



**STATE OF MICHIGAN**  
**ENTERPRISE PROCUREMENT**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number 2  
 to  
 Contract Number 071B3200016

<b>CONTRACTOR</b>	WATCH SYSTEMS LLC
	516 E. Rutland St.
	Covington, LA 70433
	Jonathan Roberts
	985-801-3980
	jroberts@watchsystems.com
	*****5068

<b>STATE</b>	<b>Program Manager</b>	Thorne Sandi	MSP
		517-335-4070	
		thornes@michigan.gov	
	<b>Contract Administrator</b>	James Topping	DTMB
		(517) 284-7032	
		toppingj@michigan.gov	

**CONTRACT SUMMARY**

<b>MSP SEX OFFENDER REGISTRY SOFTWARE</b>			
<b>INITIAL EFFECTIVE DATE</b>	<b>INITIAL EXPIRATION DATE</b>	<b>INITIAL AVAILABLE OPTIONS</b>	<b>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</b>
October 15, 2012	September 30, 2017	5 - 1 Year	October 14, 2017
<b>PAYMENT TERMS</b>		<b>DELIVERY TIMEFRAME</b>	
		In accordance with the attached proposals.	
<b>ALTERNATE PAYMENT OPTIONS</b>			<b>EXTENDED PURCHASING</b>
<input type="checkbox"/> P-Card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**  
 NA

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	NA	<input type="checkbox"/>	NA	October 14, 2017
<b>CURRENT VALUE</b>		<b>VALUE OF CHANGE NOTICE</b>	<b>ESTIMATED AGGREGATE CONTRACT VALUE</b>	
\$2,356,400.00		\$8,196.00	\$2,364,596.00	

**DESCRIPTION**

A) Automation of failed to Verify for a cost of \$10,400.00 herein referenced as Exhibit "A"

B) Offender Watch Express Check-in Software, OffenderWatch Express Check-in annual user license, Lobby Kiosks training, support for a cost of \$39,896.00 herein referenced as Exhibit "B"

C) Maintenance services cost of \$83,200 annually, herein referenced as Exhibit "C"

The above changes are in accordance with the original contract documents section 1.001 and the attached proposals.

All other terms, conditions and specifications and pricing remain the same per contractor and agency agreement, and DTMB Procurement approval.

Exhibit "A"



Michigan State Police

## ***Automation of Failed to Verify***

Presented Date: 9/15/16

Jim Massicot  
Watch Systems, LLC  
516 East Rutland St  
Covington, LA 70433

Web: [www.watchsystems.com](http://www.watchsystems.com)

Email: [jmassicot@watchsystems.com](mailto:jmassicot@watchsystems.com)

Phone: 985-871-8110

## Purpose

The purpose of this proposal is to identify the business requirements and costs associated with automating Michigan State Police's Failure to Verify process, hereafter referred to as the Autoverify Process. The goals in automating this process are:

- Avoid errors and omissions regarding non-compliant offenders due to failure to verify.
- Reduce time in reporting/identification, record flagging and data entry/status updates.

This process will be applicable to only statutorily required verification cycles performed at MSP posts. Based on the present cycles used in Michigan, this will be all cycles other than residence checks.

## Solution Overview:

### When an offender fails to verify according to their birth month/verification cycle:

On the first of every month the Autoverify process will identify all Active offenders (Not including Active Pending Out of State) who have a "Next Verification Due Date" prior to the current date. The system shall automatically update these offenders' records as shown below:

- Last Verified - When the Autoverify process engages each month it will display the first of the month following the missed verification period as the "Last verified" date on the Edit Verification Screen and an event will be added into the verification history, e.g., if the offender missed their January 28, 2015 verification period, the "Last Verified" date should be updated to 02/01/2015.
- Verification Status - The Autoverify process will select a "Verification Status" for the date of its process ( in the example above this is the 02/01/2015 event) as "Failed to Verify".
- Verified By - "Verified By" should be listed as "System Generated" which is not currently a user but will be added as a user for this purpose.
- Anniversary Date - "Anniversary Date" shall remain unchanged by this process. Currently this is the offender's birth month, 1st day of their birth month, and their birth year. For this example: 1/1/1960
- Notes – The Autoverify process will add "Failed to Verify" into the "Notes" field at the time it updates the file.
- Other Fields in Edit Verification – All other fields should be left blank
- Compliance – Main Tab - The Autoverify process will change Compliance to "Non-compliant" if offender is not already non-compliant.
- Non-Compliance Reason – Main Tab – The Autoverify process will select "Failed to Verify" box and check this box as the non-compliant reason even if the offender is already non-compliant for some other reason.

### When an offender verifies according to their birth month/verification cycle:

On the first of every month, the Autoverify Process will identify all Active offenders (Not including Active Pending Out of State) who have a status of verified OK in their statutory cycle and are non-compliant for

a failed to verify reason. Currently the only active status used for this purpose is titled "Active". The Autoverify Process shall automatically update these offenders' records as shown below:

- Non-Compliant Reasons – Main Tab - If "Failed to Verify" checkbox is checked, box should be unchecked.
- Compliance – Main Tab - If there are no other non-compliant reasons listed, change Compliance to "Compliant". If there are other non-compliant reasons listed, keep Compliance as "Non-compliant".

**For all Inactive offenders and Active Pending Out of State offenders:**

- There will be no automation of failed to verify. Turn off for all inactive offenders, including inactive incarcerated and Active-Pending Out of State and pending review and pending registration.

**For statuses Pending Review, Pending Registration and Active Pending Out of State:**

- Will continue to have the ability to manually add fail to verify to status as needed

**For Active Offenders:**

- Will continue to have the ability to uncheck a failed to verify status that was system generated.

## Section 2: Investment

Total Cost: \$10,400.00

Itemized Breakdown of total cost:

Senior Database Administrator 58.3 hours at \$148.35 = \$8,646

Account and Implementation Manager (includes testing) 19.3 hours at \$90.93 = \$1,754

### *Payment and Billing Terms*

Invoice executed upon MSP's successful testing and acceptance of above business rules.

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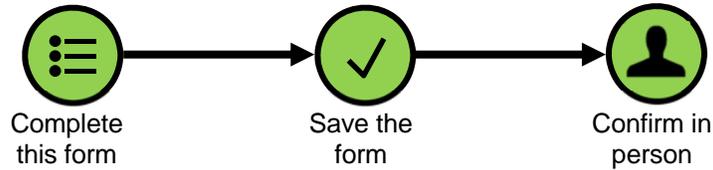
Agreed To and Accepted By Signature:

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Date:

Exhibit "B"

# Offenderwatch Express Check-in



PROPOSAL FOR

## OFFENDERWATCH EXPRESS CHECK-IN KIOSKS

FOR MICHIGAN STATE POLICE

**Presented to**  
Marci Kelley  
Michigan State Police  
P.O. Box 30634 Lansing, MI 48909  
Email address: [kelleym14@michigan.gov](mailto:kelleym14@michigan.gov)  
Phone: 517-241-1806

11 October 2016

**Presented by**  
Scott Freeman  
Web: [www.watchsystems.com](http://www.watchsystems.com)  
Email: [sfreeman@watchsystems.com](mailto:sfreeman@watchsystems.com)  
Phone: 985-871-8110  
Cell: 985.888-0959  
516 E Rutland St  
Covington, LA 70433  
[www.watchsystems.com](http://www.watchsystems.com)

Version 1.0. Current Printing: 21 December, 2016. Proposal is valid 90 days from the date above.

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## OVERVIEW

***We propose to decrease the workload of officers registering sex offenders in Michigan by providing self-service pre-registration with OffenderWatch Express Check-in and lobby kiosks.***

We currently provide the OffenderWatch sex offender registration, management, and community notification system for all law enforcement agencies in Michigan. We will decrease the workload of officers by enabling registering sex offenders to submit updates to their information online or at computer kiosks in the registering agency lobby.



***With OffenderWatch Express Check-in, registered offenders follow a simple self-serve process to submit updates of their information to the registering agency and then appear in person.***

OffenderWatch® helps registration and management agencies meet statutory requirements, while supporting multi-jurisdictional information sharing and collaboration between partner agencies, locally, regionally, statewide and nationally. OffenderWatch® is supported by the most experienced team of professionals in the country, providing user support, mapping, geocoding support, training, best practices, and updates and enhancements to the software to provide increased functionality and maintain statutory compliance.

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## OFFENDERWATCH® EXPRESS CHECK-IN

Michigan Public Sex Offender Registry

Michigan State Police

Michigan State Police

Login Confirmation

## Express Check-in

Complete this form → Save the form → Confirm in person

**Instructions**

Welcome to OffenderWatch® Express Check-in. Registered offenders may update their registration information and submit it to law enforcement. Please complete each section below from top to bottom. You may not skip a section. Answer the questions in each section then select next to go to the next section. At the end, just save the form. Remember, you are legally required to report in person to your local law enforcement agency shown above to confirm your registration.

**Completion of information on this website does NOT meet the requirements of the law. To meet your legal requirements, you must report to your registering law enforcement agency in person.**

**If your residence address has changed, you must report to your registering law enforcement agency in person within 48 hours of the change in address.**

Let's get started!

***OffenderWatch Express Check-in is a quick and secure way for registered offenders to update their information on file with law enforcement. Offenders are then legally required to confirm their registration with local law enforcement.***

OffenderWatch Express Check-in is a self-service solution designed to speed-up re-registration at busy agencies. Offenders can securely complete information at home, online or agencies can offer an “express line” encouraging offenders to use this time-saving process.

Offenders like OffenderWatch Express Check-in because it is simple, secure, and saves them time. Offenders can:

- Log in via the internet using their name, last 4 digits of their SSN, and date of birth.
- Update any information that requires validation and may have changed.
- View their next verification / re-registration date.
- Enter an email address to receive a reminder 14 days prior to the next verification date.
- Print a receipt to bring to the registering agency.

Officers save time entering and editing offender records. Officers can:

- Offer OffenderWatch express on a computer or kiosk in the lobby to encourage offenders to save time in the “Express Line.”
- See the email address and IP address of the computer the offender used as well as any computer that attempted login.
- Receive a message when an offender has made an update to his file.
- Suspend updates until the offender appears in person to review and attest to the accuracy of the data.

- View a list of all offender registration updates in the suspense file that are pending, completed, or expired.
- When the officer is satisfied with the data, the file is then applied to the registry database.

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## OFFENDERWATCH EXPRESS INDOOR KIOSKS

***We will deliver a turn-key solution that includes lobby kiosks with pre-installed Express Check-In software, hardware, software maintenance, user training and professional support.***

The Kiosks are assembled and delivered by our partner, Meridian Kiosks. Meridian is a self-service industry pioneer, leading in innovation and precision for over 25 years. Designed for 24x7 operation, the kiosks are highly available and responsive to user interaction. The kiosks are built with proven technology by Meridian. The Meridian production plant operates from 7am to 3pm Monday through Friday in Aberdeen, NC.

### **Kiosk Features Include:**

- Modern, appealing design
- Colorful branding
- ADA compliant
- Small footprint
- Front access
- Powder coat and Vinyl Graphics
- Surface Acoustic Wave (SAW) Touch Screen
- 17-inch display
- Printer
- Marine Speakers and Amplifier
- Climate Control
- Hydraulic door dampers for safe access
- Fully grounded for additional safety
- Standard 3-year warranty
- PC – Solid State Drive with either Windows 7 or 10 operating system (customer's choice), with updates via Meridian's proprietary remote VNC connection using traffic encrypted SHA256 (TLS 1.2 Standard) MzeroManage that deploys all necessary updates to the platform software.
- Cryptographic protocols provide communications security over a computer network. Mzero's "SSL Certificate" for [mzero-software.net.com](http://mzero-software.net.com) it's a TLS1.2 sha256 which is the current standard certificate issued.
- Kiosks are monitored via heart beat alarm data being sent to Mzero Manage servers, and the Manage servers are easily configurable to send email alerts based on each alarm and its severity.



With Meridian's design experience, quality guaranteed products and top-notch customer service, your kiosk project is assured of success. Meridian Kiosks provides all the required hardware and integration services throughout the lifecycle of your project.

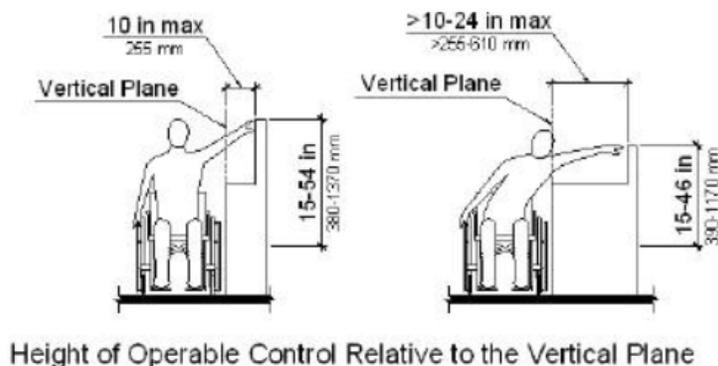
High quality lobby kiosks will be assembled and delivered directly from our partner manufacturer Meridian. The software and hardware to present OffenderWatch Express Check-in will be ready to place and plug-in power and internet access.

### Benefits of Our Approach

- Low Cost of Ownership
- Ease of operation
- Modular design for easy maintenance
- Built on widely used stable proven technology supported by MzeroMange client connections from both the kiosk and client peer through a TLS (256 bit RSA) encryption tunnel
- Remote software update via TightVNC encrypted web traffic
- High life cycle components

### ADA Compliant Kiosks

The kiosks are built to comply with the ADA guidelines for height and reach depth. The guidelines stipulate that if the reach depth to operate parts of controls is length than 10 inches (225mm), then the highest point on the structure that requires user interaction must not be greater than 48 inches (1370) from the floor. The ADA reach and height specifications are shown below.



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## PROJECT OBJECTIVE

The objective is to decrease the workload of officers registering offenders in the Michigan agencies with the highest number of offenders. We will accomplish our objective by:

- Providing OffenderWatch Express Check-in via the internet so that offenders can register from any web browser.
- Providing OffenderWatch Express check-in kiosks for to the busiest agencies so that registered offenders to update their records while waiting in the lobby of the agency.
- Training registry staff in the processing of pending updates from OffenderWatch Express Check-in.
- Measuring the time it takes to register an offender with and without OffenderWatch Express Check-in.

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## SCOPE OF WORK

Watch Systems will provide the OffenderWatch Express Check-in software used by registering offenders to all law enforcement agencies throughout Michigan that currently use OffenderWatch.

Watch system will provide support to registering officers for OffenderWatch Express Check-in using the same OffenderWatch help desk.

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## DELIVERABLES

**OffenderWatch Express Check-in Software** – This is a hosted service accessible by the offender via the lobby kiosk or by internet browser on a home PC. Registering officers use their current OffenderWatch registry software to process the pending updates from OffenderWatch Express Check-in.

**OffenderWatch Express Check-in Lobby Kiosks** – High quality lobby kiosks delivered with OffenderWatch Express Check-in pre-installed so they are will be ready to place and connect to power and the internet.

**Training and Support** – Live webinar training will be provided along with getting started guide documentation. Our Customer Service Help Desk is available Monday-Friday 7 am to 7 pm CST with afterhours on call service. Our courteous staff has specific knowledge of OffenderWatch® Express Check-in and SOR best practices.

**Maintenance and Warrantees** – OffenderWatch Express-Check-in is maintained and updated as part of your annual subscription. Hardware Warrantees are provided, by our partner Meridian.

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## ACCEPTANCE CRITERIA

An MSP user acting as an Offender can perform the following functions:

1. Log into OffenderWatch Express Check-in from a PC using a popular browser.
2. Update the record and submit it.

An MSP user acting as an Offender can perform the following functions:

1. Log into OffenderWatch Express Check-in on each of the lobby kiosks.
2. Update the record and submit it.

MSP SOR Officers can perform the following functions:

3. Can log into OffenderWatch, open the pending items queue and see pending items OffenderWatch Express Check-in.
4. Open the pending item and accept or reject changes.

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## PROJECT CONTROL

The product manager will provide:

- Immediate identification and remediation steps for any issues.

## SPECIFIC DEPARTMENT STANDARDS

OffenderWatch Express Check-in helps increase offender compliance by making it easier for offenders to update their record with information (such as home, work and school addresses or vehicles), as required by Michigan statutes for registered sex offenders. The information submitted by the offender is held as pending until the offender reports in person to the appropriate Michigan registering agency. After the offender is identified, and the information is confirmed, the pending update can be committed to the offender record by the SOR officer using OffenderWatch.

## PROJECT SCHEDULE

Due Date	Item
Start Date	Purchase Order Received
6-8 weeks	OffenderWatch Express Check-in lobby kiosks delivered
	Agencies receiving kiosks confirm power and internet access and space is provided
	OffenderWatch Express Check-in will be enabled for all current users of OffenderWatch in Michigan
	OffenderWatch Express Check-in lobby kiosks will be delivered to the agencies
	Agencies connect lobby kiosks to power and internet
	OffenderWatch Express Check-in live webinar training
	MSP acceptance test OK

## PROJECT CONTACTS

Role	Biography	Contact
<b>Product Manager</b> <ul style="list-style-type: none"> <li>Manages and drives requirements for all OffenderWatch add-on products.</li> <li>Identifies where customers can benefit from additional OffenderWatch solutions.</li> <li>Manages implementation and provides user training.</li> </ul>	 <b>Scott Freeman</b> With over 10 years of experience in law enforcement, Scott offers practical technical solutions and best practices to our customers.	sfreeman@watchsystems.com Office: 985.871.8110x7901 Fax: 985.871.8115 Cell: 985.302.7686
<b>Customer Relationship Manager</b> <ul style="list-style-type: none"> <li>After contract award, organizes Steering Committee.</li> <li>Provides user support and ongoing training.</li> <li>Expedites change requests or issue resolution.</li> </ul>	 <b>Jim Massicot</b> Jim has been successful in implementing, training and assisting law enforcement with sex offender management best practices in several surrounding states including LA, OH, and AR.	Jmassicot@watchsystems.com Office: 985.871.8110x7908 Fax: 985.871.8115 Cell: (985)273-9140
<b>Accounting</b> <ul style="list-style-type: none"> <li>Establishes initial contract order.</li> <li>Invoices customer per project milestones.</li> <li>Handles annual subscriptions.</li> </ul>	 <b>Phyllis Jones</b> Phyllis supports the customer procurement office and provides invoices.	<a href="mailto:pjones@watchsystems.com">pjones@watchsystems.com</a> Office: 985.871.8110 x7948 Fax: 985.871.8115 Cell: 985.605.4003
<b>Customer Support Supervisor</b> <ul style="list-style-type: none"> <li>Provides timely response to user issues and ideas.</li> </ul>	 <b>Johnnie Corkern</b> Ensures our Customer Service Help Desk is available with a courteous staff having specific knowledge of OffenderWatch® notification and SOR best practices.	Help Desk: 985.871.8110 <a href="mailto:ow_support@watchsystems.com">ow_support@watchsystems.com</a>

## AGENCY AND CONTRACTOR RESPONSIBLY

### Our Responsibilities

We will deliver a turnkey solution that includes:

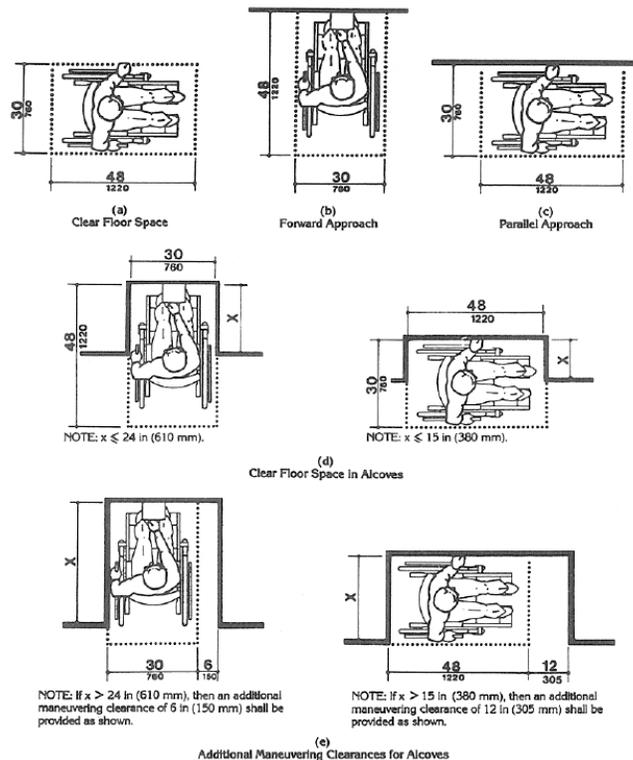
- Kiosk Hardware and System Software (Windows 7 or 10 as determined by MSP)
- OffenderWatch Express Check-in Software pre-installed
- OffenderWatch Express Getting Started Guides
- Live Webinar User Training
- 24x7 Professional User Support by phone, email, or in-tool ticket

### MSP Responsibilities

Receive and unbox the kiosk packages and follow the simple installation instructions. Follow the enclosed instructions to remove the kiosk. Minimal assembly is required. Installation of Kiosks is similar to installing personal computer. Standard power (110v 15amp) and internet connections (Ethernet cable is not provided) must be provided. A power conditioner and surge protector is included. Consider wire handling to prevent a tripping hazard and/or accidental disconnection. A limited amount of printer paper is provided for the trial period but ongoing supply will be the responsibility of MSP.

### Position the kiosk to ensure accessibility per ADA guidelines

Our kiosks are built to comply with the ADA guidelines for height and reach depth. The customer must ensure that the placement of the kiosk meets ADA Guidelines. The minimum required floor space to provide unrestricted approach to a kiosk is 30" x 48". ADA reference diagrams for minimum clear floor space for wheelchairs are provided below:



## Power up and configure network settings

Follow the enclosed instructions for configuring network and internet connectivity. Help with the kiosk installation is available by phone or email.

## Test OffenderWatch Express Check-in

Users will be trained in both the offender and the SOR officer procedures. A Quick start for each role is also provided. Testing involves walking through the process as trained.

## Kiosk Check List

LOBBY KIOSK TEST			
Tester:		Date:	
Pass/ Fail	Test	Expected Results	Tester Notes
	Power is on, internet is available.	Display shows OffenderWatch Express welcome and login.	Compare to public site: <a href="https://ws.watchsystems.com/expresspage/index.aspx">https://ws.watchsystems.com/expresspage/index.aspx</a>
	Login as a test offender.	The confirmation screen is presented.	The test offender must already exist in OffenderWatch for your agency.
	Confirm the identity and make an update to any or multiple fields.	Address, vehicle and other tabs are displayed and can be edited.	
	Submit the update and print the receipt.	The update is accepted and a summary page is presented. The kiosk prints a receipt.	Make sure there is paper in the printer.
OFFENDERWATCH ACCEPT PENDING UPDATE TEST			
	Check Pending Items in OffenderWatch.	Use your agency credentials to login. Click the Pending Items Tab on upper right.	You must already be an OffenderWatch user.
	Review the updates and accept the changes.	The record is updated in OffenderWatch.	

## LOCATION OF WHERE THE WORK IS TO BE PERFORMED

Kiosks will be installed at the following locations:

Delivery Location	Point of Contact
Lansing Post 7119 N. Canal Road Lansing, MI 48913	Greg Kalisz Sex Offender Registry Unit Criminal Justice Information Center Michigan State Police P.O. Box 30634 Lansing, MI 48909 Phone: 517-284-3714 Fax: 517-241-1868
Brighton Post 4337 Bruno Road Brighton, MI 48114	
Tri-City Post 2402 Salzburg Road Freeland, MI 48623	
Flint Post G-4481 Corunna Road Flint, MI 48532	

## EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS

The construction and programming of the kiosks will be done at Meridian's production facility in Aberdeen, NC. The contractor's standard hours of operation are Monday to Friday, 7am to 3pm. The contractor complies with all federal applicable labor laws.

To eliminate interruptions to ongoing work by Michigan agencies, any delivery, installation, and training on lobby kiosks or OffenderWatch Express Check-in will take place at scheduled times during normal MSP working hours.

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## COST

OffenderWatch® Kiosk is provided at the one-time investment of \$7,995 plus \$479 for shipping per unit. Kiosk software warranty can be extended beyond the first year directly with Kiosk Manufacturer. OffenderWatch Express Check in is provided at an annual fee of \$1,500 per year per kiosk and can be extended beyond the first year directly with OffenderWatch.

Quantity	Item	Unit Cost	Cost
4	Express Check-in annual user license	\$1,500	\$6,000
4	Lobby Kiosk	\$7,995	\$31,980
4	Shipping	\$479	\$1,916
	<b>TOTAL</b>		\$39,896

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## TERMS AND CONDITIONS

### Payment and Billing

We will invoice you for the OffenderWatch Kiosk and payment is due upon 45 days of receipt.

### Travel Expenses

No travel is expected under this contract. User training will be conducted by webinar. The installation of the Kiosks is as simple as plugging in a PC.

### Kiosk Hardware Warranty and Maintenance

Lobby Kiosk includes 3-year depot maintenance on hardware and 1 year remote support on software and system health – this support and warranty is delivered and coordinated by Kiosk Manufacturer.

### OffenderWatch Software Maintenance and Updates

OffenderWatch Software updates and user support is provided under the Annual Renewing Internet Access and Services Agreement. This includes user training, Help Desk support, software maintenance, continuous software upgrades as they are made available.

### Customer Support and 24x7 Help desk

Our professional Customer Support staff is available Monday through Friday, 7 AM to 7 PM CT, with after-hours on-call service. Help desk is staffed by English speaking personnel located within the continental United States and is available by phone or email or in-tool ticket support tickets. Our support staff is well trained in SOR best practices and practical tips. Watch Systems Help Desk telephone and email support includes help with geocoding unmappable offender addresses. Additional 2<sup>nd</sup> level Kiosk support is available via the Meridian support center at 866-454-6757.

### Training

Kiosk and OffenderWatch Training will be provided by professional solution specialists knowledgeable of SOR best practices. OffenderWatch Express Check-in will be provided by live webinars and quick start documentation is provided. Kiosk user servicing training will be provided via webinars hosted by Meridian.

---

## SIGNATURES

**Agreed to and Accepted by:**

---

Name / Title

---

Email

---

Phone

---

Name / Title

---

Email

---

Phone

**Primary authorized user or coordinator:**

---

Marci Kelley

Michigan State Police

P.O. Box 30634 Lansing, MI 48909

Email address: [kelleym14@michigan.gov](mailto:kelleym14@michigan.gov)

Phone: 517-241-1806

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## ATTACHMENTS

**OffenderWatch® Express Quick Start**

**OffenderWatch® End User License Agreement**

**Meridian End User License Agreement**

# Invoice



516 E Rutland Street  
Covington, LA 70433  
985-871-8110

Date	Invoice #
11/28/2016	31802

Bill To
Michigan State Police Sex Offender Registry Unit -CJIC Attn: Marci Kelly P.O. Box 30634 Lansing, MI 48909

Account #	P.O. No.	Terms	Due Date
55362		Net 30	12/28/2016

Item	Description	Service Begin Date	Service End Date	Amount
State - Express	Express Services - State Level	12/1/16	11/30/17	83,200.00

<b>Total</b>		\$83,200.00
<b>Payments/Credits</b>		\$0.00
<b>Balance Due</b>		\$83,200.00

To insure prompt and proper recording of payments, please reference invoice numbers on all forms of payment.

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

**CHANGE NOTICE NO. 1**  
 to  
**CONTRACT NO. 071B3200016**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Watch Systems 516 E. Rutland Street Covington, LA 70433	Jonathan Roberts	jroberts@watchsystems.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(985) 801-3980	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Sandi Thorne	517-335-4070	thornes@michigan.gov
BUYER	DTMB	David Hatch	517-284-7044	hatchd@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: <b>MSP Sex Offender Registry Software</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 15, 2012	October 14, 2017	2, one year	October 14, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	Destination	Shipped	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$356,400.00		\$2,356,400.00		

Effective May 1, 2014 through April 30<sup>th</sup>, 2016, this contract is amended to purchase the OffenderWatch Active Contact System module and the OffenderWatch Booking Alert System module at a firm fixed price. Active Contact is an option to purchase in the contract on page 27, item #5.

Section 1.601 Compensation and Payment is updated including Table 4: Optional Products, Services, and Requirements as noted in the Cost Tables attached to this Change Notice #2.

**Summary Cost Table:**

Table 1: Phase I, II, III	\$393,500.00
Table 2: Operation Services/Maintenance and Support	\$1,440,000.00
Table 3: Reserved Funding for Future Enhancements or Additional Services	\$166,500.00
Table 4: Optional Product, Services and Requirements	\$356,400.00
<b>Total Cost</b>	<b>\$2,356,400.00</b>

**Table 4: Optional Products, Services and Requirements provided at firm fixed price.**

Active Contact System – Year 1 (May 1, 2014 to April 30, 2015)	\$67,500.00
Active Contact System – Year 2 (May 1, 2015 to April 30, 2016)	\$67,500.00
Booking Alert System – Year 1 (May 1, 2014 to April 30, 2015)	\$110,700.00
Booking Alert System – Year 2 (May 1, 2015 to April 30, 2016)	\$110,700.00
<b>Total Cost</b>	<b>\$356,400.00</b>

Please also note that the buyer has been changed to David Hatch. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on April 8, 2014.

**Method of Payment**

The project will be paid on a deliverables/milestone basis. See below cost table.

The State agrees to pay the Contractor during the term of this contract an amount not to exceed three hundred ninety three thousand five hundred dollars and no cents (\$393,500.00) for implementation services outlined in Section 1.104 of the Contract.

**Summary Cost Table:**

Table 1: Phases I,II,III	\$393,500.00
Table 2: Operation Services / Maintenance and Support	\$1,440,000.00
Table 3: Reserved Funding for Future Enhancements or Additional Services	\$166,500.00
Table 4: Optional Product, Services, and Requirements	\$356,400.00
<b>Total Cost</b>	<b>\$2,356,400.00</b>

**Table 1: Phases I, II, III**

Phase I Payment Milestone 1	\$39,350.00
Phase I Payment Milestone 2	\$78,700.00
Phase II Payment Milestone 3	\$118,050.00
Phase III Payment Milestone 4	\$78,700.00
Phase III Payment Milestone 5	\$78,700.00
<b>Total Implementation Costs</b>	<b>\$393,500.00</b>

**Table 2: Renewal Operation Services (Includes Operation Services, Maintenance and Support)**

Operation Services / Maintenance and Support Period 1 (October 15, 2013 to October 14, 2014)	\$360,000
Operation Services / Maintenance and Support Period 2 (October 15, 2014 to October 14, 2015)	\$360,000
Operation Services / Maintenance and Support Period 3 (October 15, 2015 to October 14, 2016)	\$360,000
Operation Services / Maintenance and Support Period 4 (October 15, 2016 to October 14, 2017)	\$360,000

**Phase I:** Initial set-up with *OffenderWatch®* and *OffenderWatch Express* license, creation of personalized web page, testing of MI data load, establishment of implementation steering committee, set up of MI state-specific parameters and values. See Section 1.104 of Contract for additional deliverables.

Time frame for completion is 30-60 days after receipt of the signed contract.

**Phase I Milestone Payments:**

Payment Milestone 1: 10% or \$39,350.00 due upon completion of the deliverables found in 1.104.I.B

Payment Milestone 2: 20% or \$78,700.00 due upon completion of the remaining Phase I deliverables.

**Phase II:** Complete initial load of offender data. See Section 1.104 of Contract for additional deliverables.

Time frame for completion is 30-60 days after Phase I.

**Phase II Milestone Payments:**

Payment Milestone 3: 30% or \$118,050 due upon completion of the Phase II deliverables.

**Phase III:** Creation and testing of MI CJIS update, NSOPW, Exchange Portal, and NCIC updates. The functionality, operability, establishment of the Michigan *OffenderWatch®* steering committee, and on-site training will be conducted. In addition, the final data load by Watch Systems and "Go Live" will be established. See Section 1.104 of Contract for additional deliverables.

Time frame for completion is 30-60 days after Phase II.

**Phase III Milestone Payments:**

Payment Milestone 4: 20% or \$78,700 due upon completion of PARE

Payment Milestone 5: 20% or \$78,700 due upon completion of the remaining Phase III deliverables.

**Renewal Operation Services**

*(Includes Operation Services, Maintenance and Support)*

- Service agreement \$360,000 for October 15, 2013 to October 14, 2014  
To be paid by October 15, 2013.
- Service agreement \$360,000 for October 15, 2014 to October 14, 2015  
To be paid by October 15, 2014.
- Service agreement \$360,000 for October 1, 2015 to October 14, 2016  
To be paid by October 15, 2015.
- Service agreement \$360,000 for October 1, 2016 to October 14, 2017  
To be paid by October 15, 2016.

**Reserved Funding for Future Enhancements or Additional Services:**

This contract includes \$166,500 funding for future enhancements and additional services. This funding can also be utilized for the optional items currently outlined in the Contract.

Mailings shall be executed at a price equal to the price of a first class stamp per piece subject to a minimum charge of \$35 per mailing. Mailing rates may vary from time to time for, among other things, changes in US Postal rates. However, the mailing rates hereunder shall not be modified without at least thirty (30) days advance written notice to the State stating the reason therefore. Each mailing will be approved in advance by the State.

**Table 4: Optional Products, Services, and Requirements provided at a firm fixed price.**

Active Contact System – Year 1 (May 1, 2014 to April 30, 2015)	\$67,500.00
Active Contact System – Year 2 (May 1, 2015 to April 30, 2016)	\$67,500.00
Booking Alert System – Year 1 (May 1, 2014 to April 30, 2015)	\$110,700.00
Booking Alert System – Year 2 (May 1, 2015 to April 30, 2016)	\$110,700.00
<b>Total Cost</b>	<b>\$356,400.00</b>

The details surrounding the above tables/phases are provided below and in Section 1.104 of this Contract.

**Additional On-Site Training.**

On-site training requested by the State in addition to that provided for in Attachment D hereto shall be billed at \$4,000 per week to the State inclusive of travel, meals, lodging, and other ancillary expenses associated with supporting services.

**Travel**

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time will not be reimbursed.

If Contractor reduces its prices for any of the software or services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the State's MDTMB Contract Administrator with the reduced prices within fifteen (15) Business Days [or other appropriate time period] of the reduction taking effect.

**Statements of Work and Issuance of Purchase Orders**

1. Unless otherwise agreed by the parties, each future 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
2. 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**

Contractor will submit properly itemized invoices to

DTMB – Financial Services  
Accounts Payable  
P.O. Box 30026  
Lansing, MI 48909  
or  
DTMB-Accounts-Payable@michigan.gov

Invoices must provide and itemize, as applicable:

1. Contract number;
2. Purchase Order number
3. Contractor name, address, phone number, and Federal Tax Identification Number;
4. Description of any commodities/hardware, including quantity ordered;
5. Date(s) of delivery and/or date(s) of installation and set up;
6. Price for each item, or Contractor's list price for each item and applicable discounts;
7. Maintenance charges;
8. Net invoice price for each item;
9. Shipping costs;
10. Other applicable charges;
11. Total invoice price; and
12. Payment terms, including any available prompt payment discount.

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.

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



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

<b>Project Title:</b> MSP – Offender Watch Active Contact Service	<b>Period of Coverage:</b> 1 March 14 – 31 May 15
<b>Requesting Department:</b> Michigan State Police	<b>Date:</b> 19 Feb 14
<b>Agency Project Manager:</b> Karen Johnson, MSP	<b>Phone:</b> 517-241-3797
<b>DTMB Project Manager:</b> Gordon Mayes	<b>Phone:</b> 517-241-2257

**Brief Description of Services to be provided:**

**BACKGROUND:**

The Michigan State Police (MSP) is migrating off of the Sex Offender Registry to Offenderwatch for tracking of Convicted Sex Offenders. The new application is slated to go live on 27 February 2014. MSP would like to purchase the Active Contact Module for the OffenderWatch System.

**PROJECT OBJECTIVE:**

The objective of adding Active Contact would be to increase the number of Sex Offenders in meeting the Verification renewals in a timely manner. This would decrease the amount of time by Law Enforcement officials in tracking them down when they become absconders thereby allowing more time to attend to current criminal activity.

**SCOPE OF WORK:**

Services included: – includes user training, Help Desk support, software maintenance, continuous software upgrades as they are made available. Also includes Watch Systems Help Desk telephone and email support for offender addresses including repair where possible of unmappable addresses.

**TASKS:**

Technical support is required to assist with the following tasks:

- Agency is assisted in creating automated prerecorded telephone and email messages that will include personalized data (sheriff's office, phone number to call to confirm receipt of message, and date offender is due to report)
- Messages are sent via automated email and telephone call center according to the following schedule as a minimum, but this is tailorable to your preferences and specifications:
  - 5 days in advance of annual re-registration date
  - 3 days after offender misses an appointment
  - Once in the middle of the year reminding offender of compliance requirements of the local ordinances
- Additional messages can be recorded and sent to all or certain offenders to accomplish any need or purpose your agency may have – there may be a small additional fee for additional messages.
- Phone calls and Emails are sent via industry specialized commercial email servers and a commercial very high volume call center, enabling high volume delivery of messages without problems from spam filters
- Offenders call the designated number to confirm receipt of the call and email. Wrong number handling is provided for citizens to call the agency to advise a wrong number was called.
- Agency is provided with daily activity record indicating failed calls and returned emails for follow-up
- Agency is provided with a web-based tool reporting all call history, statistics and results

Address 333 S Grand Ave  
City/State/Zip Lansing, MI 48933  
Phone Number 517-241-3797  
Fax Number  
Email Address johnsonk28@michigan.gov

The designated DTMB Project Manager is:

Name Gordon Mayes  
Department DTMB  
Area Customer Service  
Building/Floor MSP HQ's, 4<sup>th</sup> Floor  
Address 333 S Grand Ave  
City/State/Zip Lansing, MI 48933  
Phone Number 517-254-2254  
Fax Number  
Email Address mayesg1@michigan.gov

**AGENCY RESPONSIBILITIES:**

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Consultants will work at MSP HQ's in Lansing, Michigan.

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

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

No overtime will be permitted.

**OffenderWatch Active Contact: DELIVERABLES and INVESTMENT for Michigan State Police**

Software included: additional functionality and services to be delivered in addition to the existing OffenderWatch@ application which the agency currently utilizes. Active Contact requires the presence of OffenderWatch@ and a valid database of offenders.

**Services included:** – includes user training, Help Desk support, software maintenance, continuous software upgrades as they are made available. Also includes Watch Systems Help Desk telephone and email support for offender addresses including repair where possible of unmappable addresses.

**Active Contact Process and Deliverables: Please see datasheet and Quick Start Guide for latest specifications.**

- Agency is assisted in creating automated prerecorded telephone and email messages that will include personalized data (sheriff's office, phone number to call to confirm receipt of message, and date offender is due to report)
- Messages are sent via automated email and telephone call center according to the following schedule as a minimum, but this is tailorable to your preferences and specifications:
  - 5 days in advance of annual re-registration date
  - 3 days after offender misses an appointment
  - Once in the middle of the year reminding offender of compliance requirements of the local ordinances
- Additional messages can be recorded and sent to all or certain offenders to accomplish any need or purpose your agency may have – there may be a small additional fee for additional messages.
- Phone calls and Emails are sent via industry specialized commercial email servers and a commercial very high volume call center, enabling high volume delivery of messages without problems from spam filters
- Offenders call the designated number to confirm receipt of the call and email. Wrong number handling is provided for citizens to call the agency to advise a wrong number was called.
- Agency is provided with daily activity record indicating failed calls and returned emails for follow-up
- Agency is provided with a web-based tool reporting all call history, statistics and results

**Investment:** Active Contact is provided at the rate of \$135,000.00 for 2 years (May 1<sup>st</sup> 2014 through April 30<sup>th</sup> 2016) Setup and training is included. Offender count at the start of the year provides the basis for billing

**IMPLEMENTATION TIMELINE**

Approx 30 Days or less from start of agreement



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

<b>Project Title:</b> MSP OffenderWatch Booking Alert	<b>Period of Coverage:</b> 20 March 14 – 30 June 14
<b>Requesting Department:</b> MSP-ASB-CJIC	<b>Date:</b> 25 Feb 14
<b>Agency Project Manager:</b> Karen Johnson	<b>Phone:</b> 517-241-3797
<b>DTMB Project Manager:</b> Gordon Mayes	<b>Phone:</b> 517-241-2257

**Brief Description of Services to be provided:**

**BACKGROUND:**

The Michigan State Police (MSP) is migrating off of the Sex Offender Registry to Offenderwatch for tracking of Convicted Sex Offenders. The new application is slated to go live on 27 February 2014. MSP would like to purchase the Booking Alert Module for the OffenderWatch System.

**PROJECT OBJECTIVE:**

The objective of adding Booking Alert would allow the MSP to receive daily updates on the Status of current offenders who have been incarcerated in Federal, State and Local Prisons/Jails. Although this system does not account for every jail in the United States, this database is the largest single source of incarceration data in the country.

**SCOPE OF WORK:**

- Upon startup, Watch Systems will create an automated daily process to electronically compare Agency's offender data residing in OffenderWatch® to the APPRISS OffenderNet database of inmates incarcerated in state and local jails all across America – this the largest database in America of inmates but does not contain 100% of the states and local institutions
- When one of your agency's offenders is detected in the OffenderNet database (a 'hit' as it is called), Booking Alert will automatically and immediately email your designated contact advising them the details of the offender who was booked or released from jail and the location of the jail.

**TASKS:**

Technical support is required to assist with the following tasks:

- Create automated daily process to electronically compare agency offenders in OffenderWatch to APPRISS OffenderNet database.
- Create alerts when a Match (Hit) is detected during the compare.

**DELIVERABLES:**

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

- Fully functional automated daily compare process of Agency Offenders in OffenderWatch with the APPRISS OffenderNet Database.
- Alerts when "Hits" are detected with the details of the offender of when they were booked, released and the location of the jail.

Name Gordon Mayes  
Department DTMB  
Area Customer Service  
Building/Floor MSP HQ's, 4<sup>th</sup> Floor  
Address 333 S Grand Ave  
City/State/Zip Lansing, MI 48933  
Phone Number 517-254-2254  
Fax Number  
Email Address mayesg1@michigan.gov

**AGENCY RESPONSIBILITIES:**

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Consultants will work at MSP HQ's in Lansing, Michigan.

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

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

No overtime will be permitted.

## **OffenderWatch Booking Alert: DELIVERABLES and INVESTMENT for Michigan State Police**

Software included: additional functionality and services to be delivered in addition to the existing OffenderWatch@ application which the agency currently utilizes. Booking Alert requires the presence of OffenderWatch@.

**Services included:** ~ includes user training, Help Desk support, software maintenance, continuous software upgrades as they are made available. Also includes Watch Systems Help Desk telephone and email support for offender addresses including repair where possible of unmappable addresses.

### **Booking Alert Process and Deliverables:**

- Upon startup, Watch Systems will create an automated daily process to electronically compare Agency's offender data residing in OffenderWatch@ to the APPRISS OffenderNet database of inmates incarcerated in state and local jails all across America - this the largest database in America of inmates but does not contain 100% of the states and local institutions
- When one of your agency's offenders is detected in the OffenderNet database (a 'hit' as it is called), Booking Alert will automatically and immediately email your designated contact advising them the details of the offender who was booked or released from jail and the location of the jail.

**Investment:** Booking Alert is provided at the rate of \$221,400.00 for 2 years. (May 1<sup>st</sup> 2014 through April 30<sup>th</sup> 2016) Setup and training is included. Offender count at the start of the year provides the basis for billing

### **IMPLEMENTATION TIMELINE**

Approx 30 Days or less from start of agreement

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

December 10, 2012

**CONTRACT NO. 071B3200016**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
<b>Watch Systems</b> <b>516 E. Rutland St.</b> <b>Covington, LA 70433</b>	<b>Jonathan Roberts</b>	<b>jroberts@watchsystems.com</b>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	<b>985-801-3980</b>	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	<b>DTMB</b>	<b>Sandi Thorne</b>	<b>517-335-4070</b>	<b>thornes@michigan.gov</b>
BUYER:	<b>DTMB</b>	<b>Steve Motz</b>	<b>517-241-3215</b>	<b>motzs@michigan.gov</b>

CONTRACT SUMMARY:			
DESCRIPTION: <b>MSP Sex Offender Registry Software</b>			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
<b>5 Years</b>	<b>October 15, 2012</b>	<b>October 14, 2017</b>	<b>Two, 1 Year Options</b>
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
<b>Net 45</b>	<b>Destination</b>	<b>FOB Destination</b>	<b>N/A</b>
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
<b>N/A</b>			
MISCELLANEOUS INFORMATION:			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			<b>\$2,000,000.00</b>

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

**CONTRACT NO. 071B3200016**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
<b>Watch Systems</b> <b>516 E. Rutland St.</b> <b>Covington, LA 70433</b>	<b>Jonathan Roberts</b>	<b>jroberts@watchsystems.com</b>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	<b>985-801-3980</b>	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	<b>DTMB</b>	<b>Sandi Thorne</b>	<b>517-335-4070</b>	<b>thornes@michigan.gov</b>
BUYER:	<b>DTMB</b>	<b>Steve Motz</b>	<b>517-241-3215</b>	<b>motzs@michigan.gov</b>

CONTRACT SUMMARY:			
<b>DESCRIPTION: MSP Sex Offender Registry Software</b>			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
<b>5 Years</b>	<b>October 15, 2012</b>	<b>October 14, 2017</b>	<b>Two, 1 Year Options</b>
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
<b>Net 45</b>	<b>Destination</b>	<b>FOB Destination</b>	<b>N/A</b>
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
<b>N/A</b>			
MISCELLANEOUS INFORMATION:			
All terms and conditions of the solicitation are made a part hereof. THIS IS NOT AN ORDER: This Contract Agreement was awarded on the basis the inquiry conducted by the State of Vermont that resulted in Contract #21136 and award process conducted by State of Vermont. Orders for delivery will be issued directly by the Department of Environmental Quality through the issuance of a Purchase Order Form.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			<b>\$2,000,000.00</b>

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**FOR THE CONTRACTOR:**

**Watch Systems**

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Authorized Agent Signature

\_\_\_\_\_  
Authorized Agent (Print or Type)

\_\_\_\_\_  
Date

---

---

**FOR THE STATE:**

\_\_\_\_\_  
Signature

**Greg Faremouth, IT Division Director**

\_\_\_\_\_  
Name/Title

**DTMB-Procurement**

\_\_\_\_\_  
Enter Name of Agency

\_\_\_\_\_  
Date



**STATE OF MICHIGAN**  
**Department of Technology, Management and Budget**  
**Procurement**

Contract No. 071B3200016  
[Sex Offender Registry Software](#)

Buyer Name: [Steve Motz](#)  
Telephone Number: [517-241-3215](#)  
E-Mail Address: [motzs@michigan.gov](mailto:motzs@michigan.gov)



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## **Article 1 – Statement of Work (SOW)**

### **1.000 Project Identification**

#### **1.001 PROJECT REQUEST**

The State of Michigan (State) with the Michigan Department of State Police (MSP) and the Michigan Department of Technology, Management and Budget (MDTMB) issue this Contract for Commercial off the Shelf (COTS) software for replacement of the Michigan Sex Offender Registry (SOR) software system, interfaces, data conversion/migration, training, maintenance and support, and services for future enhancements are included in this Contract.

#### **1.002 BACKGROUND**

The mission of the Department of Michigan State police is to “Protect public safety while respecting the rights and dignity of all persons”. In addition to providing general law enforcement services, the department accepts the unique responsibility for the development and coordination of state-level programs, technologies, and specialized serves that enhance enforcement and emergency response capabilities for the entire public safety community. Accordingly, strategies initiated by the department will improve the quality of life for Michigan communities by meeting the following organizational goals:

- Prevent and investigate crime and enforce the law.
- Improve traffic safety.
- Provide for homeland security and emergency prevention, response, and recovery.
- Provide the highest quality specialized services.
- Enhance organizational performance and improve operational efficiencies.

The MSP is legislatively mandated to provide a sex offender registry for the state and to provide Michigan citizens with specified sex offender registration information via a public internet web site. Pursuant to that charge, the Department of State Police maintains and oversees a software system designed to identify and track known sex offenders and provide citizens notification of sex offenders residing in a Michigan community.

The Sex Offender Registry system will be the central repository for all sex offender registration information for all law enforcement agencies in Michigan.

Goal 2 of the MSP Information Technology (IT) Strategic Plan is to implement cost effective solutions for delivery of services. The goal of this project is to implement a core sex offender registry system that is utilized by all Michigan law enforcement agencies to manage Michigan's large sex offender population and meet the requirements of federal and state law(s). This core management system must be flexible enough to meet the needs and requirements of the registering agencies in the management of their registered sex offenders but ensure the security and integrity of the information and processes. The department's goal is to reduce or eliminate the significant risk, high operating costs, and hundreds of staff hours in the development and maintenance of manual systems. The objectives of the project include decreasing manual processes and sharing of sex offender registration information between registering agencies and registration jurisdictions (other states and tribes).

The work sites involved in this project include all Michigan law enforcement agencies which are located throughout the State of Michigan.

The Michigan State Police is seeking a Commercial Off The Shelf (COTS) Sex Offender Registry System (SOR) solution that is highly configurable that can store all legislatively mandated registration information, including documents and images.



## **1.100 Scope of Work and Deliverables**

### **1.101 IN SCOPE**

This project consists of the following scope:

- Verification and validation of business requirements with MSP and DTMB Agency Services personnel in accordance with business operations.
- Development of a system architecture document including hardware requirements.
- Procurement of non-exclusive, non-transferable license for access and use of *OffenderWatch@Watchmap* software (the "Software"), and technologies, methods, and techniques incident to, and necessary for, such access and use.
- Installation of all associated software.
- Services to implement the Software, including configuration, customization, modification, interfaces, and testing.
- Data Migration
- Interface of the solution to the MSP's CHR and SNAP systems.
- Interface of the solution to the MDOC's OMNI system.
- Transition of business operations to the new software.
- Training of MSP and MDTMB personnel.
- Training documentation and materials.
- User and technical help desk support.
- Maintenance, service and support of the network software and users.
- System documentation.
- Offender mailings subject to terms and conditions as described below.

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

### **1.102 OUT OF SCOPE**

The following are out of the scope for this Contract:

- Purchase of server/desktop hardware.

### **1.103 ENVIRONMENT**

The links below provide information on the State's Enterprise information technology (IT) policies, standards and procedures which includes security policy and procedures, IT strategic plan, eMichigan web development and the State Unified Information Technology Environment (SUITE).

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to conform to State IT policies and standards. All services and products provided as a result of this Contract must comply with all applicable State IT policies and standards. Contractor is required to review all applicable links provided below and state compliance in their response.

#### **Enterprise IT Policies, Standards and Procedures:**

<http://www.michigan.gov/dmb/0,1607,7-150-56355-107739--,00.html>

All software and hardware items provided by the Contractor must run on and be compatible with the MDTMB Standard Information Technology Environment. Additionally, the State must be able to maintain software and other items produced as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by MDTMB. 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 MDTMB Project Manager must approve any tools, in writing, before use on any information technology project.



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

**Enterprise IT Security Policy and Procedures:**

[http://www.michigan.gov/documents/dmb/1310\\_183772\\_7.pdf](http://www.michigan.gov/documents/dmb/1310_183772_7.pdf)  
[http://www.michigan.gov/documents/dmb/1310.02\\_183775\\_7.pdf](http://www.michigan.gov/documents/dmb/1310.02_183775_7.pdf)  
[http://www.michigan.gov/documents/dmb/1325\\_193160\\_7.pdf](http://www.michigan.gov/documents/dmb/1325_193160_7.pdf)  
[http://www.michigan.gov/documents/dmb/1335\\_193161\\_7.pdf](http://www.michigan.gov/documents/dmb/1335_193161_7.pdf)  
[http://www.michigan.gov/documents/dmb/1340\\_193162\\_7.pdf](http://www.michigan.gov/documents/dmb/1340_193162_7.pdf)  
[http://www.michigan.gov/documents/dmb/1350.10\\_184594\\_7.pdf](http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf)

**The State's security environment includes:**

1. MDTMB Single Login.
2. MDTMB provided SQL security database.
3. Secured Socket Layers.
4. SecureID (State Security Standard for external network access and high risk Web systems)

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

**IT Strategic Plan:**

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

**IT eMichigan Web Development Standard Tools:**

[http://www.michigan.gov/documents/som/Look\\_and\\_Feel\\_Standards\\_302051\\_7.pdf](http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf)

**The State Unified Information Technology Environment (SUITE):**

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

**Agency Specific Technical Environment**

MSP systems and databases reside in a protected zone within the State of Michigan network. The protected zone is separated from the rest of the network by firewalls. Except for communication specifically allowed and configured in the firewalls, all communication initiated from outside the protected zone to systems inside the zone is blocked. Generally, communication initiated from inside the protected zone to systems outside the zone is allowed. Web servers that are accessed via the internet reside in the network demilitarized zone (DMZ). Communication from the web servers to the back-end systems and databases is enabled through firewall rules specifically configured with the IP addresses and ports.

**1.104 Work And Deliverable****I. Services and Deliverables To Be Provided -****A. Initiation and Planning**

Contractor's Project Manager will provide a written Project Management Plan (Project Plan) to the State Project Manager within 30 days after work begins. The plan will include, but not be limited to, Gantt charts showing the time lines, recommended tasks, task dependencies, deliverables, risks, milestones and resource allocations. It will address what resources will be assigned, major milestones and how these milestones will be achieved. This plan will be sufficiently detailed to execute the SOR initiative for the State. The plan will also address all SOR tasks including: ongoing project administration tasks and management overhead, such as status meetings, report submissions, quality reviews, project start-up and appropriate documentation.



The Contractor will perform the following Initiation and Planning activities:

1. Conduct of a project kick-off meeting. The State Project Manager and the Contractor Project Manager will develop a kick-off meeting agenda. The purpose of the kickoff meeting is to formally notify all stakeholders that the project has begun and make sure everyone has a common understanding of the project objectives and major milestones. The key stakeholders will be introduced and preliminary discussions will take place regarding project communications. During this meeting, the Project Manager will be introduced to the State.
2. Creation of the Project Plan including its associated sub-plans in compliance with requirements as defined in Section 1.300 (Project Plan) and Section 1.400 (Project Management).
3. Creation of a detailed Project Schedule (with dependencies, resource assignments and using MS Project or other pre-approved alternative)
  - a. Tasks should have no more than two week duration.
    - i. Tasks should minimize assigning multiple resources to a task to avoid confusion how much time each resource has to complete their assigned work.
  - b. A Milestone will clearly identify and relate to GANTT Chart project outline.
    - i. "Go live" date
    - ii. Completion of the task(s) so the hardware environment is ready.
    - iii. Completion date of the software loaded and ready to support:
      1. Production equivalent testing system
      2. Production equivalent training system
4. Inclusion in the Project Schedule:
  - a. Dates when deliverables are submitted to State for review and
  - b. Dates when deliverable approval is expected (consistent with terms defined elsewhere including 1.500, 2.253, 2.254 and 2.255)
5. Updates against this phase will be included in the Project Status Report.

#### **1.104.I.A - Phase I Deliverable(s)**

1. Release Procedure Plan
2. Initial Test Plan
3. Initial Implementation Plan
4. Project Management Plan, including MS Project GANTT Chart
5. Conduct Kick-Off Meeting

#### **1.104.I.A - Acceptance Criteria**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

## **B. Validation of Business Requirements and Technical Requirements**

The SOM has identified the business and technical requirements in detail as described in Article 1, Section 1.104.II.

1. Validation of Business Requirements:
  - a. Contractor is to verify and validate the business requirements with MSP.
  - b. Contractor must interview SOR staff.
  - c. Contractor must clarify any unclear or ambiguous requirements that could impact system implementation.
2. Validation of Technical Requirements:
  - a. Contractor must verify and validate the technical requirements relating to security and interfaces with the DTMB technical lead.
  - b. Contractor must ensure requirements meet state and industry standards.
  - c. Contractor must clarify any unclear or ambiguous requirements that could impact system implementation.
  - d. Contractor must provide technical information to technical lead for completion of the DTMB Enterprise Architecture Solution Assessment and the Project Security Plan and Assessment.



3. User Group Needs Analysis Meeting
  - a. The contractor will educate and communicate in a positive, constructive manner the capabilities of *OffenderWatch®* to new and current users both in online training sessions and in person at user group meetings. Regions / locations for user groups can be coordinated with the project manager and MSP designated regional coordinators.

#### **1.104.I.B - Phase I Deliverable(s)**

1. DTMB Enterprise Architecture Solution Assessment.
2. DTMB Project Security Plan and Assessment.
3. Design Specification document detailing the, interfaces, and customization needed to meet the requirements. This document must be signed off by the State prior to software configuration/implementation.
4. Local MI legacy data merge protocol
5. Validation of Business Requirements
6. Validation of Technical Requirements
7. User Group Analysis Meeting

#### **1.104.I.B - Acceptance Criteria**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

### **C. Hardware**

The SOR solution shall not require the purchase or lease of any hardware. The SaaS model relies on a complete secure hosting environment that is constructed to meet demands based on predicted models, as well as new data loads and activity, complete with redundant backup systems to ensure consistent up-time.

- The Contractor shall confirm that the solution will operate in the Environment defined in section 1.103. The State will Review and provide feedback.

The following User Hardware and Network Specifications are required for the *OffenderWatch®* thin client:

- Installer file size: 6.6 MB
- Installed Directory (default): C:\Program Files\OffenderWatch®
- Required Disk Space (minimum): 21 MB
- Other Requirements: Broadband Internet Connection (at least 1.5 Mb) designated open portals through firewall if needed. Shared PC over a network resource not recommended
- Supported Platforms: Windows 98 thru 7 (will work on Windows 98 and 2000, but not recommended)
- Minimum Suggested RAM: 512 MB (the application itself uses ~42 MB initially, but increases as more internal windows are opened)
- Minimum Suggested CPU: 900 MHz + (may run on even slower architectures, but this hasn't been tested)
- Minimum Screen Resolution: 1024 X 768 while 1152x864 is highly recommended
- Other recommended hardware – digital camera with 80 megapixels, scanner for document loading

The following parameters are used for developing the browser based application interface for the state public portal page:

- Optimized for an 800 x 600 in full screen mode resolution, however supporting 600 x 800 and any higher screen resolution
- Optimized for 8 bit colors
- Optimized for color printing, however supporting black/white printing
- Optimized for dedicated internet links of throughput rates of 256 kb/s and higher
- Optimized for the Microsoft OS platform (Windows XP, 2000 or later) running IE version 5.5 or newer
- Sufficient hard disk space for temporary internet files such as images and ActiveX controls to be stored temporarily (General Recommendation at least 100MB available of free disk space)
- Sufficient memory available (General Recommendation 32MB of RAM )

**1.104.I.C - Phase I Deliverable(s)**

1. Confirmation of hardware list, including hosting hardware and network specifications.

**1.104.I.C - Acceptance Criteria**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

**D. Software**

The Contractor is providing a COTS solution that follows an Enterprise Licensing Pricing Model. As such, there will be unrestricted access for all law enforcement levels and departments. Furthermore the system shall support an unlimited number of concurrent users. MSP and DTMB will review the software within a mutually agreed upon timeframe for acceptance/approval of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.

**1.104.I.D - Phase I Deliverable(s)**

1. Procurement of enterprise software license based on primary registration points and SaaS model.
2. Configure and setup statewide enterprise software license to OffenderWatch.

**1.104.I.D - Acceptance Criteria**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501. The software will be reviewed and accepted in accordance with the requirements of the contract. Final acceptance of the software will depend on the successful completion of the User Acceptance Testing (UAT) and Performance and Reliability Evaluation (PARE).

**E. Implementation**

The Contractor must provide implementation services to install, configure, and test the software to meet the requirements of the SOR in both a development/testing and production environment. The system must be fully tested prior to final production implementation and acceptance.

**1. Installation and Testing**

- a. The contractor must provide a testing environment and perform system testing.
- b. The contractor must test the system to ensure the requirements are satisfied.
- c. The contractor must request the State's approval of the content and completeness of the test scripts.
- d. The contractor must obtain user list and configure setup user accounts
- e. The contractor must configure initial map layers for State of Michigan
- f. The contractor must correct all test errors, implement corrections, and re-execute tests in their entirety until the requirements are met to the State's satisfaction.
- g. The contractor must first test all components and after proper operation has been achieved will turn the system over to the State for user testing.
- h. The contractor, in cooperation with the State, shall monitor the operation and fix any problems related to improper operation within two (2) business days of their identification unless otherwise agreed to by the State.
- i. The design specification document describes the proper operation.
- j. During testing, the State and contractor shall work together to measure response times and system performance.
- k. Once both parties have agreed, in writing, that the system is ready for production, the system will be placed into the production environment and tested by the State to ensure complete functionality.

Testing shall occur both pre and post-launch. The State will have the time it requires to test the System before release and ensure functionality and stability. Product enhancements are tested by Contractor and not released to any users until after such testing is complete. Each Release is accompanied by user notes to indicate the functionality via messages contained within the application. Source code management and version control is performed by Subversion. It is used to maintain current and historical versions of application source code. It also used to manage development on current and



future versions of the application source code. As an implementation benchmark, the State will submit a small, cross-sectional sample of data and completed data conversion schematic to Contractor. This data will be imported into OffenderWatch® to run on a designated testing server. The State's Subject Matter Expert (SME) will have 15 days to perform multiple acceptance tests. Once the State has completed its test phase, the remaining data will be exported to OffenderWatch® and may be tested again on a full scale. Upon completion of this full scale test, the State's OffenderWatch® solution will be migrated to a live server and user training will begin.

## **2. Data Conversion and Migration**

Contractor shall import existing State data into the OffenderWatch® application without data loss or corruption.

## **3. Implementation Services**

The Contractor's Project Management, Design and Programming teams will ensure that all phases of the implementation are successful and the expectations of the State are exceeded. As part of Contractor's standard implementation plan, all mission critical expectations, as well as timelines and milestones, will be agreed upon and documented.

### **1.104.I.E - Phase II Deliverable(s)**

1. Provide a detailed work plan (in hours) and duration (in days) of a typical installation of the base package including all modules both SOM and contractor effort.
2. Project plan outlining activity descriptions, work effort, duration and resources for a typical base package installation.
3. Provide an installation and configuration library.
4. Customization of the contractor software to meet the requirements agreed upon between the State and the Contractor in the Design Specification document.
5. Set-up and configure OffenderWatch® database and mapping system
6. Contractor shall import existing State data into the OffenderWatch® application without data loss or corruption.
7. Install, configure, and test the software to meet the requirements of the SOR in both a development/testing and production environment.
8. Data conversion and migration
9. Initial set-up and configuration of jurisdictional zones
10. Database import and test mapping of fields

### **1.104.I.E -Phase III Deliverables:**

1. NCIC development configuration
2. National Sex Offender Public Website (NSOPW)
3. Interaction with Exchange Portal
4. Michigan Criminal History Interface (CHR)
5. Statewide Network of Agency Photographs (SNAP)
6. Michigan Law Enforcement Information Network (LEIN)
7. Offender Management Network Information (OMNI)
8. Custom forms and reports
9. Delivery of training and enhancements
10. User acceptance of testing, review, and agreement

### **1.104.I.E - Acceptance Criteria**

The software will be reviewed and accepted in accordance with the requirements of the contract. Final acceptance of the software will depend on the successful completion of the User Acceptance Testing (UAT) and Performance and Reliability Evaluation (PARE).

## **F. Training**

The Contractor shall provide training resources both pre-Launch and ongoing throughout the life of the contract. As requirements change with SORNA adoption, Contractor will continually train users on best practices to meet new requirements. Contractor shall bring best practices to the State. Both on site and remote



training will be utilized. A minimum of a day of on-site and weekly webinars. Other system specific training available as needed via computer on line training. Training for any number of authorized users.

The Contractor will provide professional training as defined:

1. Watch Systems will provide eight working days of onsite training in a classroom setting designated by the State for as many users as the State may require.
2. Watch Systems recommends that the classroom settings be limited to fifty trainees at each session and include a Chief of Police, a Sheriff, a County Prosecutor, a representative from MSP, deputies, and police officers.
3. Watch Systems shall also conduct weekly online training sessions that will be available at no extra charge to all users.
4. Watch Systems will prepare a custom and simplified Michigan OffenderWatch® training guide with a synopsis of standard operating procedures.
5. Michigan specific online trainings will be available for new hires and existing staff.
6. Ongoing OffenderWatch® steering committee meetings will be held throughout Michigan covering new enhancements
7. OffenderWatch® enhancements are released on Watch Systems' quarterly schedule.
8. Any requests that are deemed enhancements by Watch Systems will be subject to a new agreement. Watch Systems may elect to include the enhancements under the agreement if Watch Systems, at its sole discretion, determines that the enhancement may benefit the current customer base. Any such enhancement must be authorized in advance by MSP and will be handled through a change order. Change orders may be submitted by email or US mail.
9. Product enhancements are tested by Watch Systems' QC staff and not released to any users until after such testing is complete. MSP staff may participate in testing if desired. Testing will be done in a test environment similar to the production hosting environment. Source code management and version control is performed by Subversion. It is used to maintain current and historical versions of the application source code. It is also used to manage development on current and future versions of the application source code.
10. Once an enhancement is tested and approved for move to production, Watch Systems' staff will coordinate a suitable date and time for the release. Once determined, Watch Systems' administrators will move the code to the production environment using standard server tools. QC staff will test the changes once moved to the production as well. Watch Systems will notify all users via email of a successful production move.

#### **1.104.I.F - Phase II Deliverable(s)**

1. Training plans, training manuals and all training materials.

#### **1.104.I.F - Phase III Deliverable(s)**

1. Two train the trainer classes.
2. One SOR user class.
3. Technical training for State individuals who will be working with the services contractor to configure the applications including establishing databases and interfaces, data conversion, customization, and upgrading the commercial software.
4. Upgrades and new versions to the system that affect end-user functionality include training at no additional cost (e.g. classroom or online training, training flier, release features, etc.).
5. Training is provided in a variety of formats for product installation, use, and administration for a variety of levels (e.g. basic, advanced, refresher, etc.).
6. All training manuals, training plans and other documentation provided become the property of the State.

#### **1.104.I.F - Acceptance Criteria**

Successful delivery of training classes, training manuals, and documentation.

### **G. Documentation**

Contractor will provide complete Michigan user manual. Contractor will also provide written documentation of state and local policies, protocols and procedures as well.



1. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy will be provided:
  - a. *User and Technical Manuals - On-line and Hard Copy*
  - b. *All updates of documentation during the term of the Contract, software license and maintenance agreement*
2. The following documentation is provided for all modules and program development:
  - a. System-wide documentation and specifications
  - b. Baseline End-User training manuals to be used as a basis for “User Manuals” and online help
  - c. Installation procedure
  - d. Module configuration documents sufficient for configuration maintenance purposes
  - e. Specification documentation
  - g. Production migration
3. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
4. All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.
5. All system, operations, user, change and issue documentation is to be organized in a format, which is approved by the State and facilitates updating and allows for revisions to the documentation to be clearly identified including the three (3) previous versions.
6. The Contractor must develop and submit for State approval complete, accurate, and timely system, operations, and user documentation.
7. The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

The contractor shall deliver the following documentation prior to final acceptance. Documentation must be delivered in both electronic and hard copy.

**1.104.I.G - Phase III Deliverable(s)**

1. User manuals
2. Technical manuals

**1.104.I.G - Acceptance Criteria**

All documentation has been delivered and formally accepted by the State in the formats and timeframes defined in the contract.

**H. Operation Services**

**Post Implementation Services**

The State will have a dedicated Account Manager that works in conjunction with the Project Manager and the State to thoroughly understand the project scope and associated deliverables. Once OffenderWatch® is live and in use, the Account Manager will schedule calls, weekly at first then monthly, to ensure the program continues to function as required. The Account Manager will also schedule follow up training and identify new enhancements. The steering committee will identify necessary enhancements and approve their configuration. The Account Manager will be the liaison between the State and Contractor.

**SaaS Hosting:**

The SaaS model relies on a complete secure hosting environment that is constructed to meet demands based on predicted models, as well as new data loads and activity, complete with redundant backup systems to ensure consistent up-time.



See **Attachment A** for the Data Center Specifications.

**The Contractor shall perform the following as part of Operation Services:**

1. SaaS Hosting
2. Disaster recovery
3. Security administration services
4. Management with hardware at the Contractor's site

**I. Maintenance and Support**

The contractor must provide maintenance and support for their software solution; including third party software and tools included in their overall solution. Contractor must provide user and technical help desk support on an 8 x 5 basis. The State will designate an MSP System Administrator and DTMB technical staff to be the point of contact for the Help Desk.

Two (2) Tier User Support:

Tier 1 – Sex Offender Registry – answers business related questions.

Tier 2 – Contractor and Technical Help Desk – provides user support, provides technical support to System Administrator related to the application and database design. Provides technical assistance to DTMB.

- a. Help desk support is available 8 x 5, Monday through Friday (excluding State holidays), with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management.
- b. A Web-enabled help desk interface is provided at no additional cost.
- c. Phone support for the MSP System Administrator for configuration issues/questions.
- d. Support for questions on how to use the software.
- e. Calls for service must be answered by next business day.

On-going Support, Software Maintenance and Training

- On-going software maintenance and updates to include new features and functions and repairs to any software malfunction.
- Help Desk for user questions and general support, and Technical Mapping Desk to resolve geo-code and mapping issues.
- On-going training/retraining as desired for new hires and existing staff.
- Creation of a continuing Michigan OffenderWatch® User Committee to meet quarterly to discuss best practices, new features that may be required, provide feedback to DPS and Watch Systems.
- Updates to web page banners as required due to personnel changes, etc.

Generally, OffenderWatch® will be provided, for the term of the agreement, with these continuing support services:

- Toll free help desk for any support issue – phone, email or OffenderWatch® IM
- Initial on-site training and on-going on-line training. This initial on-site training is included in the fixed deliverables. Additional on-site training can be purchased for an additional \$4,000 per week including travel, boarding and sustenance.
- Included automatic updates and enhancements to the software and the maps, based on user requests, state and federal statutory changes.
- Technical mapping support accessible via the help desk, to correct/place any address that maps incorrectly.
- Periodic regional OffenderWatch® User Group meetings to provide insight and feedback about OffenderWatch® – these best practices meetings can include Michigan's Sheriffs, PD's, AG, Parole/Probation/treatment, DA's, and USMS, to collaborate and discuss best management practices and to share information.
- Dedicated Michigan Account manager to provide on-site visits, audits with statistical review, attendance and sponsorship at Michigan law enforcement gatherings.

**Maintenance and Support is further described below:**

1. Maintenance of contractor software purchased through this contract; including any third party software the contractor has included as part of their solution.
2. 2 Tier level user and technical support as identified above.
3. Software maintenance starts upon contract execution.
4. All maintenance is performed by qualified personnel familiar with the software.
5. Maintenance is available on an annually renewable contract.
6. The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.
7. The State will be provided with information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software.
8. Support is provided for superseded releases and back releases still in use by the State.
9. For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any Software provided with the deliverables, commencing upon installation of the deliverables or delivery of the Software:
  1. **Error Correction.** Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
  2. **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
  3. **Updates.** All new releases and bug fixes (collectively referred to as "Changes") for any software deliverable developed or published by Contractor and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.

**II. Requirements****A. Technical Requirements**

The following criteria have been identified as Technical Requirements for the solution:

1. **User Interface:** The system must be Internet based.
2. **XML Standard:** The system must conform to the Global Justice Data Model (GJXDM) or the NEIM XML schema.
3. **Database Standard:** Contractor will provide an MS SQL database product.
4. **Workstation/Network Compatibility:** Every attempt should be made to ensure that the system is compatible with the hardware, software and network capabilities of the State of Michigan and the Michigan Department of State Police. Requirements for reasonable upgrades will be considered if they are necessary to achieve Contract specifications. Workstations in the state of Michigan are running Windows XP or later.
5. **Scalability:** The system shall be scalable without the need to make any major modifications to the system architecture.
6. **Encryption:** The data must be stored in a physically secure location and requires FIPS 140-2 certified encryption. Proprietary encryption schemes are not acceptable. The application software would decrypt the information as it is requested. The only way to access the data in an unencrypted format is through the application.
7. **Security:**
  - a. The Contractor must meet all State of Michigan security requirements and all applicable Criminal Justice Information Systems (CJIS) FBI Security Requirements. The Contractor shall adhere to FBI CJIS Security Policy 5.1 and any subsequent versions.



- b. The SOR solution must be secure and must be integrated with the Michigan Criminal Justice Information Network (MiCJIN) portal. The MiCJIN portal provides a secure infrastructure with data encryption and single user sign-on to access MSP's software applications.

**8. User Management:** Users will be centrally managed through the MiCJIN portal.

**9. Logs:** All activity in the application shall be recorded in an audit log, to include maintenance routines. If the application accesses or records information, the event should be logged with the user name, date and time as a minimum. Logs must be maintained for a minimum of five (5) years and available on-line.

a. **Transaction Logging:** All activity in the application shall be recorded in an audit log. "All activity" includes lookup, entries, modifications, deletions, as well as maintenance routines. If the application accesses or records information, the event should be logged with the user name, date, time, and nature of transaction as an absolute minimum. Logs must be available for query and reporting from within the SOR system. A provision for archiving logs must be provided.

b. **Dissemination log:** A dissemination log of requests against the SOR must be maintained. The dissemination log must be available for query and reporting from within the SOR. A provision for archiving dissemination logs must be provided.

**10. National Standards:** The system must be able to comply with the National requirements as defined under the Sex Offender Registration and Notification Act (SORNA), Title I of the Adam Walsh Child Protection and Safety Act. Should these guidelines change, OffenderWatch® shall be reconfigured and deployed to ensure that the State of Michigan will be compliant.

**11. Custom Interfaces:**

a. **Automatic submission to the National Crime Information Center (NCIC):**

OffenderWatch® will automatically submit information to NCIC using the existing MSP switch. The transaction will occur when appropriate entries or modifications are made within the system. Error messages will be sent including reason for rejection. The Contractor will work with the State to ensure these submission and error responses are received within the time period defined below under performance standards (Functional Requirements) in a format that is acceptable to the State.

b. **Automatic submission to the Internet web site:** The system must be able to provide periodic real time submission and update information to the Michigan and National Internet Sex Offender websites. This submission needs to be in a standard format that is required by/or easily manipulated by the site.

In addition, the SOR solution must provide a mechanism for citizens to submit tips on registered sex offenders via the public internet web site and for the tip information to be automatically provided to one or more law enforcement agencies having jurisdiction.

c. **Michigan Criminal History Interface (CHR):** An interface will exist with the Criminal History database that has no less functionality than the currently existing interface. Currently, critical SOR information is transmitted from the existing criminal history database. This criminal history record information should be sent to a queue where a SOR staff member can review it, manipulate it, and then automatically transfer the data into the SOR database. This information includes but is not limited to Charge/Disposition information. Additionally, authorized users must be able to query an offender's complete criminal history record (non sex offense convictions) contained in the CHR system. The Contractor must maintain this interface capability.



- d. **Statewide Network of Agency Photographs (SNAP):** The system must be able to associate and display specified photos of the SNAP system as part of the SOR record. Entry of these photographs into the SOR database is controlled by the SOR staff but should be as automated a process as possible. The system should be capable of utilizing standard image formats (e.g., .jpg, .gif, etc.). SNAP contains .jpg images in standard NIST format. The system must be able to retain a history of images with the most recent being displayed. The system must be able to interface with the SNAP database to query, retrieve, and store driver's license, department of corrections, and mugshot images, along with corresponding data, for inclusion in the sex offender registry system.
- e. **Michigan Law Enforcement Information Network (LEIN):** An interface will exist with the LEIN database that has no less functionality than the currently existing interface. OffenderWatch® will automatically submit information to LEIN using the existing MSP switch. The transaction will occur when appropriate entries or modifications are made within the system.
- f. **SORNA Exchange Portal:** The SOR system must interface with the SORNA Exchange Portal for information exchange, including retrieving and assigning relocation tasks within the SORNA Exchange Portal.
- g. **Offender Management Network Information (OMNI):** The SOR solution must have an interface with the Michigan Department of Correction's (MDOC) Offender Management Network Information (OMNI), to retrieve information relating to probation and or parole supervision.
- h. **Data File:** The Contractor will provide and support a data file interface to facilitate the current exchange of sex offender data to the Michigan Intelligence Operations Center (MIOC), the Michigan Department of Human Services (MDHS), and the Michigan Secretary of State (SOS). The State will provide necessary data fields to Contractor.
- i. **Web Services:** Additional and/or future authorized users approved by MSP wishing to create an interface between their solution and the MSP Sex Offender Registry database will be charged \$1,500 per interface, per year invoiced 30 days after approved access by MSP.
- 12. Automated queue input from registrants:** This interface would allow registered sex offenders to enter sex offender update information via a secure website and transmit that information to a queue for review by the responsible law enforcement agencies. Upon acceptance of the information it would be automatically transferred to the SOR database.
- 13. Open Standards:** The system shall be based on open standards. At any time, the State can export all data into a variety of formats such as CSV and Excel.
- 14. State Offense Tiering:** Michigan law requires each offender to be classified in the appropriate tier level which is determined by conviction statute and the age of the victim. The system must be capable of providing the functionality for tiering pursuant to Michigan law. This would require the system have logic available to identify and classify offenses into a tiering structure which would then trigger other functions such as posting to the internet, verification frequency, and registration duration.
- 15. Community Notification:** Aside from items specifically outlined, the system should be capable of automatically generating all of the required community notification under the SORNA requirements and Michigan Law. This notification should be automatic and electronic wherever possible and allowed.



**16. Responsible Law Enforcement Agency Designation:** The SOR system must be able to identify the responsible law enforcement agency by geographic boundary and the geocode of the offenders given address. Up to three law enforcement agencies within the state of Michigan may have jurisdiction over a single registered sex offender’s residence. The SOR system must easily identify those agencies who have jurisdiction.

**17. Failover/Redundancy:** Contractor shall provide the Failover/Redundancy as specified below.

- Contractor’ backup plans are centered on hardware redundancy and personnel backup techniques that are commonly used in hosted solutions. Servers shall be located in self-sufficient, state of the art data centers within the continental United States. Data is backed up on multiple levels both on and off site. Safety measures and features of the data centers are:
  - Leibert Computer Room Air Conditioners (CRAC) configured in N+ 1 redundancy Configurations cools the hosting facility. This configuration assures that the room will remain operable in the event of a lost cooling unit.
  - Utilization of a dry agent (FM-200) for all of its datacenter facilities, with no water present; system is controlled by a two-stage pre-action VESDA (Very Early Smoke Detection), where two alarms must be present to release the agent.
  - Servers are in a secure, environmentally controlled environment with redundant UPS and a Diesel backup generator.
  - All servers shall have redundant power supplies on separate Primary Distribution Units (PDUs),ensuring an environmentally safe and reliable computing environment.
  - Load balancing through an F5 BigIP 1500 Local Traffic Manager. This load balancer is configured per application and can support web checks and multiple types of load balancing scenarios (i.e. Round robin, sticky sessions, etc.).

**18. Background Maintenance Routines:** Background maintenance, system upgrades and enhancements shall be carried out on a parallel development server and automatically delivered when users log into the system. Watch Systems reserves the right to take system offline infrequently to perform previously scheduled maintenance at off peak hours. The Contractor will notify the State of schedule maintenance prior to its occurrence. Contractor guarantees that the latest “version” of OffenderWatch® shall be utilized as systems are seamlessly upgraded upon log-in unapparent to the user and without interruption.

**19. Registration Documents:** The solution must provide the State with the ability to generate SOR registration documents automatically populated with SOR data. The SOR staff must be able to upload registration and identification documents to the SOR system for electronic storage. Users of the system must be able to access and view all registration and identification documents.

**20. Database Fields:** Below are the fields that currently exists in the SOR database and while the arrangement of the fields and construction of the GUI is open, the fields are required by the Michigan Legislature. The Contractor will need to work with MSP to ensure all SORNA fields are available.

**a. Identifiers Tab (\* equals check box):**

- Last Name
- First Name
- Middle Name
- Suffix
- DOB
- Race
- Sex
- Eye Color
- Hair Color
- Height
- Weight



DNA Identifier  
DNA Location  
Fingerprint Indicator  
Palm Print Indicator  
Immigration #  
Immigration Status  
Michigan Department of Corrections #  
Federal Bureau of Investigation (FBI) #  
Michigan State Identifying Number (SID) #  
Social Security Number  
Michigan Operators License Number  
Michigan Operators License State  
Michigan Operators License Expiration Date  
Michigan Personal Identification Number  
Michigan Personal Identification State  
Michigan Personal Identification Expiration Date  
Scars, marks and tattoos

**b. Offense Tab**

Offense Date  
Place of Crime  
Offense Remarks  
Age of Victim  
Sex of Victim  
Arrest Date  
Arresting ORI  
Criminal Transaction (CTN) #  
Conviction Type  
Conviction Date  
Conviction State  
Conviction Court Originating Agency Identifier (ORI)  
Court Docket #  
Attempt or Conspiracy to Commit Indicator  
Conviction Statute  
Number of Counts  
\*Conviction Set Aside  
\*Remove from Website

**c. Registration Tab**

Offender Tier Level  
Verification Frequency  
Registration Duration  
Registration Begin Date  
Registration End Date  
Prison Period (days)  
\*Registration Fee  
Registration Date  
\*Indigent Indicator  
Registration Fee ORI  
Registration Alert  
Registration Alert ORI  
Registration Alert Date  
\*Deceased  
Deceased Date  
\*Canceled



Canceled Date  
\*Out of State  
\*Registration Approved  
\*Pending Arrival

**d. Address Tab**

Address Type  
Street Number  
Street Prefix  
Street Name  
Road Type  
Quadrant  
Apt #  
Lot #  
City  
County  
State  
Zip Code  
Home Telephone Number  
Cellular Telephone Number  
Address Begin Date  
Address End Date  
Address ORI  
\*Address Alert Indicator  
Alert ORI  
Alert Date  
Address Remarks

**e. Documents Tab**

\*Current Notification Form Received  
Document Type  
Date Signed  
Date Scanned

**f. Verification Tab**

Verification Period  
Primary Address  
Verification Frequency  
Verification Date  
Verification ORI  
\*Verification Alert  
Verification Alert ORI  
Verification Alert Date

**g. Employment Tab**

Employer Name  
Street Number  
Street Prefix  
Street Name  
Road Type  
Quadrant  
Suite #  
Lot #  
City  
County



State  
Zip Code  
Telephone Number  
Employment Begin Date  
Employment End Date  
Employment Agency ORI  
\*Employment Alert  
Employment Alert ORI  
Employment Alert Date

**h. Vehicle Tab**

Vehicle Type  
Ownership  
Year  
Make  
Model  
Color  
Style  
Location Kept  
Vehicle Begin Date  
Vehicle End Date  
Vehicle Agency ORI  
\*Vehicle Alert  
Vehicle Alert ORI  
Vehicle Alert Date  
Vehicle Remarks

**i. Campus Tab**

Campus Name  
Campus Address  
Campus Begin Date  
Campus End Date  
Campus Agency ORI  
\*Campus Alert  
Campus Alert ORI  
Campus Alert Date  
Campus Remarks

**j. Alias Tab**

Alias Type  
Alias Name  
Alias Date of Birth  
Alias Social Security Number  
Alias Operators License Number  
Alias Personal Identification Number  
Email Address  
Screen Name

**k. Sweep Tab**

Sweep Type  
Begin Date  
Agency ORI  
Sweep Findings  
Action Taken

**I. Investigative Tab**

Investigation Begin Date  
ORI  
Contact Name  
Telephone Number  
Investigative Action  
Investigation Status  
Investigation End Date  
\*Public Tip  
Investigative Information Provided  
Investigation Follow-up  
Investigator Name  
Investigator ORI

**m. Charge Tab**

Charge Type  
Charge State  
Attempt or Conspiracy to Commit a Crime Indicator  
Charge Statute

**n. Images Tab**

Image Source  
Image Load Date  
Image Date  
\*Display on Website

**o. NCIC Tab**

\*NCIC Validated  
Date Validated  
NIC #  
\*NCIC Second Party Check Completed  
Date Completed  
Completed by  
\*NCIC Reject  
Message to NCIC  
Message from NCIC  
\*NCIC Reject Resolved  
Date Resolved  
Resolved by  
Date Rejected

**B. Functional Requirements**

The following criteria have been identified as Functional Requirements for the solution:

- 1. Record Management:** the Michigan Sex Offender Registry system must support the entry, storage, processing, and retrieval of sex offender information such that operator screens, reports and other responses to requests for information can properly characterize information contained in the database.
- 2. Billing:** The solution must be able to store registration fee information and provide electronically, in a format supported by the program to the Accounts Receivable System (ARS).



3. **User Interface:** The user interface must be a graphical user interface with the capability of tabbing between fields. Client application screens must be printable using commands internal to the application.
  - a. **Navigational/Functional:** The system must have the normal navigational/functional tools to include search, list, view, forward, back, enter, modify, and delete criminal record information. The delete functionality must be available at the following levels: field, arrest cycle, complete record, and by batch.
  - b. **Name Search:** The system must be able to conduct “Name” and “Name and Date of Birth” match searches. The name search component must be able to provide accurate matches consistent with acceptable national standards. In the event of a non-match, the name search component must be able to provide a candidate list of possible matches. The name match feature should incorporate a soundex capability.
4. **Data Entry:** The system must support multiple input methods. Though it is expected that some aspects of the SOR system will be able to accept data electronically, operators must be able to enter, modify and delete data manually as well.
5. **Reference Tables/Code Tables:** The system must contain user-managed reference tables for all coded information. The system will use these tables for data validation and for display of full descriptions of coded information, as appropriate. Tables must be provided for the incorporation of the most current business rules and system edits.
 

The system must contain user managed tables for the text used in all notices, warnings, headers, caveats and other system communications with users.
6. **Screen Presentations:** The system should be designed to facilitate maximum viewing ability of a subject’s record from a single screen. The use of abstracts of the complete record is desirable for both viewing and navigational purposes.
7. **Performance Standards:**

Service Level Category	Definition	Remedy Time / Resolution
<b>Mean Time to Respond</b>	Ability to provide help desk support 24 hours per day, 7 days per week, 365 days per year.	Vendor will reply to problem tickets within four hours of receiving notification from the user.
<b>System Availability</b>	<b>99.95% Availability</b> Ability to provide reliable operations without failure or downtime 24 hours per day, 7 days per week, 365 days per year. The Application Server and the Database Server are responsible for the majority of the functionality in <i>OffenderWatch®</i> . As of July 15th 2012, the primary Application Server has been online for 408 days straight and the primary Database Server, which was restarted during a scheduled maintenance window, has been online for 104 days straight. Our monitoring software, which checks many different services across our infrastructure, shows less than 12 hours as the aggregate downtime of all services for 2011.	Vendor will provide corrections to resolve any system availability problems within four hours.



Service Level Category	Definition	Remedy Time / Resolution
<b>Application High Priority</b>	<b>High Priority Product Failure/Loss of Service:</b> Major problem with all or part of a component should be fixed as soon as possible. This class of problem is a threat to public safety. It is affecting service and an ongoing critical problem, which requires immediate action.	Vendor will resolve any high priority problems within four hours.
<b>Application Medium Priority</b>	<b>Medium Priority Non-critical system failure:</b> This class of problem requires action from the help desk within a short time. These problems cause performance degradation or non-critical system components to malfunction.	Vendor will resolve any medium to low priority software problems within eight days or less.
<b>Application Low Priority</b>	<b>Minor Issue:</b> This class of problem does not affect service and includes problems such as incorrect operations of minor functionalities or system components that are infrequently used, or problems that have feasible work-around(s) available.	Vendor will resolve any medium to low priority problems within eight days or less.
<b>Customer Support Help Desk</b>	All help desk team members are trained on state-specific laws and requirements to ensure that system users receive the highest levels of service and support.	The vendor customer support help desk is available to users Monday – Friday 7am through 7 pm CT. The help desk is the single point of contact for support issues, troubleshooting, and other requests. To contact the help desk via phone: 1-888-WATCH12 or email: <a href="mailto:ow_support@watchsystems.com">ow_support@watchsystems.com</a> .
<b>System Performance End to End Response Time</b>	System performance: Based on other states an average response time is three seconds on a standard query. For advanced queries and custom reports an average response time is ten to sixty seconds.	Vendor will resolve any system performance issues within four hours.

- 8. **Data Backups:** The system must have an automated process for data backups, at least daily. The system must be able to restore itself from system backups, preferable with no manual intervention.
- 9. **User Access controls:** Role based authorization shall be incorporated in the application. The default security posture should be to deny all. There must be sufficient granularity to allow security to be applied to individual records, users, functions and processes.

The State has identified the following security levels that make up the Sex Offender Registry system. High level requirements are indicated below.

- a. Work sites within the system shall be identified by using their unique ORI. The organization will be given access to SOR data by the MSP MiCJIN Portal system administrator.
- b. Each user account must be associated with one work site. The user accounts must have the capability of being restricted to specific user data.
- c. At a minimum, there must be five (5) levels of security:
  - i. Administrative Rights



1. Access to read/write all SOR data, as well as access to administrative-only functions (i.e., statewide SOR statistics, cancel registrations, etc.).
2. Access to update lookup tables that regularly need to be updated to ensure accurate and complete registration information.
- ii. Law Enforcement Rights
  1. Access to read/write all SOR data, with the exception of administrative-only functions. Access to register new sex offenders.
- iii. Probation/Parole Rights
  1. Access to register new sex offenders. Access to read all SOR data.
- iv. Correctional Facility Rights
  1. Access to register new sex offenders. Access to read all SOR data and write to update SOR address information only.
- v. Read Only
  1. Access to read all SOR data only.

**10. Ad Hoc Query/Report Generation:** All fields in the database must be searchable. Ad hoc searches must include common filters as well as “wild card” capabilities. It is expected that fields that are commonly the subject of ad hoc queries will be indexed to minimize search time.

The system must provide for the following reporting options:

- a. Ad hoc queries against every field.
- b. Some user specified canned reports provided by the Contractor with conventional filters (e.g., Internet registered sex offenders, out of compliance offenders, administrative statistics, etc.)
- c. Interface with ODBC report writing software.
- d. Report outputs should be presentation quality and downloadable in common formats.

**11. Flagging:** A variety of flagging options must be available to include manual flagging by operators for internal, law enforcement use and automatic flagging based on triggering events (e.g., warrants, Out of State offender, etc.). There must be the capability for the system to support a variety of operations which are initiated by record flags. For example operations which are initiated by record flags might need to include automatic message posting to the internet site, generation of an automatic email message, letter generation, etc. Operations initiated by flags must be configurable by the systems administrator.

**12. Chronology:** All fields that allow multiple entries (e.g., Address, Offenses) must be displayed in reverse chronological order – most recent displayed first as determined by the date of the event.

**13. Duplicate Number Rejection:** A warning message must be generated either during manual or automatic data entry when a unique numeric identifier (e.g., SID, FBI#, SSN) is entered which previously exists in the SOR database.

**14. Lookup and Auto-fill:** Operators must be able to do a “lookup” on a coded field to assist in manual data entry. All coded fields should be auto-fill based on partial data entry. Auto-fill fields need to be appropriately filtered to expedite code selection.

**15. Duplicate Name Entry Protection:** The system should have a functionality to minimize duplicate name entry. This shall include the following:

- a. No entry without query of name and date of birth; SSN; or Registration number;
- b. Automatic name list when duplicate is detected;
- c. Soundex comparison.



- 16. Calculated Fields:** The system should have a functionality to calculate or manipulate certain fields based on input in other fields (e.g., registration expiration date could automatically reflect registration date + fifteen years).
- 17. System Messaging:** The system should allow users to send and receive messages to other user agencies in order to facilitate communication regarding registered sex offenders. Messages should be delivered to the user agency when the recipient logs into the SOR system. Users must have the ability to send, view, and resolve system messages. If a system message is resolved, the SOR system must maintain a message log for retrieval of past messages.
- 18. SOR Mapping:** The SOR system must allow users to select a list of offenders and display a map of where the offenders reside, work, or attend school.
- 19. Student Safety Zone:** Michigan law prohibits registered sex offenders from working or residing within a Student Safety Zone (1,000 feet from any K-12 school). The SOR system must provide a mechanism to alert user agencies that a specified address (residence, work, or school) entered is within a Student Safety Zone.

### C. Additional Products and Services

- 1. OffenderWatch® Express (OWX):** The Contractor shall provide OffenderWatch Express for sex offenders to update specific registration information via a secure website and the appropriate law enforcement agency must be allowed to accept or reject the change(s) for inclusion in the SOR state repository.
  - For an optional fee, Watch Systems can mail a notification introducing *OffenderWatch® Express* to each offender required to register and eligible to use a PC with internet access to inform the offender of the program, how to access it, and advantages to using the solution. The cost is \$.06 per card over the published 1<sup>st</sup> class Postal Rate of the United States Postal Service. It is recommended that this service be sent three (3) times to all offenders who qualify within the first ninety (90) days of executing the agreement.
- 2. Mobile Application:** The Contractor must provide a mobile application to allow only Michigan State Police to update registration information from any location. This will be provided to other Michigan law enforcement agencies as outlined in the optional production, section below (Section D.3).

### D. Optional Products, Services and Requirements (not provided in firm fixed price)

#### 1) Postal Notification Cards

- As offender data is entered, *OffenderWatch®* determines the number of notification cards required for the user defined notification radius, and displays a mailing estimate of how many cards will be prepared.
- Local agencies chartered by statute to conduct community notification may decide to send notification cards for all offenders, or only certain of the most dangerous predators, or according to statutory requirement.
- Notification cards carry the logo, a personalized message, and public service information from the agency. Cards also include publishable offender data, offense history, vehicles, and photograph.
- *OffenderWatch®* can select a wider notification radius (1 mile) for rural offenders and a smaller radius (.3 miles or X amount of feet) for urban offenders; the program and the mailing radius is entirely user selectable.
- *OffenderWatch®* can send notifications to help law enforcement agencies comply with state law to notify special recipients if an offender moves within proximity to them.
- The agency emails or faxes the mailing authorization form to Watch Systems, who then prints and mails the notification cards. A copy of the notification card is sent to each office for record keeping and is maintained in the offender's file for electronic access. An archive database is maintained for 2 years with all mailing data, including each recipient.



## 2) DELETED

## 3) OffenderWatch® Mobile

- The iPhone and Android will allow law enforcement to search for offenders by radial search to locate any offenders with an address registered near their current location. It also allows law enforcement to update all verification fields in *OffenderWatch®*. The cost of the application is \$500 per agency and is contracted separately from this agreement. The license allows each agency to have an unlimited number of users under the license agreement.

## 4) Active Contact

- A proactive outbound automated phone calling system that is designed to remind offenders of their upcoming verification appointments. The first benefit is that more offenders show up to verify their address. The second benefit is that the system will flag and alert the registering agency of phone number exceptions, such as an offender giving an incorrect phone number, a disconnected phone number, or if the offender no longer resides at the residence. The cost associated with this service is \$2.25 per registered offender on a yearly basis. The total amount is \$33,750 for 15,000 active registered offenders.

## 5) Booking Alerts

- An automatic message is sent to the agency responsible for the management of the offender and alerts them that their offender is being booked into a prison or jail outside of their jurisdiction. Furthermore, it is a resource for investigation into the whereabouts of an offender who might be late in verifying their address, meaning they can't verify in person if they are in jail. The cost associated with this service is \$2.70 per registered offender on a yearly basis. The total amount is \$40,500 for 15,000 active registered offenders.

## 6) Web Service for disparate database reconciliation and validation service

- These projects are envisioned by a Department of Corrections (DOC), Bureau of Motor Vehicles (BMV), Michigan State Police (MSP), and registration points involving the state sex offender registration and monitoring software. The project will use technology built and provided by the current state sex offender registration software vendor. The features of the vendor "Web Service" will compare data in the disparate system against registered sex offender records stored in the state sex offender database. It is specifically designed to facilitate searches by combinations of name, date of birth and social security number. The Web service queries databases for an offender by searching on first and last name, by social security number, and by date of birth in conjunction with an individual's first and last name. Because the state sex offender solution is used in thousands of agencies and in ten (10) states, the Watch Systems' Web Service will allow various departmental users to query for information across many states and counties. The search will not be a complete national search; however, the disparate system will be able to determine the sex offender status of people applying for various licenses. When a record is matched, the registration points will be notified via system message. This match notification validates data that the offender did or did not accurately self report. Enhancements are subject to a written SOW by Watch Systems and approved by the State. Pricing for this enhancement is based on the GSA schedule.

## 7) Additional Training

- Watch Systems Headquarters \$100 per trainee
- MSP \$4,000 per week including travel, boarding and sustenance



## **1.200 Roles and Responsibilities**

### **1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

#### **A. Contractor Staff**

The Contractor has identified a Single Point of Contact (SPOC).  
Lynn Barousse – Senior Consultant Public Safety

The duties of the SPOC shall include, but not be limited to:

6. Supporting the management of the Contract,
7. Facilitating dispute resolution, and
8. Advising the State of performance under the terms and conditions of the Contract.

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

The following staff members will be the key points of contact for the State for the duration of the project:

- Project Manager – Karen Johnson
- Alternate – Lori Hinkley
- SOR Coordinator – Leslie Wagner
- NCIC/Data Quality Overview – Leslie Wagner

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

All Key Personnel may be subject to the State's interview and approval process. Any key staff substitution must have the prior approval of the State. The Contractor has assigned the following staff members to the project for the full duration and no Key staff member may be reassigned or otherwise removed early from this project without explicit written permission of the State's Project Manager.

- Project Manager – Jonathan Roberts
- Functional Analyst – Ben Luzynski
- Database/Program Analyst – Ben Dufour
- GIS Mapping Analyst – Vince Edwards
- Account Manager – John Strain

**The Contractor will provide a project manager** to interact with the designated personnel from the State to insure a smooth transition to the new system. The project manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager responsibilities include, at a minimum:

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



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

**B. On Site Work Requirements**

**1. Location of Work**

The work is to be performed, completed, and managed at the Contractors location. For some activities such as training and user group meetings, the Contractor will be required to be onsite at the following State location: 333 S. Grand Avenue, Lansing, MI.

**2. Hours of Operation:**

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

**3. Travel:**

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

**4. Additional Security and Background Check Requirements:**

The Contractor and/or staff must be able to pass a security clearance check and drug tests prior to assignment to this project. Contractor must present certifications evidencing drug tests for all staff identified for assignment to this project. The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case-by-case basis. The scope of the background check is at the discretion of the State and MSP. The results will be used to determine eligibility for working within State facilities and systems. Such investigations will include Michigan State Police Background Checks including State and FBI (IAFIS) Fingerprint checks.

The Contractor must submit a completed Background Check Authorization Request (CJIS-008) to MSP’s Information Security Officer for approval prior to the individual(s) starting of the project. As part of the background check process, the contractor will be required to submit an RI-8 Fingerprint card or submission of fingerprints via a livescan device. Depending on the nature of a contract or work assignment, the contractor may also be required to include a security addendum as part of the contract. The contractor is responsible for any and all costs associated with the background check process.

This section applies to all Contractor personnel provided system access, either on-site or remotely, and/or granted unescorted access to MSP facilities.

**5. Additional Hours for Contractor Staff**

For any additional services beyond the fixed price quoted in Section 1.601, additional hours can be added subject to GSA schedule.

Current GSA published rates are as follows. These rates are all inclusive encompassing travel, lodging, meals, and other ancillary cost incurred by the vendor:

1. Project Manager	\$239.28/hr
2. Senior Systems Analyst	\$138.78/hr
3. Senior IT Consultant	\$124.43/hr
4. IT Consultant	\$ 90.93/hr
5. Network Administrator	\$105.28/hr
6. Senior Database Administrator	\$148.35/hr
7. Account and Implementation Manager/Trainer	\$ 90.93/hr



- 8. Help Desk Manager and Customer Support \$ 86.14/hr
- 9. GIS Specialist \$ 90.93/hr

Additional onsite training can be purchased by the State or any user covered under the contract billed at \$4,000 per week to the State inclusive of travel, meals, lodging, and other ancillary expenses associated with supporting services.

**1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**

The State project team will consist of Executive Subject Matter Experts (SME’s), project support, and a MDTMB and Agency project manager:

**Executive Subject Matter Experts**

The Executive Subject Matter Experts 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 Executive SME’s will be empowered to:

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

Name	Agency/Division	Title	Phone/e-mail
Ms. Karen Johnson	Michigan State Police Criminal Justice Information Center	Manager	(517) 241-3797
Ms. Leslie Wagner	Michigan State Police Criminal Justice Information Center	Sex Offender Registry Coordinator	(517) 241-1806

**State Project Manager**

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

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

**1.203 RESERVED - OTHER ROLES AND RESPONSIBILITIES**

**1.300 Project Plan**

**1.301 PROJECT PLAN MANAGEMENT**

See Section 1.104.I.A – Initiation and Planning



### 1.302 REPORTS AND ONGOING MEETINGS

Reporting formats must be submitted to the State's Project Manager for approval within 20 business days after the execution of the contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract.

Weekly Project status report which includes:

- Summary of activity during the report period
- Accomplishments during the report period

Updated project plan

Issues

a. **Task Review Meetings**

When possible, teams will hold task review meetings (as appropriate for the phase of the project and lasting less than 30 minutes) to ensure everyone is working on asking tasks, the project is moving forward, and there are no new issues or risks. Meeting attendees shall include representatives from all areas involved in the project.

b. **Team Status Meetings**

The status meetings ensure that all team members understand the overall status of the project and participate in the analysis of variances between the current project status and the Project Plan. During the meeting, the team may discuss any issues and risks that are new or have been identified previously and need a status update. Team status meetings shall be held a minimum of once per week.

c. **Executive Review Meetings**

The executive review meetings shall be held once per month or more frequent if necessary based on project deliverables to review the status of the project with Contractor' management. The purpose of the meeting is to inform management of the status of project deliverables and elevate any issues that have a major impact to the project budget or schedule.

d. **Status Reports**

The Project Manager reports project status to the State Program Manager and Key Stakeholders using the Stakeholder Status Report. This report includes the status of milestones and deliverables, change requests, and issues, as well as current and upcoming accomplishments and any other relevant information about the project status. Stakeholder Status Reports shall be distributed on a weekly basis.

- Target Group: State Program Manager, Key Stakeholders
- Owner: Project Manager
- Frequency: Weekly
- Document Format: MS Word, PDF, HTML

e. **Informal Discussions with Stakeholders and Appropriate User Groups**

If the information contained in the weekly reports is not sufficient, or the Stakeholder requests additional information, the Project Manager or members of the Project Team will meet with managers and user groups in their respective work areas informally in one-on-one situations to inform them of the ongoing project status, to reinforce the benefits of the project to them, and to gather feedback for further project improvement.

- Target Group: Stakeholders, Appropriate User Groups
- Owner: Project Manager
- Frequency: As required
- Feedback: Meeting notes will be distributed to appropriate parties within 2 business days.



## **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 State's Project Manager on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

1. Description of issue
2. Issue identification date
3. Responsibility for resolving issue.
4. Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
5. Resources assigned responsibility for resolution
6. Resolution date
7. Resolution description

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 (SME's)

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

### **1.403 CHANGE MANAGEMENT**

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

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

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

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

## **1.500 Acceptance**

### **1.501 CRITERIA**

The following criteria will be used by the State to determine Acceptance of the services and/or deliverables provided under this Statement of Work (SOW).



The system shall be deemed accepted by the State and final payment will be paid by the State when the standard of performance is met as defined in this section. Acceptance testing identified in this section must be sufficiently detailed to demonstrate the system's compliance with key criteria of the Contract. At a minimum, the acceptance testing will confirm the following:

1. Functional – the capabilities of the system with respect to the functions and features described in the technical portion of the Contract.
2. Performance – the ability of the application to perform the workload throughput requirements. All problems should be completed satisfactorily within the allotted time frame.

The State is responsible for final acceptance of the software using an integrated Performance and Reliability Evaluation (PARE) as described below:

1. Determination of System Readiness Application.
  - a. Prior to the PARE, a committee of four (4) persons will be identified to evaluate the performance on a daily basis. The committee will consist of one Contractor representative, and three (3) state representatives.
  - b. The PARE will begin when the Contractor certifies in writing that the solution is ready for use by the State.
  - c. A functional benchmark demonstration will be run for the PARE Committee to confirm that the solution is operating and integrating per contract. This run must be completed to the satisfaction of the PARE Committee.
2. Standard of Performance.
  - a. The performance period (consisting of sixty (60) consecutive calendar days, which must include one full verification period) shall commence when the system is fully operational and system is ready for full production use. The date and time of the start of the PARE will be agreed upon by the Contractor and the State.
    1. During the successful performance period, all rerun time resulting from State equipment failure shall be excluded from the performance period hours. Equipment failure downtime shall be measured by those intervals during the performance period between the time that the Contractor is notified of equipment failure and the time that the equipment is returned to the State in operating condition. Any solution failure within the sixty (60) consecutive calendar day PARE, will cause a re-start of the PARE.
    2. During the successful performance period, a minimum of one thousand (1,000) hours of operational use time on each component will be required as a basis for computation of the average effectiveness level.
      - i. The average effectiveness level is a percentage figure determined by dividing the total operational use time by the total operational use time plus associated downtime.
      - ii. If each component operates at an average level of effectiveness of 99.9 percent or more for a period of sixty (60) consecutive calendar days from the commencement date of the performance period, it shall be deemed to have met the State's standard of performance.
      - iii. The State shall notify the Contractor in writing of the successful completion of the performance period.
      - iv. The software shall operate in substantial conformance with the Contractor's published specifications applicable to such equipment on the date of this Agreement. The committee will determine/define substantial conformance.
      - v. If successful completion of the PARE is not attained within one hundred and eighty (180) consecutive calendar days from the original start date of the PARE, the State shall have the option of terminating the Contract, or continuing the performance tests. The State's option to terminate the contract shall remain in effect until such time as a successful completion of the performance period is attained. The Contractor shall be liable for all outbound preparation and shipping costs for contracted items returned under this clause.
      - vi. The PARE will be complete when the equipment has met the required effectiveness level of the prescribed time period.



**1.502 FINAL ACCEPTANCE**

Final acceptance is expressly conditioned upon completion of ALL deliverables, completion of ALL tasks in the project plan as approved, completion of all applicable inspection and/or testing procedures, delivery of services, and the certification by the State that the Contractor has met the defined requirements. Final acceptance of any component or enhancement will be formally executed in writing by the State of Michigan and the Contractor after all issues identified during User Acceptance Testing have been resolved, tested, and accepted and certification by the State that the Contractor has met the defined requirements.

**1.600 Compensation and Payment**

**1.601 COMPENSATION AND PAYMENT**

**Method of Payment**

The project will be paid on a deliverables/milestone basis. See below cost table.

The State agrees to pay the Contractor during the term of this contract an amount not to exceed three hundred ninety three thousand five hundred dollars and no cents (\$393,500.00) for implementation services outlined in Section 1.104 of the Contract.

**Summary Cost Table:**

Table 1: Phases I,II,III	\$393,500.00
Table 2: Operation Services / Maintenance and Support	\$1,440,000.00
Table 3: Reserved Funding for Future Enhancements or Additional Services	\$166,500.00
<b>Total Cost</b>	<b>\$2,000,000.00</b>

**Table 1: Phases I, II, III**

Phase I Payment Milestone 1	\$39,350.00
Phase I Payment Milestone 2	\$78,700.00
Phase II Payment Milestone 3	\$118,050.00
Phase III Payment Milestone 4	\$78,700.00
Phase III Payment Milestone 5	\$78,700.00
<b>Total Implementation Costs</b>	<b>\$393,500.00</b>

**Table 2: Renewal Operation Services (Includes Operation Services, Maintenance and Support)**

Operation Services / Maintenance and Support Period 1 (October 15, 2013 to October 14, 2014)	\$360,000
Operation Services / Maintenance and Support Period 2 (October 15, 2014 to October 14, 2015)	\$360,000
Operation Services / Maintenance and Support Period 3 (October 15, 2015 to October 14, 2016)	\$360,000
Operation Services / Maintenance and Support Period 4 (October 15, 2016 to October 14, 2017)	\$360,000

**The details surrounding the above tables/phases are provided below and in Section 1.104 of this Contract.**

**Phase I:** Initial set-up with *OffenderWatch®* and *OffenderWatch Express* license, creation of personalized web page, testing of MI data load, establishment of implementation steering committee, set up of MI state-specific parameters and values. See Section 1.104 of Contract for additional deliverables.

Time frame for completion is 30-60 days after receipt of the signed contract.

**Phase I Milestone Payments:**

Payment Milestone 1: 10% or \$39,350.00 due upon completion of the deliverables found in 1.104.I.B

Payment Milestone 2: 20% or \$78,700.00 due upon completion of the remaining Phase I deliverables.

**Phase II:** Complete initial load of offender data. See Section 1.104 of Contract for additional deliverables.



Time frame for completion is 30-60 days after Phase I.

**Phase II Milestone Payments:**

Payment Milestone 3: 30% or \$118,050 due upon completion of the Phase II deliverables.

**Phase III:** Creation and testing of MI CJIS update, NSOPW, Exchange Portal, and NCIC updates. The functionality, operability, establishment of the Michigan *OffenderWatch*® steering committee, and on-site training will be conducted. In addition, the final data load by Watch Systems and “Go Live” will be established. See Section 1.104 of Contract for additional deliverables.

Time frame for completion is 30-60 days after Phase II.

**Phase III Milestone Payments:**

Payment Milestone 4: 20% or \$78,700 due upon completion of PARE

Payment Milestone 5: 20% or \$78,700 due upon completion of the remaining Phase III deliverables.

**Renewal Operation Services**

*(Includes Operation Services, Maintenance and Support)*

Service agreement \$360,000 for October 15, 2013 to October 14, 2014

To be paid by October 15, 2013.

Service agreement \$360,000 for October 15, 2014 to October 14, 2015

To be paid by October 15, 2014.

Service agreement \$360,000 for October 1, 2015 to October 14, 2016

To be paid by October 15, 2015.

Service agreement \$360,000 for October 1, 2016 to October 14, 2017

To be paid by October 15, 2016.

**Reserved Funding for Future Enhancements or Additional Services:**

This contract includes \$166,500 funding for future enhancements and additional services. This funding can also be utilized for the optional items currently outlined in the Contract.

Mailings shall be executed at a price equal to the price of a first class stamp per piece subject to a minimum charge of \$35 per mailing. Mailing rates may vary from time to time for, among other things, changes in US Postal rates. However, the mailing rates hereunder shall not be modified without at least thirty (30) days advance written notice to the State stating the reason therefore. Each mailing will be approved in advance by the State.

**Additional On-Site Training.**

On-site training requested by the State in addition to that provided for in Attachment D hereto shall be billed at \$4,000 per week to the State inclusive of travel, meals, lodging, and other ancillary expenses associated with supporting services.

**Travel**

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time will not be reimbursed.

If Contractor reduces its prices for any of the software or services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the State's MDTMB Contract Administrator with the reduced prices within fifteen (15) Business Days [or other appropriate time period] of the reduction taking effect.

**Statements of Work and Issuance of Purchase Orders**

1. Unless otherwise agreed by the parties, each future 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
2. 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**

Contractor will submit properly itemized invoices to

DTMB – Financial Services  
Accounts Payable  
P.O. Box 30026  
Lansing, MI 48909  
or  
DTMB-Accounts-Payable@michigan.gov

Invoices must provide and itemize, as applicable:

1. Contract number;
2. Purchase Order number
3. Contractor name, address, phone number, and Federal Tax Identification Number;
4. Description of any commodities/hardware, including quantity ordered;
5. Date(s) of delivery and/or date(s) of installation and set up;
6. Price for each item, or Contractor's list price for each item and applicable discounts;
7. Maintenance charges;
8. Net invoice price for each item;
9. Shipping costs;
10. Other applicable charges;
11. Total invoice price; and
12. Payment terms, including any available prompt payment discount.

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.

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

### **1.602 HOLDBACK**

The State shall have the right to hold back 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.



## **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 (10/1/2012) through (9/30/2017). All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall 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 five (5) additional one (1) year periods.

#### **2.003 LEGAL EFFECT**

Contractor accepts this Contract by signing two copies of the Contract and returning them to the DTMB-Procurement. 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 shall not be liable 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), 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 must issue an approved written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order 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 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 shall 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. The Contract may be modified or amended only by a formal amendment to this Contract, signed by duly authorized representatives of the parties.



## **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 found invalid or unenforceable, 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. Further, no delay or omission in the exercise of any power or remedy available under the Contract shall impair or affect either party's right to exercise such power or remedy.

## **2.012 SURVIVAL**

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

### **2.020 Contract Administration**

## **2.021 ISSUING OFFICE**

This Contract is issued by the Department of Technology, Management and Budget, Procurement and Department of State Police (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DTMB-Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The DTMB-Procurement Contract Administrator for this Contract is:

Steve Motz, Buyer  
Procurement  
Department of Technology, Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
Email: motzs@michigan.gov  
Phone: 517-241-3215

## **2.022 CONTRACT COMPLIANCE INSPECTOR**

The Director of DTMB-Procurement 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. DTMB-Procurement 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:

See Contract cover page for contact information

### **2.023 PROJECT MANAGER**

The following individual will oversee the project:

Karen Johnson, Manager  
Michigan Department of State Police  
333 South Grand Avenue, Lansing, MI 48933  
JohnsonKM@michigan.gov  
(517) 241-3797

### **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, Contractor shall provide a detailed outline of all work to be done, including tasks necessary to accomplish the Additional 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 before commencing performance of the requested activities it believes 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 and 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 requires 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 Contractor believe the proposed Change 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 shall 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 shall be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice 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 shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Procurement.
- (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  
Procurement  
Attention: Steve Motz  
PO Box 30026  
530 West Allegan  
Lansing, Michigan 48909

Contractor: See Contact provided on Contract cover page.

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 giving 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 shall be deemed to be an employee, agent or servant of the State for any reason. Contractor shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.



Nothing in this Contract is intended to or does confer any rights or remedies to any persons or entity other than the parties and their respective successors.

## **2.028 COVENANT OF GOOD FAITH**

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

## **2.029 ASSIGNMENTS**

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

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

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

## **2.030 General Provisions**

### **2.031 MEDIA RELEASES**

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

### **2.032 CONTRACT DISTRIBUTION**

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

### **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 shall 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 shall 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**

Section 1.601 hereof and each other 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 shall 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 subsequent 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**

The State shall not be obligated to pay any amounts in addition to the charges specified in this Contract for all Services/Deliverables to be provided by Contractor and its Subcontractors, if any, under 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 shall 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 shall 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 1.600**.
- (c) Correct invoices shall 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 shall 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 Procurement, Department of Management & Budget. This activity shall occur only upon the specific written direction from DTMB-Procurement.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) shall 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 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 shall 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 shall be made by electronic fund transfer (EFT).

### **2.050 Taxes**

#### **2.051 EMPLOYMENT TAXES**

Contractor shall collect and pay all applicable federal, state, and local employment taxes, including the taxes.

#### **2.052 SALES AND USE TAXES**

Contractor shall register and 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.



Any sales tax or other tax due on products or services or gross receipts for services rendered are to be added to prices quoted and paid by the state.

## **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 shall 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 shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall 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 shall 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 on 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 shall 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 shall perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel shall, 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 shall 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 shall 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 shall 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 shall provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor shall 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 shall 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 shall 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 Technology, Management and Budget, Procurement 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 shall 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 shall 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 shall 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 shall 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**

No equipment is being provided to the State pursuant to this Contract.

## **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 shall 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 shall 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 shall be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations shall 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 shall be initiated by the State and shall be reasonably related to the type of work requested.

All Contractor personnel shall 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 shall be expected to agree to the State's security and acceptable use policies before the Contractor personnel shall be accepted as a resource to perform work for the State. It is expected the Contractor shall present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff shall 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 shall 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 5 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances. Notification to the public of MSP data breach shall be performed by the State or performed by the Contractor with prior authorization of the State.

### **2.093 PCI DATA SECURITY STANDARD**

(a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

(b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.

(c) The Contractor must properly dispose of cardholder data, in compliance with DTMB policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.

(d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.



## **2.100 Confidentiality**

### **2.101 CONFIDENTIALITY**

Contractor and the State each acknowledge that the other possesses and shall continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean information of Contractor (other than Confidential Information of the State as defined below) whether presented orally or in writing, and whether or not marked as "confidential" or "proprietary," which could provide a competitive advantage to the party possessing such information and which either embodies trade secrets or is confidential technical, business, or financial information. Contractor takes the position, which is hereby expressly acknowledged by the State, that the Software constitutes a valuable proprietary product and trade secret of Contractor embodying substantial creative efforts and confidential information. "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 shall 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 shall (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 shall 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.

The State agrees not to sell, transfer, publish, disclose, display or distribute the Software or permit any other person or entity access to, in any manner, the Software or reproductions or duplications thereof, or any part thereof, in any form whatsoever. The State agrees to take all reasonable steps to ensure that the State's employees, agents, independent vendors and guests are prohibited from taking any action otherwise prohibited to the State under this Contract. If the State becomes aware of any unauthorized access or breach of confidentiality, Licensee shall give the Contractor written notice within one day. It is further understood that the Contractor copyrights the formats, information, and source code of the Software. The State agrees not to remove or alter any copyright notice or other proprietary markings from the Software.

The State shall not use its access to the Software to aid others in analyzing, imitating, or reverse engineering the Software. The State shall not attempt, by recompilation, reverse-engineering, disassembly, or any other method, to create or derive the source programs or codes or any part thereof from the object program or from other information made available under this Contract. Except as expressly provided herein, the State may use the Software solely for law enforcement obligations and purposes as contemplated hereby and at the State's premises, and the State shall not transfer, sublicense or otherwise assign its license to access and use the Software to any third party nor allow any third party to access or use the Software except as authorized hereby. The State may not alter or modify the Software without the express prior authorization of the



Contractor. The State shall take all reasonable steps to prevent unauthorized access to and/or use of the Software by any person or entity other than the State.

Each party agrees to use the confidential information received from the other party only for the purposes of and in accordance with this Contract. The receiving party shall promptly notify the disclosing party of any request or demand by any court, governmental agency or other person asserting a demand or request for confidential information of the disclosing party supplied pursuant to this Contract, so that the disclosing party may seek an appropriate protective order.

Contractor acknowledges that the State is subject to the terms of the Michigan FOIA, and the Contractor agrees that it will not make any claim against the State if the State makes available to the public any information it receives from the Contractor in response to a binding order from a court or governmental body or agency compelling its production.

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 shall 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 shall 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 shall 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 shall 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 shall 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 shall provide all reasonable facilities and assistance for the State's representatives.

### **2.112 EXAMINATION OF RECORDS**

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State shall 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 shall 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 shall 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 shall 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 shall meet to review each audit report promptly after issuance. The Contractor shall 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 shall 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 shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount shall 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 shall 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 shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, third party software or other Deliverable for the State (including equipment, third party 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 Contract. 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 Technology, Management and Budget, Procurement.

## **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 further warrants that (i) it has good title to the Software; (ii) it has the absolute right to license the Software; (iii) as long as the State is not in material default hereunder, the State shall quietly and peacefully possess and use any Software provided hereunder subject to and in accordance with the provisions of this Contract; and (iv) Contractor shall be responsible for and have full authority to license all proprietary and/or third party software modules, including algorithms and protocols, that Contractor incorporates into the Software ("Title Warranty"). Contractor agrees to assist the State in obtaining the requisite licenses for third party software necessary to use the Software.

## **2.125 RESERVED - EQUIPMENT WARRANTY**

## **2.126 RESERVED - EQUIPMENT TO BE NEW**

## **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 DTMB-Procurement has approved a change order pursuant to **Section 2.024**.

## **2.128 CONSEQUENCES FOR BREACH**

If, at any time during the term of this Contract, the Software or the results of Contractor's work fail to perform according to any warranty of Contractor under this Contract, the State shall promptly notify Contractor in writing of such alleged nonconformance, and Contractor shall provide at no additional cost of any kind to the State, the maintenance required. In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section and fails to promptly correct such breach, 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](http://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 INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

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

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

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

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

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

- 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$3,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

- 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$1,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.



8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

### **2.132 SUBCONTRACTOR INSURANCE COVERAGE**

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

### **2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS**

Contractor must furnish to DTMB-Procurement, 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 SHALL 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 Procurement, Department of Technology, 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 hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

## **2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS**

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

## **2.146 INDEMNIFICATION PROCEDURES**

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

- (a) After the State receives notice of the action or proceeding involving a claim for which it shall 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 shall 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 shall 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 convenience 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 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 shall 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 shall 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 shall 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.
- (d) The State acknowledges that if it cancels its license to access and use the Software for any reason, then all information and data, including all information and data provided by the State, will be transferred to the State in a format acceptable to the State and then may be purged from the Software and unavailable thereafter, and Contractor shall bear no responsibility for such loss of data or information following the initial transfer of data to the state.
- (e) Termination of the license by the State or Contractor shall in no event entitle the State to a refund of any License Fees, except as specifically provided herein.

## **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) breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract within thirty (30) days of the payment due date and such breach is not cured within thirty (30) days after the Contractor gives the State written notice thereof, [(ii) the State becomes insolvent or seeks protection, voluntarily or involuntarily, under any bankruptcy law,] (iii) 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.

In the event of any termination of this Contract and the license granted to the State hereunder, Contractor may (i) require that the State cease any further use of the Software or any portion thereof and immediately return all materials related to the Software or arising under this Contract and any copies thereof, in whole or in part; and/or (ii) cease performance of all of Contractor's obligations hereunder without liability to the State.

The State agrees, if requested by the Contractor, to destroy or return to the Contractor any documents, manuals, data, information, or materials furnished by the Contractor, as well as any copies thereof and shall destroy any embodiments of these materials stored in or on a reusable electronic or similar medium, including but not limited to memory, disk packs, tape, and other peripheral devices, and document in writing such destruction.

### **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 shall 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 180 days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

#### **2.172 CONTRACTOR PERSONNEL TRANSITION**

The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor 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 shall 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 shall 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**. 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 2.182**.

#### **2.182 CANCELLATION OR EXPIRATION OF STOP WORK ORDER**

The Contractor shall resume work if the State cancels a Stop Work Order or if it expires. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the Stop Work Order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 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 shall be deemed to be a termination for convenience under **Section 2.153**, and the State shall pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this Section.

### **2.190 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 shall be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any dispute after compliance with the processes, the parties must meet with the Director of Procurement, DTMB, or designee, 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 at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall 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 shall 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 Procurement, DTMB, or designee, shall 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 shall 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 shall 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 shall 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 that the damages to the party resulting from the breach shall 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. For the avoidance of doubt, the State acknowledges that the unauthorized use or transfer of the Software may substantially diminish the value of the Software and irreparably harm the Contractor. If the State engages in the unauthorized use or transfer of the Software, the Contractor shall be entitled to equitable relief, including but not limited to injunctive relief, in addition to other remedies afforded by law.

## **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 shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled 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, shall 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 shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

## **2.204 PREVAILING WAGE**

Wages rates and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Licensing and Regulatory Affairs, Wage and Hour Division, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the Contract. Contractor shall also post, in a conspicuous place, the address and telephone number of the Michigan Department of Licensing and Regulatory Affairs, the agency responsible for enforcement of the wage rates and fringe benefits. Contractor shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

### **2.210 Governing Law**

## **2.211 GOVERNING LAW**

The Contract shall 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 shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to 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 UNDER CONTRACT**

Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability 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 two times the value of the Contract or \$500,000 which ever is higher. 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 shall 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) shall 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 shall 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 shall 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 shall make the following notifications in writing:
- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.
  - (2) Contractor shall also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
  - (3) Contractor shall also notify DTMB-Procurement within 30 days whenever changes to company affiliations occur.

### **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 shall 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 shall 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 shall 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 shall 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)**

- (a) SLAs will be completed with the following operational considerations:



- (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
- (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
- (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
- (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
  - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
  - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

## **2.243 RESERVED - LIQUIDATED DAMAGES**

### **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 COTS 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 COTS 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.

#### **2.252 CONTRACTOR SYSTEM TESTING**

Contractor will be responsible for System Testing each COTS Software Deliverable in Contractor's development environment prior to turning over the COTS 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 COTS Software Deliverable.

#### **2.253 APPROVAL OF DELIVERABLES, IN GENERAL**

All Deliverables (Written Deliverables and COTS 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 COTS 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 COTS 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 shall 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.



## **2.260 Ownership**

### **2.261 OWNERSHIP OF SOFTWARE AND DELIVERABLES; RESTRICTIONS ON USE**

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

Title to the Software, including but not limited to the ownership of all copyrights, patents, trademarks, trade secrets, and all other intellectual property rights, shall at all times remain with Contractor. Licensee shall make no claim of any ownership rights in the intellectual property of the Software, including without limitation copyright and patents in the Product and any alterations, enhancements, adaptations, developments, modifications, or derivatives thereof.

The State shall not alter, amend, adapt, or modify the Product without the express written consent of the Contractor, and any such alterations, amendments, adaptations, or modifications of the Software shall inure to the benefit of Contractor, who shall be the sole owner of all intellectual property flowing from the Software. The State shall not copy or download or attempt to copy or download the Software and any and all copies of the Software shall at all times be the sole and exclusive property of the Contractor.

The State shall use the Software solely for the Michigan State Police, federally recognized tribes located within the state of Michigan, and local law enforcement subdivisions of the State and the State shall only allow such designated employees as set forth in this Contract to access the Software using the access codes and passwords provided by the Contractor. The State hereby acknowledges and agrees that title to the Software, any reference manuals and any copies, modifications, or derivative works thereof, and any title to any existing or future patents, copyrights, trade secrets, and other proprietary rights of Contractor embodied therein shall remain exclusively with Contractor and the third party owners thereof, and the State is entitled solely to a non-transferable and non-exclusive use within the terms and conditions of this Contract.

### **2.262 VESTING OF RIGHTS**

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

### **2.263 RIGHTS IN DATA**

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

The State is the owner of all State-specific data under the Contract. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law.



The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

## **2.264 OWNERSHIP OF MATERIALS**

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

### **2.270 State Standards**

## **2.271 EXISTING TECHNOLOGY STANDARDS**

The 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**

### **A. MiDEAL Requirements**

1. The Contractor must ensure that all purchasers are MiDEAL Members before extending the Contract pricing. A current listing of approved MiDEAL Members is available at: [www.michigan.gov/mideal](http://www.michigan.gov/mideal).
2. The Contractor must submit quarterly reports of MiDEAL purchasing activities to DTMB-Purchasing Operations.
3. The Contractor must submit invoices to and receive payment from MiDEAL Members on a direct and individual basis.
4. Estimated requirements for MiDEAL members are not included in the quantities shown in this RFP, unless otherwise noted.
5. The State of Michigan reserves the right to negotiate additional discounts based on any increased volumes by MiDEAL members.

## **2.282 RESERVED - STATE EMPLOYEE PURCHASES**

## **2.283 COOPERATIVE PURCHASING**

- (a) This Contract may be extended to additional States or governmental jurisdictions upon mutual written agreement between the State of Michigan and the Contractor. Political subdivisions and other authorized entities within each participating State or governmental jurisdiction may also participate in this Contract if such State allows participation by such entities.
- (b) All MiDEAL processes, invoicing relationships, reporting and MiDEAL Service Fee also apply to cooperative purchasing participants.



- (c) The State of Michigan reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

## **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 shall 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 shall provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State shall 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 shall 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 shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall 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 shall 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 shall 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](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**

See Article 1 for all required software

#### **2.302 HARDWARE**

See Article 2 for all required hardware

### **2.310 Software Warranties**

The express warranties set forth in this Contract shall be in lieu of all other warranties, express or implied. Licensee shall be solely responsible for the selection, use, efficiency and suitability of the Product and WATCH shall have no liability therefore.

#### **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; provided however, that Contractor does not represent that the Software will be free from "bugs" and other minor defects, but rather only that bugs and minor defects shall not materially impair the use of the Software by the State. Contractor further warrants and represents that any time the Software is made available to the State, whether delivered via electronic media or the internet, no portion of the Software or the media upon which it is stored or delivered will contain any Self-Help Code or Unauthorized Code. 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 RESERVED - CROSS-LICENSE, DELIVERABLES ONLY, LICENSE TO CONTRACTOR**

#### **2.322 RESERVED - CROSS-LICENSE, DELIVERABLES AND DERIVATIVE WORK, LICENSE TO CONTRACTOR**

#### **2.323 LICENSE TO THE STATE**

Contractor grants to the State a non-exclusive, site-wide, irrevocable, and non-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" means any office of only the following legal instrumentalities within the State of Michigan regardless of its physical location: the Michigan State Police, federally recognized tribes located



within the state of Michigan, and local law enforcement subdivisions of the State. No other agency or arm of the State shall be entitled to any use or rights pursuant to this Contract, notwithstanding anything to the contrary contained in this Contract.

The State's sole means of utilizing the Software shall be through Internet access to Contractor's server, utilizing the access codes and passwords made available by Contractor to access and use the Software. The State shall be responsible for input of data. The State shall strictly limit access to the Software to its employees, specifically maintaining control over the dissemination and use of the access codes and passwords made available by the Contractor to the State so that only current employees and only employees authorized by the State and permitted by applicable law are provided with or aware of such access codes and passwords or are allowed access to the Software. The Software may permit the State to authorize others to view the State's data. The State agrees that it will not allow or authorize any person or entity (including another subscriber to the Software) to access the State's data and information except as authorized by applicable law and by the terms of this Contract.

The Contractor will maintain the Software and will provide the State support and assistance for the Software. The license to access and use the Software pertains only to proper and intended uses of the Software, and the State warrants that it will not use the Software improperly, maliciously, or in ways which are not intended.

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.

#### **2.324 PRE-EXISTING MATERIALS FOR COTS SOFTWARE DELIVERABLES**

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into COTS Software Deliverables or use any pre-existing materials to produce COTS Software Deliverables if such pre-existing materials will be needed by the State in order to use the COTS 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**

- A) Contractor agrees to store their own intellectual property, at the expense of the Contractor, during the term of this Contract at a third party site, as set forth in the pricing provided by such third party, a copy of the most current source code, and any documentation and written instructions required to interpret said source code. Said third party site, source code, documentation, and instructions will be affirmed to the State in writing by Contractor within fourteen (14) days of a request by the State. Contractor shall immediately arrange for the surrender of such source code, documentation, and instructions to State:
- a) If Contractor becomes insolvent or commits any act of bankruptcy or makes a general assignment for the benefit of creditors;

OR

- b) If Contractor or its successors or assignees discontinues support of the deliverables for any reason.
- B) Contractor shall arrange so that the State shall have the right at any time to contact the so identified third party and shall also arrange so the State's audit personnel shall have full and free access to examine any such source code, documentation, and written instructions for the purposes of ascertaining the existence of the source code and related documentation and instructions and for the verification of the continued validity of the instructions from the Contractor to the third party to release the source code, documentation, and instructions to the State under the circumstances specified in this section.
- C) In no event shall the State use the source code, documentation, and written instructions for purposes other than satisfying the State needs. Title to any source code released to the State in compliance with this section shall remain with the Contractor and the State shall continue to treat the released materials as valuable and proprietary trade secret information of Contractor in accordance with the terms of this



Contract, which terms shall expressly survive the termination or expiration of this Contract. The State agrees that any released source code shall be used solely for the business purposes of the State and shall not be disclosed to any third party pursuant to this Contract.

### **2.331 DEFINITION**

“Source Code Escrow Package” shall mean:

- (a) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
- (b) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
- (c) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

### **2.332 DELIVERY OF SOURCE CODE INTO ESCROW**

Contractor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within (30) thirty days of the execution of this Contract.

### **2.333 DELIVERY OF NEW SOURCE CODE INTO ESCROW**

If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.

### **2.334 VERIFICATION**

The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.

### **2.335 ESCROW FEES**

The Contractor will pay all fees and expenses charged by the Escrow Agent.

### **2.336 RELEASE EVENTS**

The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:

- (a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
- (b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
- (c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

### **2.337 RELEASE EVENT PROCEDURES**

If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in this **Section**, then:

- (a) The State shall comply with all procedures in the Escrow Contract;
- (b) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;



- (c) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.

### **2.338 LICENSE**

Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract, until the Event is cured or ends.

### **2.339 DERIVATIVE WORKS**

Any Derivative Works to the source code released from escrow that are made by or on behalf of the State (at the State's expense after an Event) shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.



**Glossary**

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
DTMB	Michigan Department of Technology, 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.
RESERVED	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
Software	The Software to be provided by Contractor under the Contract as described in Attachment B hereto.
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.



**Attachment A – Data Center Specifications**



Offender Watch®

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Data Center Specifications

Revised: 8/22/12



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## Overview

This document contains details on the Data Center which hosts the servers for all OffenderWatch® related products and services. This document is NOT intended to provide any specifics on the OffenderWatch® server configuration. The information below merely describes the location of the servers and the physical attributes of the hosting facility.

## Intended Audience

This document is intended for OffenderWatch® users who are interested in the specifics of the hosting facility.

## Frequently Asked Questions

### Where is the Data Center located?

- All of our products and services are hosted at Rackspace's ORD1 facility in Elk Grove Village, IL.

### Who is Rackspace?

- Rackspace is a hosting service provider based in San Antonio, TX. They have been in business since 1998 and currently serve over 180,000 customers. Rackspace currently has eight Data Centers, three international, and over 4,000 employees. More information on Rackspace can be found at: [www.rackspace.com](http://www.rackspace.com)

## Data Center Specs

### Facility

- Data Center raised floor is 230,666 square feet
- Rackspace pods total 102,500 square feet
- Site is manned 24x7x365 with Rackspace operations personnel
- Preventative Maintenance contracts on all facility infrastructure





### Security

- Staffed 24x7 with separate security lobby
- Electronic security features with card key access
- Alarm system
- CCTV archived video

### Power

- 16.9 MW critical (UPS) power to Rackspace pods
- 33.8 MW critical (UPS) power to site
- 55 MW total utility power to site

### UPS

- 33 Rotary power systems with 1300 kW of critical output each
- N+2 Redundancy per phase plus 1 "swing unit"

### Generators

- 33 diesel-powered emergency generators with 2,250 kW capacity each
- N+2 redundancy



### Heat Rejection Systems (AC)

- Evaporative chilled water plant
- Over 18,400 tons of cooling
- Chillers: N+2 Redundancy, CRAH: N+20% Redundancy

### Fire Protection

- Early Smoke Detection (VESDA) and Carbon Smoke Detection
- Pre-action Dual-interlock Sprinkler System

### Facility Monitoring

- NARC – Network monitoring software
- Eaton Foreseer Facility Monitoring System

### Customer Rack Systems

- Rackspace uses 55u (approx. 9ft) Rack Solutions cabinets
- Dual-pathed power to all customer Racks with ATS/STS for all single-corded devices



### **Customer Access**

- Customers retain administrative control of their leased servers
- Rackspace retains control of dedicated networking hardware such as firewalls and load balancers
- Console level access is provided via Terminal Services of SSH over VPN, depending upon platform

### **Backup and Recovery**

- Fully managed backup to centralized storage

### **Network Infrastructure**

- Redundant Cisco 3-tier LAN Architecture

### **Physical Connectivity**

- Multiple fiber carriers
- Copper and fiber installed and terminated to onsite demarcation

### **Transit**

- Multiple Tier-1 Service Providers
- 10-Gigabit Ethernet per carrier (multiple gigabits of total bandwidth available)

### **Routing**

- Redundant Cisco Nexus 7000 Series, ASR 9000 Series and Asrion series switches/routers for edge and core routing
- Intermap FCP optimization

### **Switching**

- Cisco 4948 Series Switches for aggregation
- Cisco 2950/2960 Series Switches for Distribution



## **ATTACHMENT B**

### **Software Description - OFFENDER WATCH/ WATCHMAP (“Software”)**

Database collection and query tool for functional data analysis. The Offender Watch/Watchmap system is designed to assist government agencies, such as police and sheriff's departments in registering and tracking sex offenders and in notifying the public about sex offenders.

The product is delivered in a thin client environment allowing the LICENSEE to access the database without the need for a local server. Access is designed for Internet connection to Servers maintained by WATCH. Watch provides with the product a series of web pages designed to allow public Internet users to query the offender database. Watch also provides an email notification service to users allowing public registrants to receive email notifications when an offender registers within one mile of the recipient's provided address. These emails are executed once per day based on information entered into the Offender Watch/Watchmap system.

#### **TECHNICAL CAPACITY OF WATCH'S INTERNET CONNECTION**

Server connections are rated at 1500 users simultaneously.

#### **USER SPECIFIC REQUIREMENTS FOR STATE COMMUNITY WEB PAGE**

The following parameters are used for developing the browser based application interface for the state public portal page:

- Optimized for an 800 x 600 in full screen mode resolution, however supporting 600 x 800 and any higher screen resolution
- Optimized for 8 bit colors
- Optimized for color printing, however supporting black/white printing
- Optimized for dedicated internet links of throughput rates of 256 kb/s and higher
- Optimized for the Microsoft OS platform (Windows XP, 2000 or later) running IE version 5.5 or newer
- Sufficient hard disk space for temporary internet files such as images and ActiveX controls to be stored temporarily (General Recommendation at least 100MB available of free disk space)
- Sufficient memory available (General Recommendation 32MB of RAM )

#### **BACK-UP PROCEDURES FOR DATA**

Data will be backed up nightly, with the information being saved onto tape for protection of entered data.

#### **SUPPORT AND ASSISTANCE**

1. A manual will be available to Licensee through internet access to Watch's website.
2. A 1-888 help number (1-888-Watch12) is also available to Licensee. WATCH will provide unlimited telephone support. All help shall be strictly telephone support.
3. WATCH does not contemplate the need for any intervention in Licensee's use of the Product. Should that be necessary, reasonable charges will be imposed.
4. WATCH will provide eight day's training on-site at a regional location or locations designated by the State upon inception of use of the product and once per year that the maintenance agreement is in effect. Training location must have appropriate seating as well as audio visual equipment and appropriate internet connection to support use of the internet and the OffenderWatch® software. Regions / locations for training can be coordinated with the project manager and MSP designated regional coordinators

Additional training is available as needed via webinar. Webinar training is unlimited in number of participants and occurrences. WATCH has not provided for additional training as it believes additional training is not necessary for use of the Product.

#### **DISSEMINATION/DISTRIBUTION OF INFORMATION**

INFORMATION AND DATA ACCESSIBLE THROUGH SOFTWARE OR PROVIDED FOR ANY MAILING SERVICE HAVE BEEN ENTERED BY EITHER THE STATE OR BY THIRD PARTY USERS OF THE PRODUCT, AND ANY RELIANCE BY THE STATE ON SUCH INFORMATION AND DATA IS THE SOLE AND EXCLUSIVE ASSUMPTION OF RISK BY THE STATE. CONTRACTOR does not represent that information and data provided solely by third parties are accurate or free from errors, and CONTRACTOR shall be held



blameless for any errors in the data and information accessible through the Product, which was provided solely by third parties. In any event, CONTRACTOR shall not have any responsibility for defects caused solely by the State's failure to comply in any respect with the relevant instructions for the Product, for defects caused by the State's inaccurate or improper inputting of data, for defects caused by unqualified users, for defects caused by unauthorized alterations of the Product, for defects which are attributable to the Internet, for any defect caused by force majeure, or for any other defect which is not attributable to CONTRACTOR. In the event CONTRACTOR breaches its warranty with respect to services, CONTRACTOR shall re-perform the defective services or the State may terminate this Contract.

#### **LIMITATION OF CONTRACTOR RESPONSIBILITY FOR DATA AND ANY MAILINGS PROGRAM**

The Contractor shall provide for back-up protection of the data and information entered by Licensee. This back-up procedure is the limit of Contractor's responsibility for ensuring the availability of the data and information entered by the State and protecting against failures and loss of data and shall be held blameless and free from responsibility concerning any data or information loss pertaining to data entered within 72 hours of such loss that may occur under the back-up procedure, absent gross negligence by Contractor. Contractor's sole responsibility for assuring that the data and information entered by the State is protected from loss, damage, or error shall be limited to the back-up procedure.

Contractor shall provide the State with reasonable access to the Software. Access limitations due to third parties, including but not limited to the State's Internet provider, are not the responsibility of Contractor. Contractor does not guarantee or warrant that Licensee shall have instant or unlimited access to the Software. Contractor's sole responsibility for assuring access to the Software through the Internet shall be limited to maintaining the technical capacity of Contractor's Internet connection.

Under this program, Contractor (or an entity designated by Contractor, of which the State has received prior written notice) may execute the mailing of notifications after calculating residences geographically eligible for notification within the specified radius in urban and rural areas. Contractor will use address lists it believes to be accurate but can make no warranty that all residences will be contained in the list. Contractor will provide, upon request, information about addressees notified to the State so that the State may judge the accuracy of the lists Contractor uses. The State hereby acknowledges that it is the responsible party for deciding to use address lists available. Furthermore, Contractor will mail the notifications using the guidelines of the United States Postal Service but also does not warrant the Post Office's execution of the mailing process. Finally, the State will approve, in advance, each notification mailed for this purpose and acknowledges that it will have the sole responsibility for the accuracy of the information contained in the notification and the decision as to whether notification is proper to mail.

Contractor will provide mapping services under this contract that provide the basis for mailing services and email notifications as well as maps displayed for investigative purposes and public information. Contractor will obtain publicly-available digitized mapping information and can improve it with the help of the State, but does not warrant that such mapping information is accurate to any degree other than as provided from such sources as indicated herein.

Email notifications will be sent out daily but Contractor cannot warrant that all recipients will receive email. Any missing emails will be re-sent by Contractor upon request by recipients or the State

If the State should discover any defect in the mailing service or the Software, the State must give Contractor written notice within two business days of discovering any defect and ample opportunity for Contractor to correct said defect. INFORMATION AND DATA ACCESSIBLE THROUGH SOFTWARE PROVIDED FOR THE MAILING SERVICE HAVE BEEN ENTERED BY EITHER THE STATE OR BY THIRD PARTY USERS OF THE SOFTWARE, AND ANY RELIANCE BY THE STATE ON SUCH INFORMATION AND DATA IS THE SOLE AND EXCLUSIVE ASSUMPTION OF RISK BY THE STATE. Contractor does not represent that information and data provided solely by third parties are accurate or free from errors, and Contractor shall be held blameless for any errors in the data and information accessible through the Software, which was provided solely by third parties. In any event, Contractor shall not have any responsibility for defects caused solely by the State's failure to comply in any respect with the relevant instructions for the Software, for defects caused by



the State's inaccurate or improper inputting of data, for defects caused by unqualified users, for defects caused by unauthorized alterations of the Software, for defects which are attributable to the Internet, for any defect caused by force majeure, or for any other defect which is not attributable to Contractor. In the event Contractor breaches its warranty with respect to services, Contractor shall re-perform the defective services or the State may terminate this Contract.