoft IIS 6.0 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
13	HW Platform	Comments
	Dell (standard)	
	HP (standard)	
	IBM AIX (standard)	
	Sun (standard)	
	Other (Explain)	
	X86 Virtualization (VCoE) (standard)	
	N/A (Not Applicable)	

(continued)



Select all that apply ✓	Enterprise Architecture Solution Assessment	
	Architecture Overview (continued)	
	<i>Bidder: please provide a response to each technology category</i>	
14	Server OS	Comments
	AIX 5.3 (standard)	
	HPUX 11i (standard)	
	HPUX 11i v2 (standard)	
	Microsoft Windows 2003 (standard)	
	Novell Netware 6.5 (standard)	
	Redhat Linux Enterprise Server 3.0 (standard)	
	Sun Solaris 10 (standard)	
	Sun Solaris 9 (standard)	
	Suse Linux Enterprise 10 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
15	CRM	Comments
	Siebel (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
16	Document Management	Comments
	Filenet (standard)	
	Vignette Application Portal (standard)	
	Vignette V7 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
17	Centralized Printing	Comments
	DMB consolidated print center (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
18	Fax Server	Comments
	GW Fax	
	Other (Explain)	
	N/A (Not Applicable)	
19	Testing Tools	Comments
	Compuware Vantageview 8.5 (standard)	
	Mercury Quality Center 8.2 (standard)	
	Rational Suite 7 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	

(continued)



Select all that apply ✓	Enterprise Architecture Solution Assessment	
	Architecture Overview (continued)	
	<i>Bidder: please provide a response to each technology category</i>	
20	Identity Management	Comments
	Active Directory 2003 (standard)	
	e-Dir 8.7.3.9 (standard)	
	Tivoli Access Manager v4.1 (standard)	
	Tivoli Identity manager 4.5.1 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
21	Project Management	Comments
	Clarity 8 (standard)	
	MS Project 2003 (standard)	
	Rational 7.0 (standard)	
	Niku 6 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
22	Requirements Gathering	Comments
	Rational Requisite Pro 7.0 (standard)	
	Serena RTM 5.6 (standard)	
	MS Office (XP/2003) including Visio (standard)	
	SUITE/SEM templates	
	Other (Explain)	
	N/A (Not Applicable)	
23	Design Tools	Comments
	Rational Rose 7.0 (standard)	
	Visio 2003 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
24	Version Control	Comments
	Rational Clear Case 7 (standard)	
	Subversion 1.4 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
25	Message Queuing	Comments
	Websphere MQ 6.x (standard)	
	Other (Explain)	
	N/A (Not Applicable)	

(continued)



Select all that apply ✓	Enterprise Architecture Solution Assessment	
	Architecture Overview (continued)	
	<i>Bidder: please provide a response to each technology category</i>	
26	Business Integration	Comments
	BizTalk 2006 (standard)	
	Websphere Message Broker 6.0 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
27	Database Tools	Comments
	MS SQL Server Enterprise Manager (standard)	
	Oracle Enterprise Manager 10g (standard)	
	Teradata Utilities 5380 (standard)	
	Teradata Utilities 5450 (standard)	
	Toad 8.x (standard)	
	Toad 9.0 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
28	Reporting Tools	Comments
	ActivePDF (standard)	
	ActiveReports 1.0 (standard)	
	ActiveReports 2.0 (standard)	
	Crystal Reports 10 (standard)	
	Crystal Reports 11 (standard)	
	Jasper Reports (standard)	
	MS SQL 2005 Reporting Services (standard)	
	Oracle Reports 10g (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
29	End-User Tools	Comments
	Business Objects (BO) 10 (standard)	
	Business Objects (BO) 11 (standard)	
	Oracle Discoverer 10g (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
30	Deployment Tools	Comments
	Serena Mover (standard)	
	Microsoft Visual Studio (standard)	
	Other (Explain)	
	N/A (Not Applicable)	

(continued)



Select all that apply ✓	Enterprise Architecture Solution Assessment	
	Architecture Overview (continued)	
	<i>Bidder: please provide a response to each technology category</i>	
31	Build Tools	Comments
	Apache Ant 1.7 (standard)	
	Serena Changeman Builder (standard)	
	MS Visual Studio (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
32	Job Schedulers	Comments
	Tidal Enterprise Scheduler 3.0 (standard)	
	OpCon XPS ver 3.31.02 (standard)	
	BL/Sched ver 5.0 (standard)	
	ECS ver 5.5 (standard)	
	HAPS ver 1.7 (standard)	
	Zeke ver 5.3.1 (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
33	GIS Technologies	Comments
	ArcIMS (standard)	
	ArcGIS Server 9.2 (standard)	
	ArcGIS Engine (standard)	
	ArcSDE (standard)	
	Other (Explain)	
	N/A (Not Applicable)	
34	Centers of Excellence Services	Comments
	Address Verification Service (standard)	
	Business Objects Reporting Service (standard)	
	Citrix Application Delivery (standard)	
	Extract Transform Load (ETL) (standard)	
	N/A (Not Applicable)	



Enterprise Architecture Solution Assessment

Disaster Planning (Section to be completed by SOM)

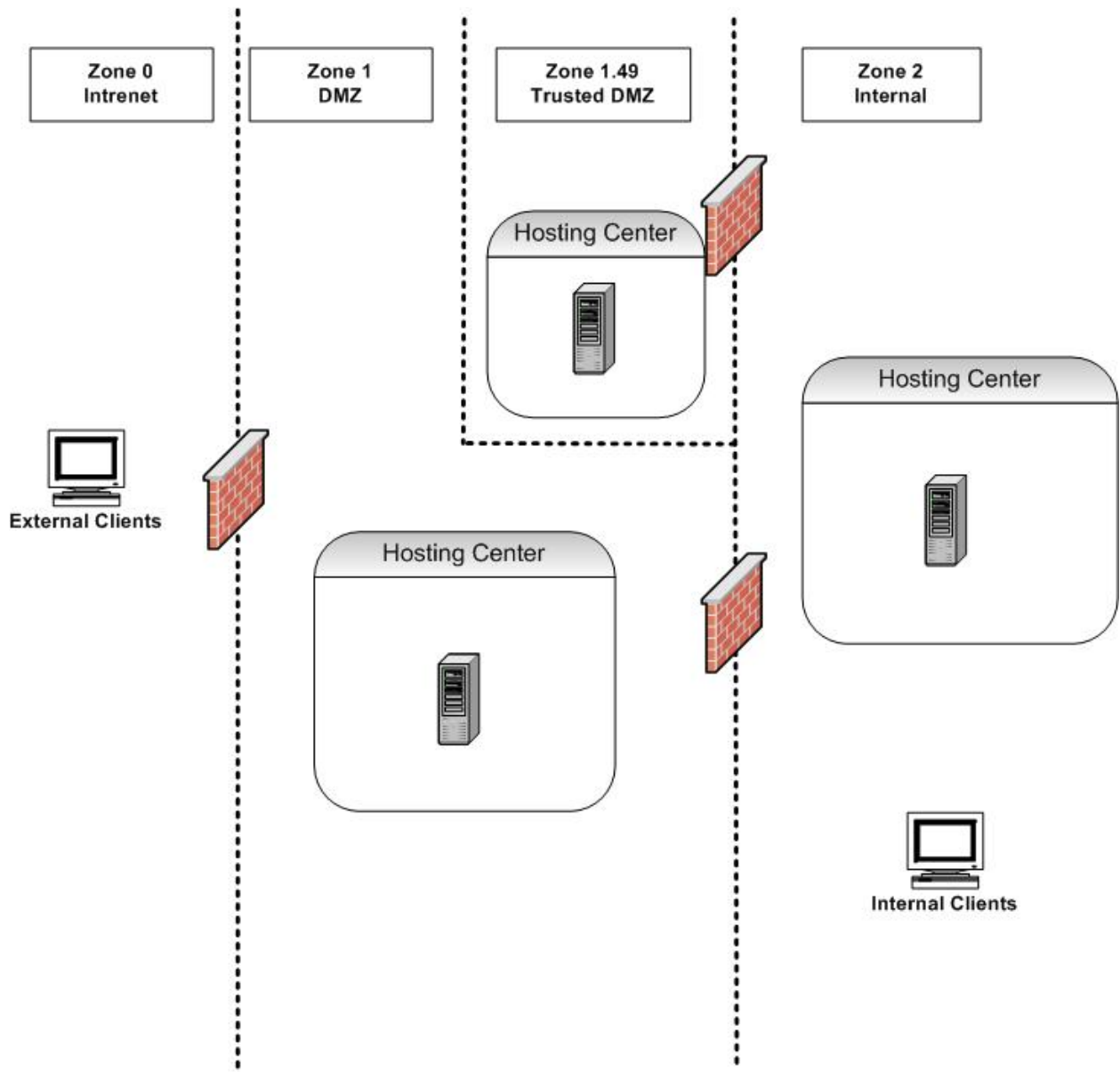
Business continuity requirements.	Describe below		
The business requirement(s) that determine the amount of time and the operational availability of the application to the end-user.	<to be completed by SOM prior to inclusion in RFP>		
Select Only One (1)	Availability Requirement Category – Availability Requirement is divided into three different levels. These levels define the continuous service availability requirements of the application. Based on the following definitions, please indicate the level of availability required for this Business Function / Application. <u>Urgent</u> - Business Function / Application outage has potential to cause loss of life or risk of injury to a citizen. 99.99% availability (<45 minutes of downtime / month). If an Urgent priority application is not available, DIT will work to resolve the incident 7 x 24 x 365. If the incident occurs after normal business hours, on-call staff (where available) will be called in to resolve the incident. DIT staff will continue to work the issue during and after business hours until the incident is resolved, and the application service restored. <u>High</u> – Business Function / Application outage will have a high non-life threatening impact on the public. If this application is not available, there may be an adverse impact on a large number of business clients who use the application. The lack of application availability may also be considered politically sensitive. 99.5% availability (<3.5 hours of downtime / month). DIT will work to resolve the incident 7 x 24 x 365. If the incident occurs after normal business hours, on-call staff (where available) will be called in to resolve the incident. DIT staff will continue to work the issue during and after business hours until the incident is resolved, and the application service restored. <u>Medium</u> – Business Function / Application not meeting the Urgent or High criteria will be assigned Medium priority status; this default will be considered the third priority and reflect a situation where there is no risk of personal injury, and the public is not being directly effected. 98% availability (<15 hours of downtime / month). If there is an issue with a medium priority application, work to resolve the incident will be handled during normal DIT Business hours (typically 8:00 am-5:00 pm, Monday-Friday. If the problem is not resolved at the end of the business day, staff will return to work the next business day, and continue the resolution process until the service is restored		
X			
Recovery Point and Time Objectives			
Select Only One (1)	Recovery Point Objective (RPO) is the maximum amount of data loss a business function can sustain during an event.	Select Only One (1)	Recovery Time Objective (RTO) is the maximum amount of time that can elapse until a system / application / function must be returned to service.
	2 hours		2 hours
	4 hours		4 hours
	6 hours		6 hours
	8 hours		8 hours
X	24 hours	X	24 hours
	72 hours		72 hours
	Other (Explain)		Other (Explain)
	N/A (Not Applicable)		N/A (Not Applicable)



Enterprise Architecture Solution Assessment

Server/Network Diagram (vendor version)

Diagrams are useful to illustrate the interaction of technologies. The "Server/Network Diagram" is intended to allow the EA (Enterprise Architecture) Core Team to understand the relationship between the system components. Below is an example illustrating the network components deemed necessary. Vendors may use their own format so long as adequate information is conveyed.



State of Michigan Network Diagram Example
Network example only
To be completed by vendor



Enterprise Architecture Solution Review

Cost Analysis (vendor version)

Bidder: The intent of the Cost Analysis is to gather an estimate of the long term maintenance and support costs which will be incurred by State of Michigan if the bidders solution is selected. Please complete this section to the best of your ability given the limited information available at this time.

Buyer: If long term cost estimate(s) are requested elsewhere in the RFP please delete this section.

No.	Cost Categories	Cost (\$)	Comments
A.	COTS/Application software update		
	(Includes licensing and updates each year)		
	1. First Year (after one year warranty)		
	2. Second Year		
	3. Third Year		
	4. Fourth Year		
	5. Fifth Year		
B.	Maintenance and support		
	(includes all programming and DB administration functions for implementing future business requirements)		
	1. First Year		
	2. Second Year		
	3. Third Year		
	4. Fourth Year		
	5. Fifth Year		
	Total Recurring Cost	\$	



HP Software Support Foundation



Data sheet

With over 20 years of excellence and experience, HP Software Support provides comprehensive technical support and updates for HP Software. Your IT staff will have fast, reliable access to well-trained experts who provide advice on HP Software features, problem identification, diagnosis and resolution. HP Software Support provides more than post-sales support to maintain your environment – HP Software Support helps ensure optimized uptime, reduces the Total Cost of Ownership (TCO), and drives efficient business outcomes.

Be empowered with HP Software Support

- Problem resolution – Gain access to expert technical resources
- New features – Get the latest updates and available solutions
- Access – Take advantage of online around-the-clock self-solve support
- Stability – Increase system performance and reduce downtime
- Reduced TCO – Support provides quicker time to resolution and less impact on your environment in case you encounter any incidents, and with updates included, support pricing is predictable
- Optimization – Optimize your IT environment with our technical expertise
- Communication – Receive proactive notification about new software versions and patches; participate in discussion forums; search our extensive online self-solve knowledge base.

Feature highlights

- Around-the-clock self-solve support
- Efficient and effective problem analysis
 - Problem isolation
 - Access to expert technical resources
 - Escalation management
- Defined service level objectives
- Software feature and operational support
- Software Update Manager
 - E-mail notification for new releases
 - Request updates online
 - Download updates for select HP Software products
- Software License History
 - Online software inventory report
 - Helps meet your compliance needs
- Choice of coverage windows and service levels.

For more information on all of our support offerings, please visit: www.hp.com/go/hpsoftwaresupport/support_options



Software Support Online

HP Software Support Online is your one stop resource for your support needs!

Available around the clock, 24x7, it is a fast and efficient way to access the interactive technical support tools needed to manage your HP Software, allowing your IT staff to quickly self-solve or log support cases electronically.

HP Software Support Online offers a vast array of HP Software knowledge, bringing comprehensive support resources to your fingertips. Additionally, SSO provides online incident reporting to an unlimited amount of users as part of your business environment, whereas phone-in support usually requires an uplift for more than two named callers. It enables you to:

- Search our extensive technical knowledge base for known problems, technical documents, manuals and patches

- Log, track and update cases electronically in an enhanced and secure environment to meet your privacy needs
- Review, revise and renew your HP Software Support contract
- Register for e-mail notifications for many HP Software product updates and patches
- Electronically download the latest software patches for HP Software products

Visit Software Support Online:

www.hp.com/go/hpsoftwaresupport

When to consider 24x7:

- IT changes after business hours or on weekends
- Maximum uptime
- Global deployment
- Medium to high complexity IT environment

Response Time Goals	Severity Level 1	Severity Level 2	Severity Level 3	Severity Level 4
9x5 Local business hours and local business days	9x5: 2 hours	9x5: 6 hours	9x5: 8 hours	9x5: 1 business day
24x7 Monday-Sunday, including all bank, public and HP holidays	24x7: 2 hours with prioritized support response	24x7: 4 hours	24x7: 6 hours	24x7: 1 business day

"Response Time" goals are provided as typical initial response times to support requests. Response time goals in no way create a legal requirement or obligation for HP to always provide such response in the stated time.

Definitions:

Severity Level 1 – Critical: Production system is down – HP product is unusable resulting in total disruption of work or other critical business impact. No workaround is available.

Severity Level 2 – Serious: Major feature/function failure – Operations are severely restricted. A workaround is available.

Severity Level 3 – Medium: Minor feature/function failure – Product does not operate as designed, minor impact on usage, acceptable workaround deployed.

Severity Level 4 – Low: Minor problem – Documentation, general information, enhancement request, etc...

HP Software Services

For additional information on HP Software Services, go to www.hp.com/go/hpsoftwaresupport/support_options

Through our innovative offerings in Support, Software-as-a-Service (SaaS) and Professional Services, we partner with you to help ensure your success and ROI.

To access technical interactive support, visit www.hp.com/go/btosoftware and review Key Resources and Featured Services.

To learn more about HP Software Customer Connection, a one-stop information and learning portal for software products and services, visit www.hp.com/go/swcustomerconnection



HP Software Support specifications and features

Features	Specifications
Software Support Online	Around-the-clock access to Software Support Online (SSO), our one stop resource for all your support needs. SSO offers unlimited access to troubleshooting help by providing an extensive knowledge database of over 60,000 documents. We will inform you about known symptoms and proposed solutions, specifications and technical literature.
Enhanced Advanced Self-Solve	Within minutes of original case logging or knowledge-based query you will receive an intelligent response; anytime, anywhere. Expanded search parameters enable flexible search methods that are easy to use. You can now search for specific products and even versions. Your search attempts are carried to case history, allowing engineers to detect the problems.
Response Time	Standard Response Time ("Response Time") goals are provided as typical initial response times to support requests: If you are a 24x7 support customer, you are entitled to receive 2-hour, 4-hour, 6-hour and 1-business day initial response time goals for severity levels 1 through 4, respectively. If you are a 9x5 support customer, you are entitled to receive 2-hour, 6-hour, 8-hour and 1-business day initial response time goals for severity levels 1 through 4, respectively. Response time goals in no way create a legal requirement or obligation for HP to always provide such response in the stated time.
Access to Technical Resources	You can submit cases online or by phone.
Choice of Coverage Window	With HP Software Support, you have the option to choose from 9x5 or 24x7 coverage to fit your individual business needs. HP Software Support 9x5 is available during local business hours and local business days. HP Software Support 24x7 is available 24 hours per day, Monday through Sunday, including all bank, public and HP holidays.
Escalation Management	HP has established formal escalation procedures to effectively solve your complex software problems.
Software Features and Operational Support	HP provides information on the latest product features, known problems and available solutions.
Software License History	HP offers an online report of software inventory purchased and passwords requested for entitled support contract customers.
Software Update Manager	Software Update Manager (SUM) enables you to receive e-mail notification and downloads of new updates for select HP Software products.
Patches	As new patches become available, HP will post them to Software Support Online for easy access. HP will provide instructions on how to obtain the patch through the original software manufacturer for select Third-Party products.
Named Callers	An unlimited amount of users can log cases online. For phone-in support you can list at least two Named Callers per support contract. Of course you can add more callers, and an additional charge will apply.
Troubleshooting Assistance	We provide assistance to help you identify root causes that are difficult to reproduce.
Remote Access	At our option and with your approval, we may use selected remote access tools, such as telephone support, to facilitate problem solving. The use of such tools allows HP to work interactively with your organization and to remotely assist with problem diagnosis. Only HP approved tools will be used as part of this feature.
Additional Offerings	As a 9x5 or 24x7 HP Software Foundation Support customer you can now easily augment support based on your individual business needs by purchasing HP Software Support Engineering Days. This add-on offering provides flexible deliverables for many of your ad-hoc or short-term business needs; for example, assisting with upgrades or migrations in your environment, or onsite troubleshooting. Check with your HP Software Support Sales Representative for more details.



HP Software Support specifications and features

General Provisions	Specifications
Hardware support	With a HP Hardware Maintenance Onsite agreement, a service request to the diagnose-before-dispatch desk will be logged on your behalf. If you do not have a HP Hardware Maintenance Onsite agreement, a per-call service request will be logged, with your approval.
Software versioning	A "major version" release usually includes major enhancements or new functionality, which is denoted by a change to the left of the decimal point (for example version 6.0 to 7.0). A "minor version" release usually include functional enhancements, denoted by a change to the right of the first decimal point (for example version 6.1 to 6.2).
Term Licenses	With the purchase of support in combination with a term license, we provide support through the web. All cases are to be logged online. Our extensive knowledgebase is also available to you by the click of a mouse.
Non-HP Software	HP will support specified versions of select non-HP software, but will not support the software any longer than the vendor supports it.
Maintenance cap	Unless otherwise specified in a quotation or contract, maintenance fees are calculated based upon the list Software License fee paid. For a period of two years after the order date, HP will limit any increase in maintenance fees for the applicable Software licensed to no more than five percent (5%) per year.
End of Support	We will provide support for the current and previous Minor Versions of the current Major Version. HP will support the last Minor Version of a Major Version for twenty-four (24) months from the date when a new Major Version becomes generally available. If we discontinue a product and no later version of same is commercially available as an update, we will provide support for twenty-four (24) months from the date of our product discontinuance notice.
Lapsed Support	We offer Return-to-Support. Upon payment of a new renewal term as well as the cost of any lapsed support, you will be able to return to HP Software Support. Additionally, HP may charge a 15% one-time Return-to-Support fee.
Cancellation	You may choose to cancel support or remove products from your support contract effective at the next support renewal date upon sixty (60) days prior notice, unless stated otherwise in a transaction document. Fee adjustments become effective at the next renewal date, unless stated otherwise in a transaction document. HP may discontinue support for HP Software or specific offerings part of HP Software Support's portfolio upon sixty (60) days notice.

Part number	Service name and description
	HP Software Support
HA106A1, HA106A3	Upfront Ordering (1 year and 3 years)
HA106AC	Contractual
	HP Software Support 24x7
HA107A1, HA107A3	Upfront Ordering (1 year and 3 years)
HA107AC	Contractual

PL2E/SKU No: 5982-9650EN LR Rev.6, February 2008

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Technology for better business outcomes





DEQ Pilot Project

Annual Maintenance

ID	Deliverable Item	HP SKU	Number of hours	Number of Days	Total Cost	Year 1	Year 2	Year 3	Year 4	Year 5
A.1	Detailed Project Plan (See RFP, Article 1, Section 1.104, sub-section A., item #1)	UN778AA	80		\$23,200					
A.2	Test Plan (See RFP, Article 1, Section 1.104, sub-section A., item #2)	UN778AA	40		\$11,600					
A.3	Transition Plan (See RFP, Article 1, Section 1.104, sub-section A., item #3)	UN778AA	40		\$5,800					
B.1	200 user Licenses				\$131,796	\$26,369	\$26,369	\$26,369	\$26,369	\$26,369
C.1	Configuration and Data Definition (See RFP, Article 1, Section 1.104, sub-section C., item #1)	UN778AA	232		\$58,600					
C.2	Interface (SDK) (See RFP, Article 1, Section 1.104, sub-section C., item #2)									
C.3	Testing (See RFP, Article 1, Section 1.104, sub-section C., item #3)									
C.4	Documentation (See RFP, Article 1, Section 1.104, sub-section C., item #4)	UN778AA	141		\$32,640					
C.5.1	End User Training (C.5) - Contractor to recommend number of days. (See RFP, Article 1, Section 1.104, sub-section C., item #5)	HF932AA		20	\$120,000					
C.5.2	Administrative Training (C.5) - Contractor to recommend number of days. (See RFP, Article 1, Section 1.104, sub-section C., item #5)	HF932AA		3	\$18,000					
C.5.3	Technical Training (C.5) - Contractor to recommend number of days. (See RFP, Article 1, Section 1.104, sub-section C., item #6)	UN778AA		2	\$12,000					
D.1	ASP (Application Service Provider) Model (See RFP, Article 1, Section 1.104, sub-section D., item #1)									



E.1	Turnover Report (See RFP, Article 1, Section 1.104, sub-section E., item #1)	UN778AA	15		\$4,000					
E.2	Updated Interface SDK Documentation (See RFP, Article 1, Section 1.104, sub-section E., item #2)									
E.3	Configuration Plan (See RFP, Article 1, Section 1.104, sub-section E., item #3)									
E.4	Updated Documentation (See RFP, Article 1, Section 1.104, sub-section E., item #4)	UN778AA	40		\$11,600					



Procurement of Software (Licensing)

	Number of hours	Unit rate	# of units	Total
Procurement of Software Licenses (See RFP, Article 1, Section 1.104, sub-section C., item #1)				
201 - 499 users		\$668		\$0
500 - 999 users		\$566		\$0
1,000-1,999 users		\$434		\$0
2,000 - 4,999 users		\$320		\$0
5,000 - 6,999 users		\$237		\$0
7,000 - 9,999 users		\$196		\$0
10000 - 14,999 users		\$165		\$0
15,000 - 19,000 users		\$126		\$0
20,000 - 24,999 users		\$113		\$0
25,000 - 29,999 users		\$107		\$0
30,000 - 39,999 users		\$95		\$0
40,000 - 49,999 users		\$83		\$0
50,000 - 59,999 users		\$74		\$0
60,000 + users		\$72	97210	\$6,999,120
Enterprise				\$0

Labor Rates

Rated Structure		Unit	Unit Rate	# of units	total
Project Manager - on site		Per day	2800	140	\$392,000.00
Project Manager - off site		Per hour	300	0	\$0.00
Technical Lead - on site		Per day	2800	500	\$1,400,000.00
Technical Lead - off site		Per hour	300	0	\$0.00
Data Conversion Specialist - on site		Per day	2400	420	\$1,008,000.00
Data Conversion Specialist - off site		Per hour	250	0	\$0.00
Custom Programmer - on site		Per day	2800	53	\$148,400.00
Custom Programmer - off site		Per hour	300	0	\$0.00
Administrator/End User Trainer - on site		Per day	6400	39	\$249,600.00
Administrator/End User Trainer - off site		Per hour	750	0	\$0.00
Technical Trainer - on site		Per day	6400	15	\$96,000.00
Technical Trainer - off site		Per hour	750	0	\$0.00
Data conversion rate		Per hour	250	2000	\$500,000.00
Marketing Specialist - on site		Per day	2400	85	\$204,000.00
Marketing Specialist - off site		Per hour	250	0	\$0.00