



**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 13
to
Contract Number 071B3200056

CONTRACTOR	Chicago Systems Group (CSG) Government Solutions Inc.
	180 N. Stetson Ave., Suite 3200
	Chicago, IL 60601
	Jeff Eckert
	317-294-8719
	jeckert@csgdelivers.com
	*****0867

STATE	Program Manager	Barb Dawson	DTMB
		517-241-4528	
		dawsonb3@michigan.gov	
	Contract Administrator	Terry Mead	DTMB
		(517) 284-7035	
		meadt@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Pre-Qualified IT Services Contract				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
December 1, 2012	November 30, 2017	5 - 1 Year	November 30, 2017	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		Click here to enter a date.
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$8,905,560.00		\$ 0.00	\$8,905,560.00	

DESCRIPTION: Effective May 17, 2016 the new contact information for this contract will be as follows:

Jeff Eckert
180 N. Stetson Ave.
Suite 3200
Chicago, IL 60601
Phone - 317-294-8719
jeckert@csgdelivers.com

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

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

CHANGE NOTICE NO. 12
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
CSG Government Solutions, Inc. 120 North Washington Square Lansing, MI 48933	Jim Mahony	jmahony@csgdelivers.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(312) 423-2105	0867

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Barb Dawson	(517) 241-4528	Dawsonb3@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	(517) 284-7035	meadt@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, one year	November 30, 2017
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,305,560.00		\$3,600,000.00	\$8,905,560.00	
DESCRIPTION: Effective August 19, 2015, this Contract is hereby INCREASED by \$3,600,000.00 to add a pool of dollars to the Contract which can be leveraged through approved/signed Statements of Work(s) per amended Section 2.024 of Contract Change Notice Number 11. The State is under no obligation to utilize all or any specific portion of the allocated dollars. All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.				

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. 11
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CSG Government Solutions, Inc. 120 North Washinton Square Lansing, MI 48933	Richard Staten	rstaten@csqdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	517-853-2682	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:			ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	
\$1,695,000.00			\$5,305,560.00	

Effective March 02, 2015, Contract Section 2.024 is amended. DTMB Financial Services will issue Purchase Orders per approved/signed Statement of Work(s) in place of a Contract Change Notice.

As part of this amendment, this Contract is hereby INCREASED by \$1,695,000.00 to add a pool of dollars to the Contract which can be leveraged through approved/signed Statements of Work(s). The State is under no obligation to utilize all or any specific portion of the allocated dollars.

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

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. 10
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CSG Government Solutions, Inc. 120 North Washinton Square Lansing, MI 48933	Richard Staten	rstaten@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	517-853-2682	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:			ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	
\$267,840.00			\$3,610,560.00	

Effective October 3, 2014, this Contract is INCREASED by \$267,840.00 and the following resource is incorporated into this contract based on the State's work request #007114B0002919 (see attached Statement of Work).

Resource: William Pyant – Senior Business Analyst at \$135.00/hour, not to exceed 1984 hours. The initial contract period is October 6, 2014 through October 5, 2015 with the possibility of an extension as noted in the Statement of Work.

All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement and the approval of DTMB Procurement.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
QVF Rewrite Business Analyst
STATEMENT OF WORK (SOW)**

A Pre-Qualification Program was developed to provide a mechanism for the creation and startup of the Project Control Office (“PCO”), staff augmentation, and project management support of various projects across the Department of Technology Management and Budget (“DTMB”) and related project management activities.

The PCO will be used to monitor the status of on-going projects to ensure that projects stay on track to achieve the anticipated benefits.

In addition, the PCO will:

- Ensure consistent and accurate progress reporting on the costs and other critical resources consumed by projects.
- Provide stakeholders with timely assessments of project progress, with early identification and correction of project-level issues that may impact performance.
- Adjudicate resource conflicts between projects.
- Maintain visibility of key project information across the program.
- Ensure that the project portfolio remains in tune with changing business objectives and strategy.
- Identify lessons-learned and continually refine the PCO process.

Process for obtaining PCO Services

The State of Michigan (“the State” or “State”) after formalizing a comprehensive Work Request will facilitate a second tier selection process for each Contracting effort. This PCO Work Request template will identify the statement of work, category of service, period of performance, deliverables, specific response information required, work evaluation and payment criteria, and any special terms and conditions.

Awards made as a result of any formal Work Request for PCO Services will be subject to the Terms and Conditions of the Primary Contracts listed above. Each award will be issued as a change notice to the applicable Primary Contract.

This is a PCO work request. Only the pre-qualified Contractors listed below may submit proposals.

Contractor Name	City	State	Contract Number
Compuware Corporation	Detroit	MI	071B3200054
Dewpoint	Lansing	MI	071B3200057
Advocate Solutions, LLC	Columbus	OH	071B3200059
Government Solutions, Inc. CSG	Chicago	IL	071B3200056
HP State & Local Enterprise Services, Inc.	Lansing	MI	071B3200053

Reminder: The following are requirements for for PCO proposals:

- Contractors are limited to One (1) candidate per position
- Candidates MUST meet the minimum requirements of the position
- **All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks)**
- Rate proposal must be submitted according to instructions in the Information Required from Contractors Section, Rate and Proposal submittal.

Failure to adhere to any of the above requirements may result in the contractor being disqualified.

This request is issued under your Contract with the Michigan Department of Technology, Management and Budget, Purchasing Operations, as established under the PCO Program.

Project Title: MDOS QVF Rewrite	Estimated Period of Coverage: 8/31/2014-08/31/2015
Requesting Agency: DTMB Supporting MDOS	Date: 05/23/2014
DTMB Buyer: David Hach	Phone: 517-284-7044

Required Skill Category Requested:

- 1) **Senior Business Analyst (2)**
- 2) **Senior Project Manager**

Brief Description of Business Analyst Services to be provided: Two (2) Senior Business Analyst will be selected from Pre-Qualified Project Control Office (PCO) Services Contractor to work with Michigan Department of State (MDOS) and Michigan Department of Transportation and Budget (DTMB) staff to create business and technical requirements for the Qualified Voter File rewrite. The end result of this effort will be a complete set of business and technical requirements which can be used by DTMB and Contracted staff to create an application to replace the existing QVF system.

Brief Description of Project Manager Services to be provided: One (1) Project Manager will be selected from one (1) Pre-Qualified Project Control Office (PCO) Services Contractor to support the State in the completion of the Qualified Voter File (QVF) Rewrite Project.

It is estimated that the resources will be dedicated for the following number of hours during the estimated time frame of **8/31/2014-08/31/2015**:

- 1) **Senior Business Analyst – 1984 hours**
- 2) **Senior Business Analyst – 1984 hours**
- 3) **Senior Project Manager – 1984 hours**

BACKGROUND:

The purpose of this project is to ensure wholesale upgrade / refresh of the Qualified Voter File (QVF) system including applications such as QVF, QVF-Lite, E-Wizard, Street Index and Electronic Poll Book along with hardware, software and database for the reasons (disadvantages of the current replicated architecture) mentioned in the paragraphs below. The project will also have a ripple affect on DTMB maintained web applications including the Michigan Voter Information Center (MVIC), the Election Management Portal (EMP) and electronic ballots produced in compliance with the Military and Overseas Voter Empowerment Act (MOVE).

The current replicated architecture does offer some of the advantages as listed below:

- a) Clerks with local databases have a sense of control.
- b) Local databases will work even if internet is down.
- c) Application and database reside locally – fast response times.
- d) Local replicated databases on clerks' desktops provide a form of backup and redundancy at the State level.
- e) State has provided and supported PCs for replicated sites.

However, the current replicated architecture has some very significant disadvantages as mentioned below that far outweigh the advantages mentioned above and thus necessitate refresh of the QVF system:

- a) State provides and maintains support of 470 plus personal computers / Oracle servers – CPU's, hard drives, operating systems, and Oracle licenses. This model is difficult to maintain and support.
- b) QVF application being a thick client runs on PC and must be compatible with the operating system. Any change to the operating system requires that QVF application needs to be updated on the server as well as manually on each PC replica. This is very time consuming and a cumbersome process.
- c) Significant time of Ken (QVF contractor), BOE help desk, and DTMB staff to resolve issues when they occur is spent in administering separate Oracle instances.
- d) Replication conflicts occur and can result in data loss.
- e) Homegrown replication mechanism for schema changes is costly and time-consuming.

- f) Mass updates are difficult to do with replicated data – due to volume and nature of replication – special processes are needed.
- g) Unable to take advantage of database software for integrity, due to replication.
- h) Replication conflicts are common – special coding is needed to prevent this as much as possible.
- i) Clerks must go to internet web-based application for information regarding voters outside of their jurisdiction (not on their replica).
- j) A replicated system is not real-time and there is a delay between the time a voter registers and the time local clerk sees the registration.
- k) QVF software updates can be complex and time consuming due to replication.

Other issues with the current QVF system are as follows:

- a) Delphi is not a supported State of Michigan standard.
- b) Oracle licensing costs.
- c) Thick client requires State to supply PC's and pay for support to maintain them.
- d) Oracle 10g end of support is July 2013.
- e) Servers are aging.
- f) No reporting software tools are being used, users are creating SQL queries that could affect system performance – tools would prevent this.

PROJECT OBJECTIVE:

The project is to refresh the current architecture and software platform to a supported DTMB application standard and update the user interface e. It is also to make sure that the current vendor support is a sustainable model for QVF system with its suite of applications such as QVF, QVF-GUI, QVF-Lite, E-Wizard, Street Index and Electronic Poll Book along with hardware and database components.

SCOPE OF WORK/TASKS:

Business Analyst:

Perform Business Analyst responsibilities related to the QVF rewrite project. The Business Analyst will be executing tasks as defined in the State of Michigan's Project Management Methodology (PMM) as well as the Systems Engineering Methodology (SEM).

Specific tasks may include but are not limited to:

1. Perform Lead BA services such as:
 - a. Lead/Facilitate requirements gathering sessions
 - b. Produce deliverables such as:
 - i. Process maps
 - ii. Creating User Stories
 - iii. High Level Requirements
 - iv. List of Business Rules
 - v. Functional Design Template
 - vi. Data flow diagrams
 - vii. SEM 402 business requirements
 - viii. Use Case scenarios
 - ix. Requirements traceability matrix
 - x. Screen mockups
 - xi. SEM Stage exit documents
 - c. Produce Testing deliverable such as:
 - i. Requirements matrix
 - ii. Test scenerios
 - iii. Testing plan
 - iv. Plan for testing results
 - v. Assist with UAT testing
 - d. Work in a modified agile development methodology

Senior Project Manager:

Perform Senior Project Management responsibilities related to the QVF. Project manager will be executing tasks as defined in the State of Michigan's Project Management Methodology (PMM) as well as the Systems Engineering Methodology (SEM). This position is optional and may not be filled.

1. Specific tasks may include but are not limited to:
2. Maintain and update Detailed Project Plan – Plan should include milestones, tasks (work breakdown structure), hours, durations, schedule, and resource allocation. Detailed task level plans and schedules must be created for each release deployment. Note: This is the detailed task plan to be developed with the input of the Project Team
3. Maintain project budget
4. Manage Risk Management Plan and address any issues that arise
5. Manage project Quality
6. Manage communication and maintain Communication Plan
7. Manage all Change Control requests and changes needed to project, plan & schedule in their regards
8. Create and Present Weekly status reports – to project team and sponsors
9. Facilitation of and materials preparation for meetings, including:
 - a. Weekly status meetings for managers and team leaders.
 - b. weekly planning meetings
10. Participation in and materials preparation for Executive Leadership meetings, as requested by the Implementation contractor or DTMB Project Manager or leadership.
11. Performance metrics including score cards, earned value analysis, project evaluation, resource usage, defects found and resolved in testing, defects introduced into production, analysis of Implementation contractor warranty work, and analysis of application down time.
12. Facilitation of and materials preparation for close-out of each release, including archival of all project data, lessons learned sessions, and close-out of any open action items.
13. Ad hoc reports requested by the State Project Manager(s).

BUSINESS ANALYST DELIVERABLES:

Deliverables will not be considered complete until the Agency and DTMB Project Managers have formally accepted them. Resources will work with DTMB Project Manager to define deliverables. Deliverables for this project may include, but are not limited to:

- Develops project documentation, including:
 - Business Requirements
 - Technical Requirements
 - Storyboarding
 - Functional Design
 - Process Overview Diagrams
 - High Level Design
 - Business Function List
 - Textual Summaries
 - Screen Mockups
 - Weekly status report

PROJECT MANAGEMENT DELIVERABLES:

Deliverables will not be considered complete until the Agency and DTMB Project Managers have formally accepted them. Resources will work with DTMB Project Manager to define deliverables. Deliverables for this project may include, but are not limited to:

- Refresh QVF architecture and developmental language to support current election functionality provided by the legacy QVF system.
- Develop a structured plan to refresh the QVF system by breaking it into functional components to permit modified agile development.
- Develop an implementation plan that transitions clerks from the existing QVF system to a refreshed QVF system as seamlessly as possible.
- Structured training, rollout and user support plan.
- Cost-benefit analysis of the database management system options.
- Continued monitoring and updating of project budget estimates, including a plan for obtaining additional funding if this becomes necessary.

APPROVAL OF DELIVERABLES, IN GENERAL:

(a) All Physical Deliverables, Written Deliverables, and Service Deliverables (“**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 will include the successful completion of Testing as applicable in Section 6.3, 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.

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

(c) Prior to commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable have been delivered without material deficiencies. If the State determines that the Deliverable has material deficiencies, 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 and Contractor receive the Deliverable and agree that the Deliverable is ready for use and, where applicable, Contractor has provided certification in accordance with Section 6.3(a).

(d) The State will approve in writing a Deliverable upon confirming that it conforms to and, 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.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance 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 any resulting Contract(s) 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(s) 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 provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. 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.

(f) The State, at any time and in its reasonable discretion, may halt the testing 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 testing or approval process.

PROCESS FOR APPROVAL WRITTEN DELIVERABLES:

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work/Purchase Order following delivery of the final version of the 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 Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF SERVICE DELIVERABLES:

The State Review Period for approval of Service Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) Business Days for a Service Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF PHYSICAL DELIVERABLES:

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

ACCEPTANCE CRITERIA:

Resource will work with DTMB Project Manager to develop formal acceptance criteria. Acceptance criteria for this project may include, but are not limited to:

1. All deliverables included in the State's Project Management Methodology (PMM)
2. All deliverables included in the State's System Engineering Methodology (SEM)
3. All Deliverables will not be considered complete until DTMB Project Manager has formally accepted them
4. All Documentation must be complete and meet state standards
5. Requirements must be complete and meet state standards

PROJECT CONTROL AND REPORTS:

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

- **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
- **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
- **Planned Tasking:** Describe activities to be accomplished during the next reporting period.
- **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.
- **Issues:** Indicate major issues/risks/changes, real or perceived, and recommend resolutions

SPECIFIC AGENCY STANDARDS:

- Agency standards, if any, in addition to DTMB standards.
- Project must meet American Disabilities Act (ADA) standards.
- State of Michigan Project Management Methodology (PMM)
- State of Michigan Systems Engineering Methodology (SEM)

PAYMENT SCHEDULE:

Payment will be made on a time and material basis and will be paid monthly. DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency Project Manager and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees.

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

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Buyer for this project is:

David Hatch
 Michigan Department of Technology, Management and Budget
 DTMB Purchasing Operations – Constitution Hall – 1st Floor
 525 W. Allegan Street
 Lansing, MI 48933
 517-284-7044
 Fax: 517- 335-0046
 Email: hatchd@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

- DTMB will provide direction to vendor staff in regards to work effort and priorities.
- STATE will provide telephone access for project-related calls originating from within the State's office.
- STATE will provide access to copying equipment for project-related documents.
- STATE will provide access to Facsimile equipment for items that are project related.
- STATE will provide computer hardware and software for consultants, *as deemed necessary*.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Resources will work at the Operations Center 7285 Parsons Dr Lansing, MI.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal work hours are eight (8) hours a day, forty (40) hours a week. Additional hours may be necessary based on business needs. These hours may vary and will be paid at the same base hourly rate.

Some travel is expected. Selected candidate must have their own vehicle. The State will not pay overtime.

SKILL SET

Two (2) Business Analysts

Serves as the communication bridge between non-technical business users and technical solution developers. The Senior Business Analyst has a depth of knowledge in business analysis and design processes including knowledge of methodology, tools, and techniques. The Business Analyst is responsible for analyzing the raw data gathered by the project team, applying the appropriate tools and techniques to create meaningful results. This individual is an active participant in aspects of department assessment, visioning, and reengineering.

Responses will be evaluated on the following criteria:

	Skill Sets	Weight
1.	At least five years experience working as a business analyst on software development projects (full project lifecycle) whose scope included writing a complex system.	25
2.	A minimum of 5 years experience working on software development projects as a business analyst where the project was focused on public facing or large enterprise web development	25
3.	At least 5 years experience working on an Oracle web application development effort that was written in .NET	5
4.	At least 5 years of experience writing functional designs which includes high level requirements, user stories, process overviews, documenting screen mockups	25
5.	At least 5 years experience producing design documents on a software development project where the methodology was agile, scrum or a more formal method such as UML from Rational Unified Process	15
6.	At least 5 years experience working with data analysis including basic SQL skills used against a Relational Database Management System (Oracle, SQL Server or DB2).	5
	TOTAL	100

One (1) Senior Project Manager

Senior Project Manager to provide the overall management for State of Michigan projects. This individual will

provide management services for all project activities to ensure that the project will be completed on time, within budget, and within scope.

This individual will create and manage detailed project plans and schedules for the day-to-day tracking and oversight of deliverables within the project using SOM Project Management Methodology. This individual will create and use tools to monitor and report on schedule progress, resource utilization, issue resolution/escalation, and process adherence. This individual also gathers and reports on vendor performance and compliance.

Responses will be evaluated on the following criteria:

	Skill Set	Weight
1	9 years experience as IT Project Manager for application development project that was .NET and DBMS was Oracle	25 pts
2	5 years experience with MS Project	5 pts
3	9 years experience as IT project manager where have PM experience with stages Planning through Implementation	25 pts
4	3 years Agile Project Management experience	10 pts
5	PMI Project Management Professional Certification	25 pts
6	Excellent Oral and Written Communication Skills	10 pts
	TOTAL	100

The tier II award will be made to the responsive and responsible bidder who offers the best value to the State of Michigan. Interviews may be taken into consideration when the State makes a best value award. Best value will be determined by the bidder meeting the minimum point threshold and offering the best combination of the factors stated in Skill Set Criteria, interviews, and price.

INFORMATION REQUIRED FROM CONTRACTORS

CANDIDATE INFORMATION

- Name and date of availability of the candidate.
- The resume(s) of the actual individual(s) proposed
- The results of two reference checks that the Contractor has performed on the proposed individual, including the names and telephone numbers of the references themselves. At least one of these reference checks must be from a supervisor.
- The results of a criminal background check and any additional screening required by a specific work statement to meet agency requirements upon award.
- Verification of a candidate's permission to work in the United States.
- Payment Rate for each resume submitted. Payment rates may not exceed the rates in the Contract. However, the Payment rates may be less, depending on the State's requirements, nature of the job market, and candidate's abilities.
- A signed commitment letter from the individual referencing the SOW number, with the candidate's name, signature, and date. Blanket commitment letters for all ITB's will not be accepted.
- During the response period, the Contractor may request any clarification needed on the Statement of Work.

RATE PROPOSAL

All rates quoted in contractor's response to this work request will be firm for the duration of the contract. No price increases will be permitted.

Staffing Position Required	Estimated Hours
Senior Business Analyst	1984
Senior Business Analyst	1984
Senior Project Manager	1984

PROPOSAL SUBMITTAL

Submit 1 copy of each qualified name and resume and 1 copy of the Rate Proposal in accordance with the following instructions:

- Submit all bids ELECTRONICALLY via BUY4MICHIGAN NO LATER THAN 3:00 P.M. ON THE DUE DATE AS INDICATED ON BUY4MICHIGAN.
- Submit with your proposal a signed cover letter with the company name, contact name and phone number, contact email address, vendor ID number, and ITB number
- All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks)

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. 9
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CSG Government Solutions, Inc. 120 North Washinton Square Lansing, MI 48933	Richard Staten	rstaten@csqdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	517-853-2682	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zuckerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MI/DEAL 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:		
\$1,190,400.00		\$3,342,720.00		

Effective September 9, 2014, this Contract is INCREASED by \$1,190,400.00 and the following resources are extended till 9/8/2015 based on the already awarded ITB 0071141113B0000060 through Change Notice #1 and amended with 2 and 3 (see attached Statement of Work) to support the Michigan State Housing Development Authority (MSHDA), the Michigan Gaming Control Board (MGCB), Lottery,

Attorney General (AG) and Department of Treasury (Treasury) projects.

Resource: Senior Project Manager, Jamie Carnell (Previously Bettina Rice) at \$150.00 per hour, estimated 1984 hours; total cost \$297,600.00

Resource: Senior Project Manager, Sanil Neelakantan at \$150.00 per hour, estimated 1984 hours; total cost \$297,600.00

Resource: Senior Business Analyst, TBD (Previously Kristi Trim) at \$150.00 per hour, estimated 1984 hours; total cost \$297,600.00

Resource: Senior Business Analyst, Rachna Bhatia at \$150.00 per hour, estimated 1984 hours; total cost \$297,600.00

All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement and the approval of DTMB Procurement.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
 MANAGEMENT AND BUDGET
 PCO SERVICES
 for
 Eligibility and Enrollment
 STATEMENT OF WORK TEMPLATE**

RESOURCE EXTENSION - 0071141113B000060

A Pre-Qualification Program was developed to provide a mechanism for the creation and startup of the Project Control Office (PCO), staff augmentation and project management support of various projects across DTMB and related project management activities.

The PCO will be used to monitor the status of on-going projects to ensure that projects stay on track to achieve the anticipated benefits.

In addition, the PCO will:

- Ensure consistent and accurate progress reporting on the costs and other critical resources consumed by the program.
- Provide stakeholders with timely assessments of project progress, with early identification and correction of project-level issues that may impact performance.
- Maintain visibility of key project information across the program.
- Ensure that the project portfolio remains in tune with changing business objectives and strategy.
- Identify lessons-learned and continually refine the PCO process.

This request is issued under your Contract with the Michigan Department of Technology, Management and Budget, Purchasing Operations, as established under the PCO Program.

Project Title: MSHDA, MGCB, Lottery, AG and Treasury projects	Original Period of Coverage: 9/9/2013-9/8/2014 Extended Period of Coverage: 9/9/2014-9/8/2015
Requesting Agency: Michigan Department of Technology Management Budget (DTMB)	Date: 9/9/2014
DTMB Project Manager: Kathy Wrook	Phone: 517-636-0528/517-420-2059
DTMB Buyer: Whitnie Zuker	Phone: 517-284-7030

Brief Description of Services to be provided:

ITB 0071141113B000060 was awarded to three (3) PCO Vendors to support the Michigan State Housing Development Authority (MSHDA), the Michigan Gaming Control Board (MGCB), Lottery, Attorney General (AG) and Department of Treasury (Treasury) projects. The initial estimated period of coverage was from 9/9/2013-9/8/2014 with the ability to extend if the State elects.

The purpose of this work request is to add additional funding to the already awarded Contract# 071B3200056 through Change Notice #1 and amended with 2 and 3, Contractor, Government Solutions, Inc. (CSG), in the amount of \$1,190,400.00 to extend the resources below until 9/8/2015. The resources below are currently

through PO 084N3205206.

Resource Name	Resource Title	Hourly Rate	Allocated Hours	Allocated Cost
Jamie Carnell (Previously Bettina Rice)	PM	\$ 150.00	1984	\$297,600.00
Sanil Neelakantan	PM	\$ 150.00	1984	\$297,600.00
TBD (Previously Kristi Trim)*	BA	\$ 150.00	1984	\$297,600.00
Rachna Bhatia	BA	\$ 150.00	1984	\$297,600.00
Total Hours/Cost				

* Business Analyst Kristi Trim is set to be reassigned on 9/15/2014 and the Agency is currently in the process of backfilling it.

NOTE: Another Business Analyst position was originally awarded under this ITB for to Lawanda Smith, but issued through a different PO - 084N4301915. This position will not be extended at this time as it is unknown if the position will be backfilled. The agency may replace this position if they choose to but only through a future executed Contract Change Notice.

NO ADDITIONAL POSTIONS ARE PERMISSIBLE UNDER ITB 0071141113B000060.

BACKGROUND:

Project Control Office services are still needed for the Michigan State Housing Development Authority (MSHDA), the Michigan Gaming Control Board (MGCB), Lottery, Attorney General (AG) and Department of Treasury (Treasury) projects.

PROJECT OBJECTIVE:

The resources will continue to provide support for multiple Agency projects. This includes but not limited to reporting, budgeting, and maintaining project plans. The Project Control Office services must ensure contractors and State staff have project plans and tasks that are compatible and are supported by realistic resource plans. Various software tools may be required to provide adequate reporting of actual project progress versus plan, including resource utilization, issue resolution/escalation, and process adherence.

SCOPE OF WORK/TASKS:

The Senior Project Managers are responsible for performing the following tasks, typical of duties performed by a senior level project manager. Functional and technical management may expand or reduce this list of duties as necessary to serve the client. The tasks include, but are not limited to the following:

- A. Leads the planning, managing and controlling of all project activities from initiation and planning through project close out.
- B. Responsible for working with the sponsor, client, and project team members to develop the project charter, project schedule, resource allocation plan, communication plan, risk management plan, budget/cost management plan, change management plan, and other methodology documentation and processes as applicable to the project.
- C. Works with the appropriate functional and technical managers to facilitate structured walkthrough and project stage exit sessions, with ultimate client acceptance of the project.
- D. Responsible for capturing, monitoring and reporting project information and metrics in the Changepoint Management System.
- E. Assists and advises project stakeholders and team members through regular status meetings, reports and other communications.
- F. Maintains the project issues and risks logs. Actively follows-up on project issues and risks to ensure timely resolution and mitigation. Escalates issues, risks and needs to higher management as appropriate.
- G. Lead and participate in project planning, estimating, budgeting, scheduling, structured walkthroughs,

issue tracking, and project execution.

- H. Follows and ensures consistency with the State of Michigan DTMB project management methodology (SUITE) for project management and software engineering.
- I. Coordinate the full testing lifecycle, typically involving the following or similar types of testing: unit, function, integration, performance, system and standards, user acceptance and regression testing.
- J. Perform other project manager tasks for legacy application replacement as directed by functional manager

The Senior Project Managers Required Experience is:

- 5 years of experience managing large, complex multi-year systems development projects. Large sized projects typically have durations longer than 6 months with 20 or more team members, require communication at the Agency Leadership level and have a medium to high risk.
- Proven record of delivering projects on time and within budget
- 5 years of experience creating and managing comprehensive project plans utilizing project management flows and tools.
- 5 years of experience performing scope management for projects, including disciplined change control and issue management.
- 5 years of experience coordinating, documenting and tracking all initiation and planning activities associated with the startup and planning of new projects or releases.
- 5 years of experience creating and executing Implementation plans.
 - a. Independently gather and report release status using agreed upon performance criteria to various levels of State leadership, including experience in leading executive briefings.
 - b. Provide Post Go Live monitoring of the production environment and escalation of production issues.
- 5 years of experience working with an independent testing team to develop and scope a comprehensive plan to ensure all code is without defect prior to being promoted to production.
- Preference will be given to candidates who possess a current professional certification in Project Management, such as the Project Management Professional (PMP) certification from the Project Management Institute or George Washington University.
- Experience utilizing the Project Management Methodology (PMM) and has hands on experience using SUITE to plan and track multiple projects and releases simultaneously.
- Demonstrated experience creating detailed Project Plans including an integrated project schedule for each project or release.
- Demonstrated ability to monitor and track schedule progress, resource utilization, issue resolution/escalation, and process adherence.
- Skilled in use of MS Project, MS Excel, MS Word, MS PowerPoint, macros, and charting.

The Senior Business Analysts are responsible for performing the following tasks, typical of duties performed by a senior level business analyst. Functional and technical management may expand or reduce this list of duties as necessary to serve the client. The tasks include, but are not limited to the following:

- A. Directs the work of both State and contractor resources by assigning tasks, reviewing and evaluating deliverables, planning and reviewing data organization, process flow organization, development methodology and tools, hardware and telecommunications usage.
- B. Estimate costs to complete projects, establish the action plan, programs impacted, and details of program changes, system test conditions and allocation of developer's hours for the timely and accurate completion of projects, break-fixes and maintenance.
- C. Direct, oversee, coordinate and assist programmers, analysts and contractors performing design, development or maintenance tasks on bureau IT solutions.
- D. Provide IT leadership, oversight and quality assurance of bureau project and maintenance tasks and deliverables to insure they adhere to the IT strategic direction, policies, processes and standards established by DTMB and Treasury.
- E. Keep a current knowledge of enterprise information technology strategic plans and the bureau's short and long term business goals, objectives and priorities and provide DTMB and client management with expert technical consultation for IT strategic direction, incorporation of IT into the

business functional processes and explanations of complex DTMB processes such as SUITE.

- F. Engage in first level risk and issue management with client, development staff and vendors to facilitate resolution and produce documentation of issues, mitigation of risks and execution of change management processes.
- G. Assist the client in preparation of business cases, estimates for IT work, project change documents, prioritization of work requests and the call for projects. Provide independent analysis, design, development and testing for enhancement, break-fixes and maintenance of bureau IT solutions.
- H. Oversee, coordinate and assist clients with daily operational activities of existing bureau solutions, including providing 24x7 support services when requested, and advise all levels of management of issues that interrupt the bureau's business functionality.
- I. Makes recommendations on solutions that require new technology thru the RFP process
- J. Assists the client or prepares documentation for contract changes
- K. Assists the client or prepares documentation for maintenance renewals that required RFP process
- L. Provides the client with procurement status and resolves procurement process issues

The Senior Business Analysts Required Experience is:

- Documented experience in performing requirements gathering sessions for systems implementations.
- 5 years of experience in systems analysis and design working with Windows operating systems, Oracle and/or Microsoft SQL Server databases and a wide range of web development technologies, such as: .NET, Web Services, XML
- 5 years of experience in Enterprise middleware software like (but not limited to) messaging, workflow and business process automation solutions
- 5 years of (combined) experience working with Oracle, and Microsoft SQL databases
- 2 years of experience in current Web technologies

DELIVERABLES:

Deliverables will not be considered complete until the DTMB Program Manager have formally accepted them.

APPROVAL OF DELIVERABLES, IN GENERAL:

(a) All Deliverables (Physical Deliverables, Written Deliverables, and Service 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 will include the successful completion of 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.

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

(c) Prior to commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable have been delivered without material deficiencies. If the State determines that the Deliverable has material deficiencies, 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 and Contractor receive the Deliverable and agree that the Deliverable is ready for use and, where applicable, Contractor has provided certification in accordance with Section 6.3(a).

(d) The State will approve in writing a Deliverable upon confirming that it conforms to and, 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.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance 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 any resulting Contract(s) 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(s) 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 provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. 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.

(f) The State, at any time and in its reasonable discretion, may halt the testing 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 testing or approval process.

PROCESS FOR APPROVAL WRITTEN DELIVERABLES:

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work/Purchase Order following delivery of the final version of the 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 Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF SERVICE DELIVERABLES:

The State Review Period for approval of Service Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) Business Days for a Service Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF PHYSICAL DELIVERABLES:

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a

reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

ACCEPTANCE CRITERIA:

Deliverables will not be considered complete until the DTMB Project Manager has formally accepted them.

PROJECT CONTROL AND REPORTS:

Changepoint is the DTMB official tool for managing all projects. Standard project information including project control and report information must be prepared and entered into Changepoint weekly throughout the life of the project. At a minimum, each progress update in Changepoint must contain the following:

1. **Time:** Indicate the amount of time each contractor resource has used in the current reporting period. Where staff have a monthly billing rate this may include a fraction to reflect partial months worked and where the staff are billed by hour, the total number of hours expended during the past month. Time reports can be obtained from Changepoint to verify billing invoices.
2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period. This information is available via the Changepoint Project 4UP report
3. **Planned Tasking:** Project task schedules must be created/updated in Changepoint (Project Worksheets) along with activities to be accomplished during the next reporting period. Project Milestone and accomplishments information is available via the Changepoint Project 4UP report
4. **Issues:** Create/update in Changepoint major project issues/risks/change requests, real or perceived, and recommend resolutions. Corrective Action Plans must also be created/updated in Changepoint when a project status goes yellow or red. Reports are available in Changepoint for these items.

SPECIFIC AGENCY STANDARDS:

MGCB requires pre-employment background and criminal history checks including fingerprints.

See v1.1 051613 for Treasury standards and other items

Treasury requires the following:

1. Pre-employment background and criminal history check
2. All prospective employees must be tested for illegal drugs and must not be hired unless negative test results have been received. Illegal drugs include, but are not limited to, marijuana, cocaine, amphetamines, PCP (phencyclidine), and opiate (including heroin, morphine and codeine).
3. Contractor acceptance of Exhibit 1(Safeguard Requirements of Confidential Data).

The Michigan Gaming Control Board requires the following:

1. The Michigan Gaming Control Board (MGCB) conducts a personal background screening and criminal background check, including fingerprints, on all contractors.
2. The contractors are prohibited from participating in casino gaming in the State of Michigan and are not allowed on the property of Michigan casinos' out-of-state affiliates without prior approval from the Executive Director.
3. This prohibition includes Indian gaming facilities. Additionally, contractors are prohibited from wagering on the results of live and simulcast horse races at licensed racing events in the State of Michigan.

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

PAYMENT SCHEDULE:

Payment will be made on **Time and Materials** basis. DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction including total expenditures to date and fees.

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

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Project Manager is:

Kathy Wrook, State Administrative Manager
MI Department of Technology, Management and Budget
Operations Center
7285 Parsons Drive
Dimondale, MI 48821
Phone: (517) 636-5059
E-mail: wrookk1@michigan.gov

The DTMB Buyer is:

Whitnie Zuker
Michigan Department of Technology, Management and Budget
DTMB Purchasing Operations – Constitution Hall Building – 3rd Floor
525 W. Allegan Street
Lansing, MI 48933
Phone: 517-284-7030
Fax: 517-335-0046
Email: zukerw@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

- DTMB will provide direction to vendor staff in regards to work effort and priorities.
- STATE will provide telephone access for project-related calls originating from within the State's office.
- STATE will provide copying services for project-related documents.
- STATE will provide access to Facsimile equipment for items that are project related.
- STATE will provide computer hardware and software for resources, *as deemed necessary*.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Resources will work primarily in State facilities in Lansing, Michigan and Dimondale, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal work hours are eight (8) hours a day, forty (40) hours a week. Additional hours may be necessary based on business needs. These hours may vary and will be paid at the same base hourly rate and must be approved by the DTMB Project Manager in advance.

The State will not pay overtime.

Exhibit 1
Safeguard Requirements of Confidential Data

This section sets forth the safeguard requirements for handling, storage, and processing of confidential tax information for a Contractor and their subcontractor(s) and is incorporated as an integral part of the Contract. It will facilitate administration and enforcement of the laws of the State of Michigan applicable to the State of Michigan and in a manner consistent with the applicable statutes, regulations, published rules and procedures or written communication.

I. Authority

Authority for the Michigan Department of Treasury to require that this section be included in the Contract is contained in 1941 PA 122, as amended, MCL 205.28(1)(f), which states in part that subject to the same restrictions and penalties imposed upon department employees on the treatment of confidential information, a private contractor or its employees are strictly prohibited from disclosing taxpayer information to a third party. The prohibition against disclosure does not bar an employee of a private contractor with whom the State of Michigan (State) contracts that processes tax returns or payments pursuant to the Contract from having access to confidential information that is reasonably required for the processing or collection of amounts due this State.

II. Confidentiality

It is agreed that all information exchanged under this section will be kept confidential in accordance with the confidentiality provisions contained within section MCL 205.28(1)(f) and MCL 205.28(2) of the Michigan Department of Treasury Revenue Act, which state in part;

“Except as otherwise provided in this subdivision, an employee, authorized representative, or former employee or authorized representative of the department or anyone connected with the department will not divulge any facts or information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the department for a tax administered by the department.”

“A person who violates subsection (1)(e), (1)(f), or (4) is guilty of a felony, punishable by a fine of not more than \$5,000.00, or imprisonment for not more than 5 years, or both, together with the costs of prosecution. In addition, if the offense is committed by an employee of this state, the person will be dismissed from office or discharged from employment upon conviction.”

All information obtained by either Treasury or Contractor will not be disclosed except as necessary for the proper administration of and execution of the Contract. In the event, confidentiality statutes are amended, the State will notify Contractor of any changes.

No employee, agent, authorized representative or legal representative of Contractor will disclose any information obtained by virtue of this section to any other division within their company or any other governmental agency, department or unit within such governmental agency, to any other state or nation, or unauthorized third party. No tax returns or tax return information provided to Contractor will be duplicated or disseminated within or outside the company without the written approval of the Contract Administrator. Michigan's tax returns and tax return information remain the property of the Department of Treasury.

Contractor may use a taxpayer's name, address and Social Security number or employer identification number to the extent necessary in connection with the processing and mailing of forms for any report or return required in the administration of any tax in the performance of the Contract.

Information received by the Michigan Department of Treasury from the U.S. Internal Revenue Service, pursuant to section 6103(d) of the Internal Revenue Code or any other U.S. federal Agency will only be subject to the exchange if received as part of the State of Michigan tax return filing requirements.

III. Procedure for Security

At a minimum, Contractor will safeguard any tax return information obtained under the Contract as follows:

- A. Access to the tax returns and tax return information will be allowed only to those authorized employees and Officials of Contractor who need the information to perform their official duties in connection with the uses of the information authorized in the Contract. The Contractor will be responsible for ensuring that each employee authorized to access Michigan tax information has signed the *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) and provide a copy to the Department of Treasury, Disclosure Officer and Contract Administrator.
- B. Any records created from tax returns and tax return information will be stored in an area that is physically safe from access by unauthorized persons during duty hours as well as non-duty hours or when not in use.
- C. All personnel who will have access to the tax returns and to any records created by the tax return information will be advised of the confidential nature of the information, the safeguards required to protect the information and the civil and criminal sanctions for noncompliance contained in MCL 205.28(1)(f) and (2).
- D. All confidential information, which includes, but is not limited to, data stored electronically and any related output and paper documents will be secured from unauthorized access and with access limited to designated personnel only. Michigan tax return information will not be commingled with other information. Further, when appropriate, Michigan tax return information will be marked as follows:

CONFIDENTIAL-MICHIGAN TAX RETURN INFORMATION
Protect at all times. Do not disclose.
MI tax information is exempt from disclosure
under the Freedom of Information Act.

- E. The records will be transported under appropriate safeguards as defined in the Contract.
- F. The Department of Treasury, Disclosure Officer or Contract Administrator may make onsite inspections or make other provisions to ensure that adequate safeguards are being maintained by the Contractor.
- G. The Michigan Department of Treasury, Office of Privacy and Security, may monitor compliance of systems security requirements during the lifetime of the Contract.
- H. Contractor will also adopt policies and procedures to ensure that information contained in their respective records and obtained from Treasury and taxpayers will be used solely as provided in the Contract.

IV. Computer System Security of Tax Data

The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.

Computer system security and physical security of tax data stored and processed by Contractor must be in compliance with the following security guidelines and standards established by the Michigan Department of Treasury as follows (these guidelines apply to any computer system developed by Contractor, either through its own systems staff, or through a contractor, subcontractor or vendor):

A. Controlled Access Protection –Common Criteria (C2)

All computer systems processing, storing and transmitting Michigan tax information must have computer access protection controls – (C2). These security standards are delineated in the “Common Criteria for Information Technology Security Evaluation” (CCITSE) at http://www.radium.ncsc.mil/tpep/library/ccitse/cc_over.html. To meet these standards, the operating security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation.

- 1) **Security Policy** – A security policy is a written document describing the system in terms of categories of data processed, users allowed access and access rules between the users and the data. Additionally, it describes procedures to prevent unauthorized access by clearing all protected information on objects before they are allocated or reallocated out of or into the system. Further protection must be provided

where the computer system contains information for more than one program/project, office, or Agency and those personnel do not have authorization to see all information on the system.

- 2) **Accountability** – Computer systems processing Michigan tax information must be secured from unauthorized access. All security features must be available (audit trails, identification and authentication) and activated to prevent unauthorized users from indiscriminately accessing Michigan tax information. Everyone who accesses computer systems containing Michigan tax information is accountable. Access controls must be maintained to ensure that unauthorized access does not go undetected. Computer programmers and contractors who have a need to access databases, and are authorized under the law, must be held accountable for the work performed on the system. The use of passwords and access control measures must be in place to identify who accessed protected information and limit that access to persons with a need to know.

a) On-line Access –Users will be limited to any Treasury on-line functions, by limiting access through functional processing controls and organization restrictions.

Any employee granted access privileges through the Contractor's Security Administrator will be approved for access and viewing rights to Treasury on-line systems by the Department of Treasury Disclosure Officer. The on-line access will be provided by Treasury's Office of Security.

b) Operating Features of System Security

Contractor must meet the following levels of protection with respect to tax return information. Individual user accountability must be ensured through user identification number and password.

- i. Access rights to confidential tax information must be secured through appropriate levels of authorization.
- ii. An audit trail must be maintained of accesses made to confidential information.
- iii. All confidential and protected information must be cleared from a system before it is used for other purposes not related to the enforcement, collection or exchange of data not covered by this section or by an addendum to this Contract.
- iv. Hard copies made of confidential tax return information must be labeled as confidential information.
- v. Confidential Treasury tax information will be blocked or coded as confidential on system.
- vi. Any computer system in which Michigan tax return information resides must systematically notify all users upon log-in of the following disclosure penalties for improperly accessing or making an authorized disclosure of Michigan tax return information:

NOTICE TO STATE AGENCY EMPLOYEES AND AUTHORIZED REPRESENTATIVES

*This system contains Michigan Department of Treasury tax return information. **DO NOT DISCLOSE OR DISCUSS MICHIGAN RELATED TAX RETURN INFORMATION** with unauthorized individuals. The Michigan Department of Treasury Revenue Act, MCL 205.28(10)(f)(1), (2), prohibits such disclosure. A person making a willful unauthorized disclosure or inspection (browsing) of tax return information may be charged with the following Michigan penalties:*

MICHIGAN PENALTIES

The Michigan Revenue Act imposes criminal penalties up to \$5,000 and/or imprisonment for 5 years, plus costs and dismissal from employment if it is found that an employee has made an unauthorized disclosure of a tax return or tax return information or divulged audit selection or processing parameters.

This statement is subject to modification. A confidentiality statement, subject to modification, as needed, will be sent annually by the Security Administrator to all employees, contractors, and legal representatives of Contractor.

- 3) **Assurance** – Contractor must ensure that all access controls and other security features are implemented and are working when installed on their computer system. Significant enhancements or other changes to a security system must follow the process of review, independent testing, and installation assurance. The security system must be tested at least annually to assure it is functioning correctly. All anomalies must be corrected immediately.
- a) The Contractor must initiate corrective action for all non-conformities as soon as detected and immediately advise the Contract Administrator. Notice of the corrective action must be provided to the Contract Administrator. All non-conformities must be reported to the Contract Administrator with the following:
 - a. Duration of non-conformity/interruption
 - b. Reason for non-conformity/interruption
 - c. Resolution.
 - b) All non-conformities to the specifications/tasks of the Contract must be corrected within four (4) hours. The State recognizes there will be instances when adherence to this time frame will not be possible. However, the State will only tolerate this on an exception basis. To request an exception to this time frame, the Contractor must submit a detailed project plan to address the non-conformity within four (4) hours to the Contract Administrator for approval.
- 4) **Documentation** – Design and test documentation must be readily available to the state. The developer or manufacturer should initially explain the security mechanisms, how they are implemented and their adequacy (limitations). This information should be passed on to the security officer or supervisor. Test documentation should describe how and what mechanisms were tested and the results. If recognized organizations/tests/standards are used, then a document to that effect will suffice. For example, a system that has been tested and certified as meeting certain criteria may have a document stating this fact, without detailed tests/results of information. Contractor, however, must ensure the documentation covers the exact system and that it includes the specific computer system used by Contractor.

Additionally, documentation must include a security administrator's guide. The security administrator's guide is addressed to the System's Administrator and Security Officer and will describe the protection mechanisms provided by the security system, guidelines on their use and how they interact. This document will present cautions about security functions and describe privileges that should be controlled when running a secure system. The document will be secured and locked at all times with access rights only by the Systems Administrator and Security Officer.

Note: When a security system is designed or purchased for a specific computer or computer system, the security mechanisms must be reviewed by the State to ensure that needed security parameters are met. An independent test should be implemented on the specific computer or computer system to ensure that the security system meets the security parameters within this contract and developed with the computer system. The test may be arranged by the developer but must be done by an independent organization. Contractor must assign responsible individuals (Security Officers) with knowledge of information technology and applications to oversee the testing process. These individuals must be familiar with technical controls used to protect the system from unauthorized entry.

Finally, contingency and backup plans must be in place to ensure protection of Michigan tax information.

V. Electronic Transmission of Michigan Tax Information

The two acceptable methods of transmitting Michigan tax information over telecommunications devices are encryption and the use of guided media. Encryption involves the altering of data objects in a way that the objects become unreadable until deciphered. Guided media involves the use of protected microwave transmitting or the use of end to end fiber optics.

The Department of Technology, Management and Budget (DTMB) has defined encryption standards in DTMB Technical Standard 1340.00.07 which must be used to provide guidance for encryption, message authentication codes or digital signatures and digital signatures with associated certification infrastructure.

Unencrypted, cable circuits of fiber optics are an alternative for transmitting Michigan tax information. Adequate measures must be taken to ensure that circuits are maintained on cable and not converted to unencrypted radio transmission. Additional precautions will be taken to protect the cable, i.e., burying the cable underground or in walls or floors and providing access controls to cable vaults, rooms and switching centers.

A. Remote Access

Accessing databases containing Michigan tax information from a remote location – that is, a location not directly connected to the Local Area Network (LAN) will require adequate safeguards to prevent unauthorized entry.

For dial up access, the system must require an identification security card that requires both PIN and card in possession. According to DTMB- Procedure 1410.17 (4.1), dial in access into any connected state network will only be permitted after a dial-in user has been authenticated. Authentication is provided through ID and password.

B. Portable Computer Devices

Any entrusted confidential information collected or accessed during this Contract must be encrypted when stored on all storage devices and media. This includes, but not limited to, disk drives for servers and workstations, and portable memory media (PDAs, RAM drives, memory sticks, etc.).

VI. Record Keeping Requirements for Information Received in a Paper Format

Each Contractor employee or contractor requesting and receiving information will keep an accurate accounting of the information received. The audit trail will be required which will include the following information:

- a. Taxpayer's name
- b. Identification number
- c. Information requested
- d. Purpose of disclosure request
- e. Date information received
- f. Name of Agency/Division and employee making request
- g. Name of other employees who may have had access
- h. Date destroyed
- i. Method of destruction

A. Electronic Media

Contractor will keep an inventory of magnetic and electronic media received under the Contract.

Contractor must ensure that the removal of tapes and disks and paper documents containing Michigan tax return information from any storage area is properly recorded on charge-out records. Contractor is accountable for missing tapes, disks, and paper documents.

B. Recordkeeping Requirements of Disclosure Made to State or Federal Auditor General

When disclosures are made by Contractor to State or Federal Auditors, these requirements pertain only in instances where the Auditor General's staff extracts Michigan tax returns or tax information for further review and inclusion in their work papers. Contractor must identify the hard copies of tax records or if the tax information is provided by magnetic tape format or through other electronic means, the identification will contain the approximate number of taxpayers' records, the date of inspection, the best possible description of the records and the name of the Auditor(s) making the inspection.

The Office of Privacy and Security must be notified, in writing, of any audits done by auditors, internal or otherwise, of Contractor that would involve review of Treasury processing parameters.

VII. Contract Services

The following language will be included in any contract entered into by Contractor with a subcontractor if the subcontractor will process Michigan tax return information provided under this Safeguard Provision.

- A. The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.
- B. Definition of Treasury Tax Return Information
Treasury tax return information is defined in RAB 1989-39 as follows:

Taxpayer's identity, address, the source or amount of his/her income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments, or tax payments whether the taxpayer's return was, is being or will be examined or subject to their investigation or processing, or any other data, received by, recorded by, prepared by, furnished to or collected by the agency with respect to a return or with respect to the determination of the existence, or liability (or the amount thereof) of any person under the tax laws administered by the Department, or related statutes of the state for any tax, penalty, interest, fine, forfeiture, or other imposition or offense. The term "tax return information" also includes any and all account numbers assigned for identification purposes.
- C. An acknowledgment that a taxpayer has filed a return is known as a "fact of filing" and may not be disclosed. All tax return data made available in any format will be used only for the purpose of carrying out the provisions of the Contract between Contractor and the sub-contractor. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract between Contractor and the subcontractor. In addition, all related output will be given the same level of protection as required for the source material.
- D. The subcontractor will certify that the data processed during the performance of the Contract between Contractor and the subcontractor will be completely purged from all data storage components of the subcontractor's computer facility, and no output will be retained by the subcontractor at the time the work is completed. If immediate purging of all data storage components is not possible, the subcontractor will certify that any Michigan data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- E. Destruction of tax data, including any spoilage or any intermediate hard copy printout which may result during the processing of Michigan tax return information, will be documented with a statement containing the date of destruction, description of material destroyed, and the method used.
- F. Computer system security and physical security of tax data stored and processed by the subcontractor must be in compliance with security guidelines and standards established by this contract. See section VI (Record Keeping Requirements for Information Received in Paper Format) for more details.
- G. The Contractor will be responsible for ensuring that each employee authorized to access Michigan tax information has signed the *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) and provide a copy to the Department of Treasury, Office of Privacy and Security and the Contract Compliance Officer.
- H. No work involving information furnished under the contract between Contractor and a subcontractor will be further subcontracted without the specific approval of the Michigan Department of Management and Budget. Contractor and approved subcontractors handling Michigan tax return information will be required to sign the *Vendor, Contractor or Subcontractor Confidentiality Agreement* provided by Treasury, (Form 3337, see Attachment A). The original agreements will be

returned to the Office of Privacy and Security for the Department of Treasury and a copy sent to the Contract Compliance Officer.

VIII. Transport of Tax Information

In the event, it is necessary to transport confidential tax return information the Contractor is responsible for holding the carrier responsible for safeguarding the records. The Contractor must obtain a signed *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) for each carrier employee who has access to Michigan tax return information. The original agreements will be returned to the Department of Treasury, Office of Privacy and Security and a copy sent to the Contract Administrator.

If it is necessary to transfer records and responsibility for transport to a third carrier due to a mishap during transportation, the Contractor is responsible for ensuring safeguard standards remain enforce.

Any such incidents must be reported to the Contract Administrator immediately.

IX. Disposal of Tax Information

Materials furnished to Contractor, such as tax returns, remittance vouchers, W-2 reports, correspondence, computer printouts, carbon paper, notes, memorandums and work papers will be destroyed by burning, mulching, pulverizing or shredding. If shredded, strips should not be more than 5/16-inch, microfilm should be shredded to effect a 1/35-inch by 3/8-inch strip, and pulping should reduce material to particles of one inch or smaller.

Disk media must be destroyed by overwriting all data tracks a minimum of three times or running a magnetic strip over and under entire area of disk at least three (3) times. If the CD or DVD cannot be overwritten it must be destroyed in an obvious manner to prevent use in any disk drive unit and discarded. Hand tearing, recycling, or burying information in a landfill are unacceptable methods of disposal. Electronic data residing on any computer systems must be purged based on Treasury's retention schedule.

Contractor and its subcontractor(s) will retain all confidential tax information received by Treasury only for the period of time required for any processing relating to the official duties and then will destroy the records. Any confidential tax information that must be kept to meet evidentiary requirements must be kept in a secured, locked area and properly labeled as confidential return information. See Procedure for Security (Section V of this section) for more details.

X. Security Responsibility

Contractor will designate a security person who will ensure that each individual having access to confidential tax information or to any system which processes Michigan tax return information is appropriately screened, trained and executes a *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) before gaining access or transaction rights to any process and computer system containing Treasury tax return information.

Each Contractor or their subcontractor(s) employees' access and transaction rights will be reviewed periodically to ensure that there is a need to know Treasury tax return information displayed in any media.

Michigan tax return information will be made available only to individuals authorized by the Contract. State and Contractor will maintain a list of persons authorized to request and receive information and will update the list as necessary. A copy of the list must be furnished to the Michigan Department of Treasury Office of Privacy and Security and the Contract Compliance Officer.

XI. Effective Date

These Safeguard requirements will be reviewed whenever the Contract modifications include specifications or processes that affect tax data.

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. 8
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 120 North Washinton Square Lansing, MI 48933	Richard Staten	rstaten@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	517-853-2682	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$218,240.00		\$2,152,320.00		

Effective June 30, 2014, this Contract is INCREASED by \$218,240.00 and the following resource is incorporated into this contract based on the State's work request #007114B0003052 (see attached Statement of Work).

Resource: Deb Barantchouk – Business Analyst at \$110.00/hour, not to exceed 1984 hours. The initial contract period is September 22, 2014 through September 21, 2015 with the possibility of an extension as noted in the Statement of Work.

All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement and the approval of DTMB Procurement



**MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
IT SERVICES for Project Control Office (PCO)
STATEMENT OF WORK**

**Michigan Department of State (MDOS)
Investigative Case Management - Business Rules**

A Pre-Qualification Program was developed to provide a mechanism for the creation and startup of the Project Control Office (“**PCO**”), staff augmentation, and project management support of various projects across the Department of Technology Management and Budget (“**DTMB**”) and related project management activities.

Process for obtaining PCO Services

The State of Michigan (“**the State**” or “**State**”) after formalizing a comprehensive Work Request will facilitate a second tier selection process for each Contracting effort. This PCO Work Request template will identify the statement of work, category of service, period of performance, deliverables, specific response information required, work evaluation and payment criteria, and any special terms and conditions.

Awards made as a result of any formal Work Request for PCO Services will be subject to the Terms and Conditions of the Primary Contracts listed above. Each award will be issued as a change notice to the applicable Primary Contract.

This is a PCO work request. Only the pre-qualified Contractors listed below may submit proposals.

Contractor Name	City	State	Contract Number
Compuware Corporation	Detroit	MI	071B3200054
Dewpoint	Lansing	MI	071B3200057
Advocate Solutions, LLC	Columbus	OH	071B3200059
Government Solutions, Inc. CSG	Chicago	IL	071B3200056
HP State & Local Enterprise Services, Inc.	Lansing	MI	071B3200053

Reminder: The following are requirements for for PCO proposals:

- Contractors are limited to One (1) candidate per position
- Candidates **MUST** meet the minimum requirements of the position
- **All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks)**
- Rate proposal must be submitted according to instructions in the Information Required from Contractors Section, Rate and Proposal submittal.

Failure to adhere to any of the above requirements may result in the contractor being disqualified.

This request is issued under your Contract with the Michigan Department of Technology, Management and Budget Purchasing Operations, as established under the PCO Program.

Project Title: MDOS Investigative Case Management - Business Rules	Estimated Period of Coverage: 09/22/2014-09/21/2015
Requesting Agency: DTMB Supporting MDOS	Date: 04/30/2014
DTMB Buyer: David Hatch	Phone: 517-284-7044

Required Skill Category Requested:

1) Business Analyst

Brief Description of Services to be provided: One (1) Business Analyst will be selected from one (1) Pre-Qualified PCO Services Contractor to meet with Michigan Department of State (MDOS) staff to fully understand and document all aspects of the MDOS investigation program . The end result of this effort will be a complete Statement of Work which can be put up for bid by the State as part of a Request for Proposal to replace multiple systems currently in use to track investigation cases for MDOS. The other required outcome of this project will be complete and detailed business requirements for the purchasing of a system.

It is estimated that the resources will be dedicated for the following number of hours during the estimated time frame of 07/14/2014-07/13/2015 (which may be extended by the State):

1) Business Analyst – 1984 hours

BACKGROUND:

The Michigan Department of State (MDOS) administers programs for driver and vehicle systems, enhanced traffic safety, and consumer protection for the citizens of the state of Michigan. In addition, MDOS ensures the integrity of records maintained and oversees the statewide elections process. On an annual basis, MDOS collects approximately \$2.3 billion across branch offices, web, renewal by mail, and for other services. As with any program encompassing the depth and size of the motor vehicles services, the potential for fraud occurring can be a risk.

The oversight of fraud within MDOS crosses work areas and organizational boundaries. For investigative and review purposes, MDOS separates fraud into three specific categories consisting of external fraud (i.e. customers presenting fraudulent documents), businesses or licensed individuals not following regulations (i.e. dealer or mechanic), and internal fraud. Each category of fraud is reviewed and investigated by a specific area within MDOS. Human Resources is involved if there are employees attributed to any fraudulent activities. All investigation and review activities are coordinated with any business area that may be involved and have understanding of internal operations and procedures that will assist investigators with reviews and findings. The Legal Services Administration serves as an oversight for all of the Department's activities related to enforcement of the law and interfaces with the Attorney General as required. In addition to the investigation and review process, MDOS has a branch audit area that reviews and reports any irregularities in branch procedures.

As a general rule, tips or complaints come into MDOS from a number of sources including the tip line, referrals from multiple state agency offices (i.e. law enforcement, Attorney General, etc.), consumer complaints (phone or web-based), or through monitoring branch offices operations. Because this information is received via multiple input streams, it is contained in multiple databases and other internal systems (Excel spreadsheets etc.). Investigation and review results are documented and stored in electronic (within database or similar files) and paper format.

PROJECT OBJECTIVE:

At this point in time, the MDOS business process for tracking investigations uses multiple approaches, an access database and other homegrown tools. The data is not complete and reports are fairly manual for both Bureau of Information Security and Office of Human Resources.

MDOS wishes to refine the business processes associated with this work, automate the process as much as possible. To achieve this objective, MDOS wishes to procure a vendor to replace the existing system with an automated process. This will require creating a Statement of Work and comprehensive business requirements which can be included in a Request For Proposal bid for services.

To facilitate the RFP, MDOS wishes to secure the services of a *business analyst* to work with MDOS staff to document business requirements and create the necessary Statement of Work needed to put the entire investigations process up for bid.

SCOPE OF WORK/TASKS:**Business Analyst:**

Perform Business Analyst responsibilities related to investigations process project. The Business Analyst will be executing tasks as defined in the State of Michigan's Project Management Methodology (PMM) as well as the Systems Engineering Methodology (SEM).

Specific tasks may include but are not limited to:

1. Perform Lead BA services such as:
 - a. Create a Statement of Work
 - i. Establish performance criteria
 - ii. Establish baseline for proposal evaluation
 - iii. Establish baseline for performance measures
 - iv. Determine Scope of work
 - v. Project Objectives
 - vi. Acceptance Criteria
 - b. Lead/Facilitate requirements gathering sessions that stay on track.
 - c. Produce requirements gathering deliverables such as:
 - i. Process maps
 - ii. Data flow diagrams
 - iii. SEM 402 business requirements
 - iv. Use Case scenarios
 - v. Requirements tractability matrix
 - vi. Functional specs
 - vii. SEM Stage exit documents

DELIVERABLES:

Deliverables will not be considered complete until the Agency and DTMB Project Managers have formally accepted them. The resource will work with the DTMB Project Manager to define deliverables. Deliverables for this project may include, but are not limited to:

- Develops project documentation, including:
- Business Requirements
- Statement of Work

APPROVAL OF DELIVERABLES, IN GENERAL:

(a) All Deliverables (Physical Deliverables, Written Deliverables, and Service 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 will include the successful completion of Testing as applicable in Section 6.3, 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.

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

(c) Prior to commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable have been delivered without material deficiencies. If the State determines that the Deliverable has material deficiencies, 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 and Contractor receive the Deliverable and agree that the Deliverable is ready for use and, where applicable, Contractor has provided certification in accordance with Section 6.3(a).

(d) The State will approve in writing a Deliverable upon confirming that it conforms to and, 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.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance 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 any resulting Contract(s) 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(s) 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 provided the State can furnish proof of such general

expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. 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.

(f) The State, at any time and in its reasonable discretion, may halt the testing 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 testing or approval process.

PROCESS FOR APPROVAL WRITTEN DELIVERABLES:

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work/Purchase Order following delivery of the final version of the 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 Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF SERVICE DELIVERABLES:

The State Review Period for approval of Service Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty- five (45) Business Days for a Service Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF PHYSICAL DELIVERABLES:

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

ACCEPTANCE CRITERIA:

Resource will work with DTMB Project Manager to develop formal acceptance criteria. Acceptance criteria for this project may include, but are not limited to:

1. All deliverables included in the State's Project Management Methodology (PMM)
2. All deliverables included in the State's System Engineering Methodology (SEM)
3. All Deliverables will not be considered complete until DTMB Project Manager has formally accepted them
4. All Documentation must be complete and meet state standards
5. Requirements must be complete and meet state standards

PROJECT CONTROL AND REPORTS:

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

- **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
- **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
- **Planned Tasking:** Describe activities to be accomplished during the next reporting period.
- **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.
- **Issues:** Indicate major issues/risks/changes, real or perceived, and recommend resolutions

SPECIFIC AGENCY STANDARDS:

Agency standards, if any, in addition to DTMB standards.
State of Michigan Project Management Methodology (PMM)
State of Michigan Systems Engineering Methodology (SEM)

PAYMENT SCHEDULE:

Payment will be made on a time and material basis and will be paid monthly. DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency Project Manager and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees.

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

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Buyer for this project is:

David Hatch
DTMB – Procurement
Buyer, IT Division
Constitution Hall – 1st Floor
525 W. Allegan Street
Lansing, MI 48933
Phone: 517-284-7044
Fax: 517-335-0046
Email: hatchd@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

- DTMB will provide direction to vendor staff in regards to work effort and priorities.
- STATE will provide telephone access for project-related calls originating from within the State's office.
- STATE will provide access to copying equipment for project-related documents.
- STATE will provide access to Facsimile equipment for items that are project related.
- STATE will provide computer hardware and software for consultants, as *deemed necessary*.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The resource will work on the Investigative Case Management project with the State staff at the Richard H. **Austin Building** at 430 W Allegan in downtown **Lansing, MI**.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal work hours are eight (8) hours a day, forty (40) hours a week. Additional hours may be necessary based on business needs. These hours may vary and will be paid at the same base hourly rate.

Some travel is expected. Selected candidate must have their own vehicle. The State will not pay overtime.

SKILL SET

The skillsets identified below are anticipated resource needs for the start-up of the project. If additional modifications to the resource hours below are needed, these changes can be addressed via the change management procedure identified within this SOW.

One (1) Business Analyst

Serves as the communication bridge between non-technical business users and technical solution developers. The Business Analyst has a depth of knowledge in business analysis processes including knowledge of methodology, tools, and techniques. The Business Analyst is responsible for analyzing the raw data gathered by the project team, applying the appropriate tools and techniques to create meaningful results. This individual is an active participant in aspects of department assessment, visioning, and reengineering.

Responses will be evaluated on the following criteria:

	Skill Sets	Weight
1.	Documented experience in successfully working as a business analyst on IT projects (full project lifecycle) whose scope included writing a complex system	20
2.	5 years of recent experience in working on IT projects in a government environment	20
3.	5 years experience creating Statement of Work documentation for IT services	30
4.	5 years experience writing comprehensive business requirements	30
	Total	100

INFORMATION REQUIRED FROM CONTRACTORS

INFORMATION REQUIRED

- Name and date of availability of the candidate.
- The resume(s) of the actual individual(s) proposed
- The results of two reference checks that the Contractor has performed on the proposed individual, including the names and telephone numbers of the references themselves. At least one of these reference checks must be from a supervisor.
- The results of a criminal background check and any additional screening required by a specific work statement to meet agency requirements upon award.
- Verification of a candidate's permission to work in the United States.
- Payment Rate for each resume submitted. Payment rates may not exceed the rates in the Contract. However, the Payment rates may be less, depending on the State's requirements, nature of the job market, and candidate's abilities.
- A signed commitment letter from the individual referencing the SOW number, with the candidate's name, signature, and date. Blanket commitment letters for all ITB's will not be accepted.
- During the response period, the Contractor may request any clarification needed on the Statement of Work.

RATE PROPOSAL

- All rates quoted in contractor's response to this work request will be firm for the duration of the contract. No price increases will be permitted.

Skill Levels Required	Estimated Hours
Business Analyst	1984

PROPOSAL SUBMITTAL

Submit 1 copy of each qualified name and resume and 1 copy of the Rate Proposal in accordance with the following instructions:

- Submit all bids ELECTRONICALLY via BUY4MICHIGAN NO LATER THAN 3:00 P.M. ON THE DUE DATE AS INDICATED ON BUY4MICHIGAN.
 - Submit with your proposal a signed cover letter with the company name, contact name and phone number, contact email address, vendor ID number, and ITB number
 - All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks)
 - Be certain to enter the unit cost (hourly rate) within the BUY4MICHIGAN Item Information tab. Select "No" with in **No Bid** Item line.

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. 7
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 120 North Washinton Square Lansing, MI 48933	Richard Staten	rstaten@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	517-853-2682	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$216,000.00		\$1,934,080.00		

Effective September 15, 2014, this Contract is INCREASED by \$216,000.00 and the following resources are incorporated into this contract based on the State's work request #007114B0002503 (see attached Statement of Work) to support the Michigan Gaming Control Board (MGCB).

Resource: Greg Beachnau – Senior Project Manager at \$130.00/hour, not expected to exceed 800 hours.

Resource: Bryan Ayriss – Senior Technical Architect at \$140.00/hour, not expected to exceed 800 hours.

All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement and the approval of DTMB Procurement.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
 MANAGEMENT AND BUDGET
 IT SERVICES
 for
 Project Control Office (PCO)
 STATEMENT OF WORK
 MGCB ENTERPRISE IT SYSTEM**

A Pre-Qualification Program was developed to provide a mechanism for the creation and startup of the Project Control Office (PCO), staff augmentation and project management support of various projects across the Department of Technology, Management and Budget (DTMB) and related project management activities.

The PCO will be used to monitor the status of on-going projects to ensure that projects stay on track to achieve the anticipated benefits.

In addition, the PCO will:

- Ensure consistent and accurate progress reporting on the costs and other critical resources consumed by projects.
- Provide stakeholders with timely assessments of project progress, with early identification and correction of project-level issues that may impact performance.
- Adjudicate resource conflicts between projects.
- Maintain visibility of key project information across the program.
- Ensure that the project portfolio remains in tune with changing business objectives and strategy.
- Identify lessons-learned and continually refine the PCO process.

Process for obtaining PCO Services

The State, after formalizing a comprehensive Work Request, will facilitate a second tier selection process for each contracting effort. This PCO Work Request template will identify the statement of work, category of service, period of performance, deliverables, specific response information required, work evaluation, payment criteria, and any special terms and conditions.

Awards made as a result of any formal Work Request for PCO Services will be subject to the defined services and Terms and Conditions of the Primary Contracts listed below. Each award will be issued as a change notice to the applicable Primary Contract.

This is a PCO work request. Only the pre-qualified Contractors listed below may submit proposals.

Contractor Name	City	State	Contract Number
CW Professionals (Previously known as Compuware Corporation)	Detroit	MI	071B3200054
Dewpoint	Lansing	MI	071B3200057
Advocate Solutions, LLC (Previously known as Government Consulting Resources, Ltd. (GCR))	Columbus	OH	071B3200059
Government Solutions, Inc. CSG	Chicago	IL	071B3200056
HP State & Local Enterprise Services, Inc. (Otherwise known as EDS)	Lansing	MI	071B3200053

Reminder: The following are requirements for PCO proposals:

- Bidders are limited to One (1) candidate resume per position

- Candidates MUST meet the minimum requirements of the position
- One (1) copy of each resume MUST be submitted
- All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks)
- Rate proposal must be submitted according to instructions in the Information Required from Contractors Section, Rate Proposal.

Failure to adhere to any of the above requirements may result in the contractor being disqualified.

This request is issued under your Contract with the Michigan Department of Technology, Management and Budget, Purchasing Operations, as established under the Project Control Office (PCO) Program.

Project Title: MGCB Enterprise IT System	Estimated Start date of Project: 08/01/2014
Requesting Agency: Michigan Gaming Control Board (MGCB)	Date: 06/27/2014
Buyer: Whitnie Zuker	Phone: 517-643-8547

Required Skill Category Requested:

- One (1) Senior Project Manager for an estimated 800 hours**
- One (1) Senior Technical Architect for an estimated 800 hours**

The **Senior Project Manager** and **Senior Technical Architect** selected for this engagement will support Michigan Gaming Control Board (MGCB) in acquiring technical requirements and assist MGCB in finding a Commercial Off the Shelf (COTS) system to serve as MGCB's enterprise-wide information technology system (Enterprise Solution). In support of this effort, the Senior Project Manager and Senior Technical Architect will provide the following activities:

- Interview MGCB and DTMB team members and system users to understand their perspective of this project.
- Use previously gathered business requirements and form technical requirements for MGCB's COTS Enterprise Solution.
- Coordinate possible spotlight demonstrations.
- Assist MGCB in creating the RFI/RFP.
- Provide market analysis to MGCB executive management on potential software packages and options for MGCB's Enterprise Solution.
- Serve as a non-voting member of the JEC.

Both resources will be selected by one Pre-Qualified Vendor. Both resources will work on an as needed basis to complete the deliverables required to complete this project. The estimated hours may be increased/decreased at any time during this project.

See Staffing Skillset Criteria section below for further details to fulfill this position.

BACKGROUND:

The Michigan Gaming Control Board (MGCB) consists of sixteen sections amongst three divisions that perform activities to ensure the conduct of fair and honest gaming to protect the interests of the citizens of the State of Michigan.

In addition to the approval of Proposal E in 1996 (http://www.michigan.gov/mgcb/0,4620,7-120-1382_1450-12943--00.html), more recent executive orders have expanded the responsibilities of the MGCB, shifting additional areas of oversight from other State agencies to MGCB; including the licensing and regulation of charitable gaming millionaire party events and live horse racing; and oversight of compliance with Tribal-State compacts. These expansions have resulted in a technical environment of multiple IT systems with overlapping and isolated functionality as well as duplicate data entry.

PROJECT OBJECTIVE:

This project is intended to identify all of the technical requirements and support the selection of a vendor to provide an Enterprise Solution to be utilized by the entire agency. This is intended to reduce the nearly 30 applications utilized currently to one or as few as possible.

SCOPE OF WORK:

A single Pre-Qualified Vendor will provide one (1) Senior Project Manager and one (1) Senior Technical Architect to manage/lead/assist the MGCB with identifying the technical requirements and selecting a proper vendor for MGCB's Enterprise Solution.

TASKS:

Senior Project Manager:

The Senior Project Manager will be responsible for the following, but not limited to, tasks:

- Developing a project charter.
- Develop project governance document.
- Development and management of the project schedule.
- Forming meeting agendas (as required).
- Transcribing meeting minutes (as required).
- Developing/Completing the technical requirements document.
- Assist MGCB in creating the RFI/RFP.
- Assist with providing and evaluating solutions to modernization considering the agency's operational needs. Ensure solution alternatives alignment to the criteria.
- Provide market analysis to MGCB executive management on potential software packages and options for MGCB's Enterprise Solution.
- Provide MGCB the list of vendors that should be considered.
- Coordinate possible vendor spotlight demonstrations.
- Serve as a non-voting member of the JEC.

Senior Technical Architect:

The Senior Technical Architect will be responsible for the following, but not limited to, tasks:

- Document as-is technical architecture.
- Propose to-be technical architecture.
- Review hardware and software to assist in standards determination and setting of processes.
- Perform cost analysis and modeling to assist in the assessment of the return on investment for projects and computer operations.
- Analyze application development processes and tools
- Review data model and evaluate its complexity
- Recommend changes in hardware, storage, network systems, operating systems, (COTS) software, security and software design to meet future growth and improve system performance.
- Assist MGCB in creating the RFI/RFP.
- Serve as a non-voting member of the JEC.

DELIVERABLES:

Deliverables will not be considered complete until MGCB and DTMB Project Managers have formally accepted them. The following are initial required milestones to support this project. Actual phases of the project, milestone deliverables and associated timelines will be formalized once the project is underway. Once established, the resources must meet the set milestone deliverables by the date set by the State:

- Organize and facilitate Executive Steering Committee and Project Core Team meetings.
- Document as-is and to-be technical architecture
- Complete Technical requirements document
- Complete an alternative analysis including weighted criteria/ranking structure and solution alternatives to the criteria, recommendations document
- Facilitate vendor demonstration including list of vendors to be considered, vendor evaluation criteria, vendor demonstration results
- Lead in the creation of the resulting RFP document
- Participate in the evaluation of RFP responses

APPROVAL OF DELIVERABLES, IN GENERAL

(a) All Deliverables (Written Deliverables, and Service 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. 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.

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

(c) Prior to commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable have been delivered without material deficiencies. If the State determines that the Deliverable has material deficiencies, 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 and Contractor receive the Deliverable and agree that the Deliverable is ready for use and, where applicable, Contractor has provided certification in accordance with Section 6.3(a).

(d) The State will approve in writing a Deliverable upon confirming that it conforms to and, 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.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance 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 any resulting Contract(s) 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(s) 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 provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. 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.

(f) The State, at any time and in its reasonable discretion, may halt the testing 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 testing or approval process.

PROCESS FOR APPROVAL WRITTEN DELIVERABLES:

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work/Purchase Order following delivery of the final version of the 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 Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF SERVICE DELIVERABLES:

The State Review Period for approval of Service Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) Business Days for a Service Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF PHYSICAL DELIVERABLES:

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

DELIVERABLE ACCEPTANCE CRITERIA:

Resource will work with DTMB Project Manager to develop formal acceptance criteria. Acceptance criteria for this project may include, but are not limited to:

- All deliverables included in the State's System Engineering Methodology (SEM).
- All deliverables included in the State's Project Management Methodology (PMM).

- All deliverables will not be considered complete until MGCB and DTMB has formally accepted them.
- All documentation must be complete and meet State standards.

PROJECT CONTROL AND REPORTS:

A weekly progress report must be submitted to MGCB and DTMB Project Managers throughout the life of this project detailing the current and upcoming status of the project as well as issues and risks identified.

Each invoice must contain the following:

- **Hours:** Indicate the number of hours expended and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
- **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
- **Planned Tasking:** Describe activities to be accomplished during the next reporting period.
- **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.
- **Issues:** Indicate major issues/risks/changes, real or perceived, and recommend resolutions

SPECIFIC AGENCY STANDARDS:

MGCB standards:

In addition to the Master PCO Contract, MGCB requires the following:

- MGCB conducts a personal background screening and criminal background check, including fingerprints, on all assigned candidates before work can begin.
- Assigned candidates are prohibited from participating in any casino gaming in the State of Michigan while under contract. Assigned candidates are also not allowed on the property of any casino in Michigan or any out-of-state affiliate casinos without prior approval from the Executive Director while under contract.
- Additionally, assigned candidates are prohibited from wagering on the results of live and simulcast horse races at licensed racing events and are prohibited from wagering at charitable gaming millionaire party events in the State of Michigan while under contract.

PAYMENT SCHEDULE:

Payment will be made on a time and material basis and all invoices must include the purchase order number. DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency Project Manager and DTMB Project Manager approvals. **All invoices should reflect actual work completed by payment date, and must be approved by the MGCB Project Managers and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees.**

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

EXPENSES:

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

PROJECT CONTACT:

The DTMB Buyer for this project is:

Whitnie Zuker
DTMB – Procurement
Buyer, IT Division
Constitution Hall – 1st Floor
525 W. Allegan Street
Lansing, MI 48933
Phone: 517-284-7030
Fax: 517-335-0046
Email: zukerw@michigan.gov

DTMB/MGCB RESPONSIBILITIES:

- MGCB will provide direction to contractor staff in regards to work effort and priorities.
- MGCB will provide telephone access for project-related calls originating from within the State's office.
- MGCB will provide access to copying equipment for project-related documents.
- MGCB will provide access to facsimile equipment for items that are project related.
- MGCB will provide computer hardware and software for consultant, as *deemed necessary*.
- Both DTMB and MGCB will ensure MGCB records remain "separate and distinct" in accordance with the Michigan Gaming Control & Revenue Act.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work in the Cadillac Place, 3062 W. Grand Blvd., Suite L-700, Detroit, Michigan and the Lottery Building, 101 E Hillsdale Street, Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal work hours are eight (8) hours a day, forty (40) hours a week. Additional hours may be necessary based on business needs. These hours may vary and will be paid at the same base hourly rate.

The State will not pay overtime.

SKILL SET CRITERIA

Responses will be evaluated on the following criteria:

Senior Project Manager:

	Skill Sets	Weight
1.	Documented experience in successfully managing IT projects whose scope involved evaluating business requirements and needs to find a Commercial Off the Shelf (COTS) enterprise solution.	15
2.	5 years experience creating and executing release planning and implementation of new IT systems.	15
3.	2 years documented experiencing in assisting State agencies through the RFI/RFP process.	12
4.	3 years experience in verbal and written communication with clients and technical staff in English.	10
5.	A history of managing a project in a multi-vendor environment.	10
6.	5 years experience creating and managing comprehensive project plans utilizing project management flows and tools.	10
7.	5 years experience managing large, complex multi-year projects for State government	6
8.	5 years experience performing scope management for projects, including a disciplined change control process.	5
9.	5 years experience performing issues management across multiple divisions within State government	5
10.	Bachelor's degree in area of specialty and 5 years experience in the field or in a related area demonstrating technical expertise.	5
11.	Excellent verbal and written communication skills with the ability to communicate highly technical requirements in a way that a non-technical person will be able to comprehend.	4
12.	Current professional certification in Project Management, such as the Project Management Professional (PMP) certification from the Project Management Institute.	3
	Total	100

Senior Technical Architect:

	Skill Sets	Weight
1.	Thorough understanding of systems development and technology working within a Unix and Windows operating system, Oracle and/or Microsoft SQL Server database and a wide range of web development technologies such as J2EE, Web Services, XML.	20
2.	5 years experience performing extensive analysis and design working on projects of all sizes that require exposure to all aspects of the project life cycle and creating and maintaining documentation in conformance with established standards.	20
3.	5 years experience in developing solution architecture from business requirements, information	15

	architecture, and technical architecture	
4.	Documented experience in performing requirements gathering sessions.	15
5.	Documented experience creating technical roadmaps to develop and implement a complex system.	10
6.	3 years experience in verbal and written communication with clients and technical staff in English.	10
7.	Excellent verbal and written communication skills with the ability to communicate highly technical requirements in a way that a non-technical person will be able to comprehend.	5
8.	Bachelor's degree in area of specialty and 5 years experience in the field or in a related area demonstrating technical expertise.	5
	Total	100

The tier II award will be made to the responsive and responsible bidder who offers the best value to the State of Michigan. Interviews may be taken into consideration when the State makes a best value award. Best value will be determined by the bidder meeting the minimum point threshold and offering the best combination of the factors stated in Skill Set Criteria, interviews, and price.

INFORMATION REQUIRED FROM CONTRACTORS

CANDIDATE INFORMATION

- Name and date of availability of the candidate for each requested position.
- The resume(s) of the actual individual(s) proposed
- **The results of a criminal background check and any additional screening required to meet agency requirements upon award. Once the vendor is selected, the vendor will be provided by the State the following forms for acceptance and signature. In addition, the candidates will undergo an official fingerprinting session prior to coming on board:**
 1. **Authorization to Conduct Criminal and Credit History, Personal Reference and Background Screening Checks” form**
 2. **“Pre-Employment Authorization and Certification” form**
 3. **“Livescan Fingerprint Request” form**
- Verification of a candidate's permission to work in the United States.
- Payment Rate for each resume submitted. Payment rates may not exceed the rates in the Contract. However, the Payment rates may be less, depending on the State's requirements, nature of the job market, and candidate's abilities.
- A signed commitment letter from the individual referencing the SOW number, with the candidate's name, signature, and date. Blanket commitment letters for all ITB's will not be accepted.
- During the response period, the Contractor may request any clarification needed on the Statement of Work.

RATE PROPOSAL

- All rates quoted in contractor's response to this work request will be firm for the duration of the contract. No price changes will be permitted.

Staffing Position Required	Estimated Hours
Senior Project Manager	800
Senior Technical Architect	800

PROPOSAL SUBMITTAL

Submit 1 copy of each qualified name and resume and 1 copy of the Rate Proposal in accordance with the following instructions:

- Submit all bids ELECTRONICALLY via BUY4MICHIGAN NO LATER THAN 3:00 P.M. ON THE DUE DATE AS INDICATED ON BUY4MICHIGAN.
- Submit with your proposal a signed cover letter with the company name, contact name and phone number, contact email address, vendor ID number, and ITB number.
- All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks).

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. 6
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 120 North Washinton Square Lansing, MI 48933	Richard Staten	rstaten@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	517-853-2682	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$200,000.00		\$1,718,080.00		

Effective June 30, 2014, this Contract is INCREASED by \$200,000.00 and the following resource is incorporated into this contract based on the State's work request #007114B0002141 (see attached Statement of Work).

Resource: Chad Cumberworth – Business Analyst at \$100.00/hour, not to exceed 1984 hours. The initial contract period is July 7th, 2014 through July 6th, 2015 with the possibility of an extension as noted in the Statement of Work.

All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement and the approval of DTMB Procurement.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
PCO SERVICES
STATEMENT OF WORK (SOW) TEMPLATE**

A Pre-Qualification Program was developed to provide a mechanism for the creation and startup of the Project Control Office (“PCO”), staff augmentation, and project management support of various projects across the Department of Technology Management and Budget (“DTMB”) and related project management activities.

Process for obtaining PCO Services

The State of Michigan (“the State” or “State”) after formalizing a comprehensive Work Request will facilitate a second tier selection process for each Contracting effort. This PCO Work Request template will identify the statement of work, category of service, period of performance, deliverables, specific response information required, work evaluation and payment criteria, and any special terms and conditions.

Awards made as a result of any formal Work Request for PCO Services will be subject to the Terms and Conditions of the Primary Contracts listed above. Each award will be issued as a change notice to the applicable Primary Contract.

This is a PCO work request. Only the pre-qualified Contractors listed below may submit proposals.

Contractor Name	City	State	Contract Number
Compuware Corporation	Detroit	MI	071B3200054
Dewpoint	Lansing	MI	071B3200057
Advocate Solutions, LLC	Columbus	OH	071B3200059
Government Solutions, Inc. CSG	Chicago	IL	071B3200056
HP State & Local Enterprise Services, Inc.	Lansing	MI	071B3200053

Reminder: The following are requirements for for PCO proposals:

- Contractors are limited to One (1) candidate per position
- Candidates **MUST** meet the minimum requirements of the position
- **All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks)**
- Rate proposal must be submitted according to instructions in the Information Required from Contractors Section, Rate and Proposal submittal.

Failure to adhere to any of the above requirements may result in the contractor being disqualified.

This request is issued under your Contract with the Michigan Department of Technology, Management and Budget Purchasing Operations, as established under the PCO Program.

Project Title: MDOS Ignition Lock Project	Estimated Period of Coverage: 06/01/2014-06/30/2015
Requesting Agency: DTMB Supporting MDOS	Date: 04/30/2014
DTMB Buyer: David Hach	Phone: 517-284-7044

Required Skill Category Requested:

Brief Description of Services to be provided:

One (1) Business Analyst will be selected from one (1) Pre-Qualified Project Control Office (PCO) Services Contractor to meet with Michigan Department of State (MDOS) staff to fully understand and document all

aspects of the MDOS Ignition Lock program. The end result of this effort will be a complete Statement of Work which can be put up for bid by the State of Michigan as part of a Request for Proposal (RFP) to replace the current system now used by the Ignition Lock team. The other required outcome of this project will be complete and detailed business requirements for the replacement system.

In addition, the State of Michigan wishes to maintain the option of adding one (1) Senior Project Manager selected from the same Pre-Qualified PCO Services Contractor to serve as a senior project manager for the MDOS Ignition Lock project.

It is estimated that the resources will be dedicated for the following number of hours during the estimated time frame of **06/01/2014-06/31/2015**:

- 1) Senior Business Analyst – 1984 hours**
- 2) Senior Project Manager – 1984 hours (Optional)**

BACKGROUND:

Michigan law requires license sanctions for individuals convicted of drunk driving. Certain offenses such as Operating with a Blood Alcohol Content (BAC) level of .17 or higher require a first time offender to install an ignition interlock device prior to receiving a restricted license. If an individual has more than 1 alcohol related driving offense and is classified as an habitual offender (two or more convictions within 7 years, or three or more within 10 years) they cannot have driving privileges restored until a hearing is held and they are approved for restoration by the Administrative Hearings Section (AHS) of the Michigan Department of State. In order to receive a restricted driver's license in the above instances the individual must have a Breath Alcohol Ignition Interlock Device (BAIID) installed on any vehicle they intend to drive. The BAIID is a mechanism, like a breathalyzer, installed on a motor vehicle's dashboard. Before the vehicle's motor can be started, the driver first must provide a sample i.e. blow into a handset and if the resultant breath-alcohol concentration analyzed result is greater than .025, the device prevents the engine from being started. Drivers are required to take random tests (sometimes referred to as a rolling test) while operating their automobile as required by state law. Some BAIIDs also have a camera that will take a picture of the individual sitting in the driver's seat of the vehicle to verify the person taking the test is the same as the driver.

The interlock is mandatory for individuals convicted of operating with a high BAC, individuals who receive a restricted license while in a sobriety court program and habitual offenders approved following an AHS hearing. The interlock must be installed on any vehicle they own or intend to drive

- A restricted license will be issued once it has been verified that an interlock has been installed
- Employers are not required to install an interlock system on work vehicles unless the individual will be operating an employer owned vehicle.
- Motor vehicles driven by an offender that do not have an ignition interlock installed can have their license plates confiscated. Further violation may result in immobilization of the vehicle.
- Offenders providing a breath sample with a BAC above 0.025 or more, tampering with, circumventing, or removing the device, failing to comply with the monitoring schedule, failing to take the rolling re-test when required, or driving a vehicle without an interlock will result in an extension of the time period the device must be kept in place or result in revocation of all driving privileges.

Each BAIID device stores the data associated with each test. On a bi-monthly basis drivers must visit a service center or vendor to have the data downloaded from the device. This data is then sent over to MDOS who prints and reviews the data for possible violations. Certain violations require AHS to reimpose the revocation of driving privileges or to impose an additional period of license suspension. If either of these actions result, the individual may request a hearing.

PROJECT OBJECTIVE:

At this point in time, the MDOS business process for Ignition Interlock is largely a manual processes. Data must be extracted manually from BAIID devices, it is then transferred to MDOS, printed and reviewed manually for possible violations. Violations are then manually entered into another system for further action.

MDOS wishes to refine the business processes associated with this work, automate the process as much as possible and integrate it into the case handling application it currently uses to review violations. To achieve this objective, MDOS wishes to procure a vendor to replace the existing system with an automated process. This will require creating a Statement of Work and comprehensive business requirements which can be included in a RFP bid for services.

To facilitate the RFP, MDOS wishes to secure the services of a *business analyst* to work with MDOS staff to understand the current process and create the necessary Statement of Work and Business Requirements needed to put the replacement of the Ignition Interlock process up for bid.

SCOPE OF WORK/TASKS:

Business Analyst:

Perform Business Analyst responsibilities related to the Ignition Interlock Automation process project. The Business Analyst will be executing tasks as defined in the State of Michigan's Project Management Methodology (PMM) as well as the Systems Engineering Methodology (SEM).

Specific tasks may include but are not limited to:

1. Perform Lead BA services such as:
 - a. Create a Statement of Work
 - i. Establish performance criteria
 - ii. Establish baseline for proposal evaluation
 - iii. Establish baseline for performance measures
 - iv. Determine Scope of work
 - v. Project Objectives
 - vi. Acceptance Criteria
 - b. Lead/Facilitate requirements gathering sessions
 - c. Produce requirements gathering deliverables such as:
 - i. Process maps
 - ii. Data flow diagrams
 - iii. SEM 402 business requirements
 - iv. Use Case scenarios
 - v. Requirements tractability matrix
 - vi. Functional specs
 - vii. SEM Stage exit documents

Senior Project Manager (Optional):

Perform Senior Project Management responsibilities related to the Ignition Interlock project. Project manager will be executing tasks as defined in the State of Michigan's Project Management Methodology (PMM) as well as the Systems Engineering Methodology (SEM). This position is optional and may not be filled.

1. Specific tasks may include but are not limited to:
2. Maintain and update Detailed Project Plan – Plan should include milestones, tasks (work breakdown structure), hours, durations, schedule, and resource allocation. Detailed task level plans and schedules must be created for each release deployment. Note: This is the detailed task plan to be developed with the input of the Project Team
3. Maintain project budget
4. Manage Risk Management Plan and address any issues that arise
5. Manage project Quality
6. Manage communication and maintain Communication Plan
7. Manage all Change Control requests and changes needed to project, plan & schedule in their regards
8. Create and Present Weekly status reports – to project team and sponsors
9. Facilitation of and materials preparation for meetings, including:
 - a. Weekly status meetings for managers and team leaders.
 - b. weekly planning meetings
10. Participation in and materials preparation for Executive Leadership meetings, as requested by the Implementation contractor or DTMB Project Manager or leadership.
11. Performance metrics including score cards, earned value analysis, project evaluation, resource usage, defects found and resolved in testing, defects introduced into production, analysis of Implementation contractor warranty work, and analysis of application down time.
12. Facilitation of and materials preparation for close-out of each release, including archival of all project data, lessons learned sessions, and close-out of any open action items.
13. Ad hoc reports requested by the State Project Manager(s).

DELIVERABLES:

Deliverables will not be considered complete until the Agency and DTMB Project Managers have formally accepted them. Resources will work with DTMB Project Manager to define deliverables. Deliverables for this project may include, but are not limited to:

- Develops project documentation, including:
 - Statement of Work
 - Business Requirements

APPROVAL OF DELIVERABLES, IN GENERAL:

(a) All Physical Deliverables, Written Deliverables, and Service Deliverables (“**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 will include the

successful completion of Testing as applicable in Section 6.3, 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.

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

(c) Prior to commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable have been delivered without material deficiencies. If the State determines that the Deliverable has material deficiencies, 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 and Contractor receive the Deliverable and agree that the Deliverable is ready for use and, where applicable, Contractor has provided certification in accordance with Section 6.3(a).

(d) The State will approve in writing a Deliverable upon confirming that it conforms to and, 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.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance 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 any resulting Contract(s) 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(s) 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 provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. 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.

(f) The State, at any time and in its reasonable discretion, may halt the testing 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 testing or approval process.

PROCESS FOR APPROVAL WRITTEN DELIVERABLES:

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work/Purchase Order following delivery of the final version of the 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 Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF SERVICE DELIVERABLES:

The State Review Period for approval of Service Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) Business Days for a Service Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF PHYSICAL DELIVERABLES:

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

ACCEPTANCE CRITERIA:

Resource will work with DTMB Project Manager to develop formal acceptance criteria. Acceptance criteria for this project may include, but are not limited to:

1. All deliverables included in the State's Project Management Methodology (PMM)
2. All deliverables included in the State's System Engineering Methodology (SEM)
3. All Deliverables will not be considered complete until DTMB Project Manager has formally accepted them
4. All Documentation must be complete and meet state standards
5. Requirements must be complete and meet state standards

PROJECT CONTROL AND REPORTS:

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

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

SPECIFIC AGENCY STANDARDS:

Agency standards, if any, in addition to DTMB standards.
State of Michigan Project Management Methodology (PMM)
State of Michigan Systems Engineering Methodology (SEM)

PAYMENT SCHEDULE:

Payment will be made on a time and material basis and will be paid monthly. DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency Project Manager and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees.

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

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Buyer for this project is:

David Hatch
Michigan Department of Technology, Management and Budget
DTMB Purchasing Operations – Constitution Hall – 1st Floor
525 W. Allegan Street
Lansing, MI 48933
517-284-7044
Fax: 517- 335-0046
Email: hatchd@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

- DTMB will provide direction to vendor staff in regards to work effort and priorities.
- STATE will provide telephone access for project-related calls originating from within the State's office.
- STATE will provide access to copying equipment for project-related documents.
- STATE will provide access to Facsimile equipment for items that are project related.
- STATE will provide computer hardware and software for consultants, *as deemed necessary*.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Resources will work at the Richard H. Austin Building, 430 W. Allegan St., Lansing MI. The staff associated with the Ignition Interlock project is also located at the Richard H. **Austin Building**.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal work hours are eight (8) hours a day, forty (40) hours a week. Additional hours may be necessary based on business needs. These hours may vary and will be paid at the same base hourly rate.

Some travel is expected. Selected candidate must have their own vehicle. The State will not pay overtime.

SKILL SET**One (1) Business Analyst**

Serves as the communication bridge between non-technical business users and technical solution developers. The Senior Business Analyst has a depth of knowledge in business analysis processes including knowledge of methodology, tools, and techniques. The Business Analyst is responsible for analyzing the raw data gathered by the project team, applying the appropriate tools and techniques to create meaningful results. This individual is an active participant in aspects of department assessment, visioning, and reengineering.

Responses will be evaluated on the following criteria:

	Skill Sets	Weight
1.	Documented experience in successfully working as a business analyst on IT projects (full project lifecycle) whose scope included writing a complex system.	20
2.	Five (5) years of recent experience working on IT projects in a government environment.	20
3.	Five (5) years experience creating a Statement of Work documentation for IT services.	25
4.	Knowledge and understanding of Systems Engineering Methodology (SEM).	10
5.	Five (5) years experience writing comprehensive business requirements.	25
	TOTAL	100

SKILL SET**One (1) Senior Project Manager (Optional)**

Senior Project Manager to provide the overall management for State of Michigan projects. This individual will provide management services for all project activities to ensure that the project will be completed on time, within budget, and within scope. This position is optional and may not be filled.

This individual will create and manage detailed project plans and schedules for the day-to-day tracking and oversight of deliverables within the project using SOM Project Management Methodology. This individual will create and use tools to monitor and report on schedule progress, resource utilization, issue resolution/escalation, and process adherence. This individual also gathers and reports on vendor performance and compliance.

Responses will be evaluated on the following criteria:

	Skill Sets	Weight
1.	Documented experience in successfully managing IT projects (full project lifecycle) whose scope included writing a complex system.	20
2.	Five (5) years of recent experience managing IT projects in a government environment.	20
3.	Excellent verbal and written communication skills with clients and technical staff.	20
4.	Knowledge and understanding of Systems Engineering Methodology (SEM).	10
5.	At least 1 year working with state government.	30
	TOTAL	100

INFORMATION REQUIRED FROM CONTRACTORS

CANDIDATE INFORMATION

- Name and date of availability of the candidate.
- The resume(s) of the actual individual(s) proposed
- The results of two reference checks that the Contractor has performed on the proposed individual, including the names and telephone numbers of the references themselves. At least one of these reference checks must be from a supervisor.
- The results of a criminal background check and any additional screening required by a specific work statement to meet agency requirements upon award.
- Verification of a candidate's permission to work in the United States.
- Payment Rate for each resume submitted. Payment rates may not exceed the rates in the Contract. However, the Payment rates may be less, depending on the State's requirements, nature of the job market, and candidate's abilities.
- A signed commitment letter from the individual referencing the SOW number, with the candidate's name, signature, and date. Blanket commitment letters for all ITB's will not be accepted.
- During the response period, the Contractor may request any clarification needed on the Statement of Work.

RATE PROPOSAL

- All rates quoted in contractor's response to this work request will be firm for the duration of the contract. No price increases will be permitted.

Skill Levels Required	Estimated Hours
Senior Business Analyst	1984
Senior Project Manager (Optional)	1984

PROPOSAL SUBMITTAL

Submit 1 copy of each qualified name and resume and 1 copy of the Rate Proposal in accordance with the following instructions:

- Submit all bids ELECTRONICALLY via BUY4MICHIGAN NO LATER THAN 3:00 P.M. ON THE DUE DATE AS INDICATED ON BUY4MICHIGAN.
 - Submit with your proposal a signed cover letter with the company name, contact name and phone number, contact email address, vendor ID number, and ITB number
 - All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks)

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

June 13, 2014

CHANGE NOTICE NO. 5
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 120 North Washinton Square Lansing, MI 48933	Richard Staten	rstaten@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	517-853-2682	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$137,600.00		\$1,518,080.00		
Effective Immediately, this Contract is hereby amended to support a resource name change with an additional 860 hours and an increase of \$ 137,600.00, per approved State's work request 007114B0001778; Change Notice 4 of the Contract:				
Original Resource Information:				
<ul style="list-style-type: none"> Mark Daflucas– Sr. Data Architect and Modeler at \$160.00/hour, not to exceed 580 hours. 				
Revised Resource Information:				
<ul style="list-style-type: none"> Lakshmi Pamarthi - Sr. Data Architect and Modeler at \$160.00/hour, not to exceed 1440 hours. 				
All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement and the approval of DTMB Procurement				

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

May 8, 2014

CHANGE NOTICE NO. 4
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 120 North Washinton Square Lansing, MI 48933	Richard Staten	rstaten@csqdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	517-853-2682	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-335-5306	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$92,800.00		\$1,380,480.00		

Effective June 9, 2014, this Contract INCREASED by \$92,800.00 and the following resource is incorporated into this contract based on the State's work request #007114B001778 (see attached Statement of Work). 007114B001778 request five (5) resources. A split award was made between three (3) vendors. This change notice is to assign one out of the five resources under this contract.
 Name Resource: Mark Daflucas– Sr. Data Architect and Modeler at \$160.00/hour, not to exceed 580 hours.
 All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement and the approval of DTMB Procurement.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
PCO SERVICES
STATEMENT OF WORK (SOW) TEMPLATE**

A Pre-Qualification Program was developed to provide a mechanism for the creation and startup of the PCO, staff augmentation and project management support of various projects across DTMB and related project management activities.

Process for obtaining Project Control Office (PCO) Services

The State after formalizing a comprehensive Work Request will facilitate a second tier selection process for each Contracting effort. This PCO Work Request template will identify the statement of work, category of service, period of performance, deliverables, specific response information required, work evaluation and payment criteria, and any special terms and conditions.

Awards made as a result of any formal Work Request for PCO Services will be subject to the Terms and Conditions of the Primary Contracts listed above. Each award will be issued as a change notice to the applicable Primary Contract.

This is a Project Control Office (PCO) work request. Only the pre-qualified Contractors listed below may submit proposals.

Contractor Name	City	State	Contract Number
Compuware Corporation	Detroit	MI	071B3200054
Dewpoint	Lansing	MI	071B3200057
Government Consulting Resources, Ltd. (GCR)	Columbus	OH	071B3200059
Government Solutions, Inc. CSG	Chicago	IL	071B3200056
HP State & Local Enterprise Services, Inc.	Lansing	MI	071B3200053

Reminder: The following are requirements for Project Control Office (PCO) proposals:

- Contractors are limited to One (1) candidate per position.
- Candidates **MUST** meet the minimum requirements of the position.
- One copy of each resume **MUST** be submitted (labeled Copy 1).
- **All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks).**
- Rate proposal must be submitted according to instructions in the Information Required from Contractors Section, Rate and Proposal submittal.

Failure to adhere to any of the above requirements may result in the contractor being disqualified.

This request is issued under your Contract with the Michigan Department of Technology, Management and Budget, Purchasing Operations, as established under the PCO Program.

Project Title:
Legacy System Modernization Project Team

Estimated Period of Coverage:
4/21/14 – 4/20/15

Requesting Agency: DTMB at Treasury	Date: 4/09/14
DTMB Buyer: Whitnie Zuker	Phone: 517-284-7030
Required Skill Category Requested: <ul style="list-style-type: none"> • Three (3) Business Analysts • One (1) Data Architect / Modeler • One (1) Project Manager <p>The resources selected for this engagement will participate in projects to modernize (plan, design, re-write and implement) legacy applications that are in use by the Michigan Department of Treasury.</p> <p>See Staffing Skillsets section below for further details to full-fill this position.</p>	
BACKGROUND:	
<p>The Michigan Department of Technology, Management & Budget Customer Services, supporting the Department of Treasury is replacing legacy applications with current technology. This includes the re-write of applications that use programming languages that are or will be obsolete and languages that are being taken out of the inventory of supported programming tools.</p>	
PROJECT OBJECTIVE:	
<p>The resources will be assigned to participate in projects to modernize (plan, design, re-write and implement) legacy applications that are in use by the Michigan Department of Treasury. The estimated time period for this resource will be 4/21/14 – 4/20/15.</p>	
SCOPE OF WORK/TASKS:	
<p>Computer applications that will be converted to Microsoft Dot Net include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Tax Compliance Bureau taxpayer audit discovery • Hearings Tracking • Treas LAN security administration • Legacy computer applications as directed by the Treasury Client and/or DTMB 	
Business Analysts (Senior Level):	
<p>Qualified and selected technical personnel will be expected to perform the following tasks, typical of duties performed by senior business analysts. Functional and technical management may expand or reduce this list of duties as necessary to serve the client. The tasks include, but are not limited to the following:</p> <ul style="list-style-type: none"> • Analyze, design and document IT solutions. May review and advise on the design and development solutions contributed by others. • Work with clients to gather, organize and document requirements for information technology (IT) solutions. • Translate functional business requirements into clear functional specifications, may revise specifications as needed throughout project lifecycle. • Participate in design of databases and / or data repositories with customer, developers, architects, managers and other analysts. • Design, develop, and validate test data, test plans, test scripts and other verification based documentation for applications and systems. Execute test plans and document the results. • Work with the customer, functional managers and personnel, technical managers and personnel to develop / contribute to IT solution documentation, including Project Management Methodology and Software Engineering Methodology documentation • Participate in and document work related to structured walkthroughs • Participate in project planning, estimating, budgeting, scheduling, structured walkthroughs, issue tracking, and project execution. Follows the DTMB SUITE methodology for project management and software engineering. (Public version of SUITE is available at http://www.michigan.gov/dtmb/0,5552,7-150-56355-95218--,00.html) • Perform and / or participate in the full testing lifecycle, typically involving the following or similar types of testing: unit, function, integration, performance, system and standards, user acceptance and regression testing. Document results • Perform other business analyst tasks for legacy application replacement as directed by functional manager. 	
Data Architect And Modeler (Intermediate To Senior Level):	
<p>Qualified and selected technical personnel will be expected to perform the following tasks, typical of duties performed by an intermediate to senior level data architect and modeler. Functional and technical management may expand or reduce this list of duties as necessary to serve the client. The tasks include, but are not limited to the following:</p> <ul style="list-style-type: none"> • Analyzes customer's business and data flow , data relationships, current system capabilities, and 	

requirements

- Develops the logical data model for new systems: databases, data structures and / or data repositories. May work with customer, developers, architects, managers and other analysts to derive these models.
- Assists the application / enterprise architects, database administrator and developers in the physical design of databases, data structures and data repositories.
- May create schema objects and data types for applications.
- Works with the customer, functional and technical team members to create data dictionaries, structural metadata and other artifacts describing and defining data
- Assists with data extract, transform and load (ETL) design, development and implementation processes.
- Prepare documentation to capture requirements, working versions and final versions of logical and physical databases, data structures and data repositories.
- Participate in project planning, estimating, budgeting, scheduling, structured walkthroughs, issue tracking, and project execution. Follows the DTMB SUITE methodology for project management and software engineering. (Public version of SUITE is available at <http://www.michigan.gov/dtmb/0,5552,7-150-56355-95218--,00.html>)
- Perform and / or participate in the full testing lifecycle, typically involving the following or similar types of testing: unit, function, integration, performance, system and standards, user acceptance and regression testing.
- Perform other data architect / data modeler tasks for legacy application replacement as directed by functional manager

Project Manager (Senior Level):

Qualified and selected technical personnel will be expected to perform the following tasks, typical of duties performed by a senior level project manager. Functional and technical management may expand or reduce this list of duties as necessary to serve the client. The tasks include, but are not limited to the following:

- Leads the planning, managing and controlling of all project activities from initiation and planning through project close out.
- Responsible for working with the sponsor, client, and project team members to develop the project charter, project schedule, resource allocation plan, communication plan, risk management plan, budget/cost management plan, change management plan, and other methodology documentation and processes as applicable to the project.
- Works with the appropriate functional and technical managers to facilitate structured walkthrough and project stage exit sessions, with ultimate client acceptance of the project.
- Responsible for capturing, monitoring and reporting project information and metrics in the ChangePoint Management System.
- Assists and advises project stakeholders and team members through regular status meetings, reports and other communications.
- Maintains the project issues and risks logs. Actively follows-up on project issues and risks to ensure timely resolution and mitigation. Escalates issues, risks and needs to higher management as appropriate.
- Lead and participate in project planning, estimating, budgeting, scheduling, structured walkthroughs, issue tracking, and project execution. Follows the DTMB SUITE methodology for project management and software engineering. (Public version of SUITE is available at <http://www.michigan.gov/dtmb/0,5552,7-150-56355-95218--,00.html>)
- Coordinate the full testing lifecycle, typically involving the following or similar types of testing: unit, function, integration, performance, system and standards, user acceptance and regression testing.
- Perform other project manager tasks for legacy application replacement as directed by functional manager

DELIVERABLES:

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

- Microsoft .NET (a.k.a. Dot Net) coding
- Programming documentation
- Technical programming work as directed by functional manager
- Software Engineering Methodology (SEM) Documentation. Some primary examples include, but are not limited to, Configuration Management Plan, Security Assessment, Enterprise Assessment, Hosting Solution, Maintenance Plan, Transition Plan, Installation Plan, Testing Plans and Scripts, Status Reports/ Results Reports,

- Requirements Specifications, Functional Design Specifications, System Design Specifications
- Logical and physical data models and data dictionaries
- Project Management Methodology documentation and processes. Some primary examples include, but are not limited to, Project Charter, Project Plan, Lessons Learned, Close-Out Report, Status Reports, Dashboard Reporting and utilization of the ChangePoint Project Management System.
- Final, complete IT solution approved by client.
- All work to be performed within applicable State of Michigan and Departmental standards

APPROVAL OF DELIVERABLES, IN GENERAL:

(a) All Deliverables (Physical Deliverables, Written Deliverables, and Service 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 will include the successful completion of Testing as applicable in Section 6.3, 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.

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

(c) Prior to commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable have been delivered without material deficiencies. If the State determines that the Deliverable has material deficiencies, 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 and Contractor receive the Deliverable and agree that the Deliverable is ready for use and, where applicable, Contractor has provided certification in accordance with Section 6.3(a).

(d) The State will approve in writing a Deliverable upon confirming that it conforms to and, 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.

(e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance 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 any resulting Contract(s) 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(s) 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 provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. 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.

(f) The State, at any time and in its reasonable discretion, may halt the testing 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 testing or approval process.

PROCESS FOR APPROVAL WRITTEN DELIVERABLES:

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work/Purchase Order following delivery of the final version of the 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 Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to

review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF SERVICE DELIVERABLES:

The State Review Period for approval of Service Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty- five (45) Business Days for a Service Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

PROCESS FOR APPROVAL OF PHYSICAL DELIVERABLES:

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work/Purchase Order (failing which the State Review Period, by default, shall be forty-five (45) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) 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 Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

DELIVERABLE ACCEPTANCE CRITERIA:

All project work will be deemed acceptable by the functional manager to whom the project team reports. All work to be performed within applicable State of Michigan and Departmental standards.

PROJECT CONTROL AND REPORTS:

Weekly time reporting will be submitted by the project team to the functional manager to whom they report. The functional manager will specify the required reporting to the project team and provide training or administrative support sufficient for the time reporting.

In addition, the functional manager may require a bi-weekly progress report that must be submitted throughout the life of this work. This report may be submitted with the billing invoice. Each bi-weekly progress report may contain the following:

1. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
3. **Planned Tasking:** Describe activities to be accomplished during the next reporting period.
4. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.
5. **Issues:** Indicate major issues/risks/changes, real or perceived, and recommend resolutions.

SPECIFIC AGENCY STANDARDS:

- State of Michigan Project Management Methodology (PMM)
- State of Michigan Systems Engineering Methodology (SEM)
- Agency standards, if any, in addition to DTMB standards.

See v1.1 051613 for Treasury standards and other items in Exhibit 1.

Treasury requires the following:

1. Pre-employment background and criminal history check

2. All prospective employees must be tested for illegal drugs and must not be hired unless negative test results have been received. Illegal drugs include, but are not limited to, marijuana, cocaine, amphetamines, PCP (phencyclidine), and opiate (including heroin, morphine and codeine).
3. Contractor acceptance of Exhibit 1 (Safeguard Requirements of Confidential Data).

PAYMENT SCHEDULE:

Payment will be made on a time and material basis and will be paid monthly. DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency Project Manager and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees.

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

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Buyer for this project is:

Whitnie Zuker
 DTMB – Procurement
 Buyer, IT Division
 Constitution Hall – 1st Floor
 525 W. Allegan Street
 Lansing, MI 48933
 Phone: 517-284-7030
 Fax: 517-335-0046
 Email: zukerw@michigan.gov

STATE RESPONSIBILITIES:

- DTMB will provide direction to Contractor staff in regards to work effort and priorities.
- STATE will provide telephone access for project-related calls originating from within the State's office.
- STATE will provide access to copying equipment for project-related documents.
- STATE will provide access to Facsimile equipment for items that are project related.
- STATE will provide computer hardware and software, *as deemed necessary*.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at Treasury Operations Center in Dimondale, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal work hours are eight (8) hours a day, forty (40) hours a week. Additional hours may be necessary based on business needs. These hours may vary and will be paid at the same base hourly rate.

The State will not pay overtime.

SKILL SET

Responses will be evaluated on the following criteria:

	Senior Business Analyst Skill Sets	Weight
1.	Documented experience in performing requirements gathering sessions for systems implementations.	20
2.	5 years experience in systems analysis and design working with Windows operating systems, Oracle and/or Microsoft SQL Server databases and a wide range of web development technologies, such as: .NET, Web Services, XML	20
3.	5 years experience in Enterprise middleware software like (but not limited to) messaging, workflow and business process automation solutions	20
4.	5 years (combined) experience working with Oracle, and Microsoft SQL databases	20
5.	2 years experience in current Web technologies	20

	TOTAL	100
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	Intermediate To Senior Level Data Architect And Modeler Skill Sets	Weight
1.	5 years experience gathering and documenting business and functional requirements for complex systems	15
2.	3 years leading review sessions to discuss draft documents and determine the appropriate revisions	10
3.	5 years experience create usability test plans	10
4.	3 years experience in creating test scenarios and testing scripts	5
5.	3 years experience documenting the results of usability testing	10
6.	3 years experience in developing solution architecture from business requirements, information architecture, and technical architecture	15
7.	3 years experience in developing business process models	15
8.	3 years experience in working with information architectures	20
	TOTAL	100

	Senior Project Manager Skill Sets	Weight
1.	5 years experience managing large, complex multi-year systems development projects	15
2.	Proven record of delivering projects on time and within budget	10
3.	5 years of recent experience in managing IT projects in a government environment	20
4.	5 years experience creating and managing comprehensive project plans utilizing project management flows and tools.	15
5.	5 years experience performing scope management for projects, including disciplined change control and issue management.	15
6.	5 years experience creating and executing Implementation plans.	15
7.	Preference will be given to candidates who possess a current professional certification in Project Management, such as the Project Management Professional (PMP) certification from the Project Management Institute or George Washington University.	10
	TOTAL	100

INFORMATION REQUIRED FROM CONTRACTORS

CANDIDATE INFORMATION

- Name and date of availability of the candidate.
- The resume(s) of the actual individual(s) proposed
- The results of two reference checks that the Contractor has performed on the proposed individual, including the names and telephone numbers of the references themselves. At least one of these reference checks must be from a supervisor.
- The results of a criminal background check and any additional screening required by a specific work statement to meet agency requirements upon award.
- Verification of a candidate's permission to work in the United States.
- Payment Rate for each resume submitted. Payment rates may not exceed the rates in the Contract. However, the Payment rates may be less, depending on the State's requirements, nature of the job market, and candidate's abilities.
- A signed commitment letter from the individual referencing the SOW number, with the candidate's name, signature, and date. Blanket commitment letters for all ITB's will not be accepted.
- During the response period, the Contractor may request any clarification needed on the Statement of Work.

RATE PROPOSAL

- All rates quoted in contractor's response to this work request will be firm for the duration of the contract. No price increases will be permitted.

Skill Levels Required	Estimated Hours
------------------------------	------------------------

Sr. Business Analyst #1	850
Sr. Business Analyst #2	850
Sr. Business Analyst #3	750
Sr. Project Manager	950
Intermediate To Senior Level Data Architect And Modeler	580

PROPOSAL SUBMITTAL

Submit 1 copy of each qualified name and resume and 1 copy of the Rate Proposal in accordance with the following instructions:

- Submit all bids ELECTRONICALLY via BUY4MICHIGAN NO LATER THAN 3:00 P.M. ON THE DUE DATE AS INDICATED ON BUY4MICHIGAN.
 - Submit with your proposal a signed cover letter with the company name, contact name and phone number, contact email address, vendor ID number, and ITB number
 - All resumes submitted must be sent "blind" (not on company letterhead and without logos or identifying company marks)

Exhibit 1
Safeguard Requirements of Confidential Data

This section sets forth the safeguard requirements for handling, storage, and processing of confidential tax information for a Contractor and their subcontractor(s) and is incorporated as an integral part of the Contract. It will facilitate administration and enforcement of the laws of the State of Michigan applicable to the State of Michigan and in a manner consistent with the applicable statutes, regulations, published rules and procedures or written communication.

I. Authority

Authority for the Michigan Department of Treasury to require that this section be included in the Contract is contained in 1941 PA 122, as amended, MCL 205.28(1)(f), which states in part that subject to the same restrictions and penalties imposed upon department employees on the treatment of confidential information, a private contractor or its employees are strictly prohibited from disclosing taxpayer information to a third party. The prohibition against disclosure does not bar an employee of a private contractor with whom the State of Michigan (State) contracts that processes tax returns or payments pursuant to the Contract from having access to confidential information that is reasonably required for the processing or collection of amounts due this State.

II. Confidentiality

It is agreed that all information exchanged under this section will be kept confidential in accordance with the confidentiality provisions contained within section MCL 205.28(1)(f) and MCL 205.28(2) of the Michigan Department of Treasury Revenue Act, which state in part;

“Except as otherwise provided in this subdivision, an employee, authorized representative, or former employee or authorized representative of the department or anyone connected with the department will not divulge any facts or information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the department for a tax administered by the department.”

“A person who violates subsection (1)(e), (1)(f), or (4) is guilty of a felony, punishable by a fine of not more than \$5,000.00, or imprisonment for not more than 5 years, or both, together with the costs of prosecution. In addition, if the offense is committed by an employee of this state, the person will be dismissed from office or discharged from employment upon conviction.”

All information obtained by either Treasury or Contractor will not be disclosed except as necessary for the proper administration of and execution of the Contract. In the event, confidentiality statutes are amended, the State will notify Contractor of any changes.

No employee, agent, authorized representative or legal representative of Contractor will disclose any information obtained by virtue of this section to any other division within their company or any other governmental agency, department or unit within such governmental agency, to any other state or nation, or unauthorized third party. No tax returns or tax return information provided to Contractor will be duplicated or disseminated within or outside the company without the written approval of the Contract Administrator. Michigan's tax returns and tax return information remain the property of the Department of Treasury.

Contractor may use a taxpayer's name, address and Social Security number or employer identification number to the extent necessary in connection with the processing and mailing of forms for any report or return required in the administration of any tax in the performance of the Contract.

Information received by the Michigan Department of Treasury from the U.S. Internal Revenue Service, pursuant to section 6103(d) of the Internal Revenue Code or any other U.S. federal Agency will only be subject to the exchange if received as part of the State of Michigan tax return filing requirements.

III. Procedure for Security

At a minimum, Contractor will safeguard any tax return information obtained under the Contract as follows:

- A. Access to the tax returns and tax return information will be allowed only to those authorized employees and Officials of Contractor who need the information to perform their official duties in connection with the uses of the information authorized in the Contract. The Contractor will be responsible for ensuring that each employee

authorized to access Michigan tax information has signed the *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) and provide a copy to the Department of Treasury, Disclosure Officer and Contract Administrator.

- B. Any records created from tax returns and tax return information will be stored in an area that is physically safe from access by unauthorized persons during duty hours as well as non-duty hours or when not in use.
- C. All personnel who will have access to the tax returns and to any records created by the tax return information will be advised of the confidential nature of the information, the safeguards required to protect the information and the civil and criminal sanctions for noncompliance contained in MCL 205.28(1)(f) and (2).
- D. All confidential information, which includes, but is not limited to, data stored electronically and any related output and paper documents will be secured from unauthorized access and with access limited to designated personnel only. Michigan tax return information will not be commingled with other information. Further, when appropriate, Michigan tax return information will be marked as follows:

CONFIDENTIAL-MICHIGAN TAX RETURN INFORMATION
Protect at all times. Do not disclose.
MI tax information is exempt from disclosure
under the Freedom of Information Act.

- E. The records will be transported under appropriate safeguards as defined in the Contract.
- F. The Department of Treasury, Disclosure Officer or Contract Administrator may make onsite inspections or make other provisions to ensure that adequate safeguards are being maintained by the Contractor.
- G. The Michigan Department of Treasury, Office of Privacy and Security, may monitor compliance of systems security requirements during the lifetime of the Contract.
- H. Contractor will also adopt policies and procedures to ensure that information contained in their respective records and obtained from Treasury and taxpayers will be used solely as provided in the Contract.

IV. Computer System Security of Tax Data

The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.

Computer system security and physical security of tax data stored and processed by Contractor must be in compliance with the following security guidelines and standards established by the Michigan Department of Treasury as follows (these guidelines apply to any computer system developed by Contractor, either through its own systems staff, or through a contractor, subcontractor or vendor):

A. Controlled Access Protection –Common Criteria (C2)

All computer systems processing, storing and transmitting Michigan tax information must have computer access protection controls – (C2). These security standards are delineated in the “Common Criteria for Information Technology Security Evaluation” (CCITSE) at http://www.radium.ncsc.mil/tpep/library/ccitse/cc_over.html. To meet these standards, the operating security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation.

- 1) **Security Policy** – A security policy is a written document describing the system in terms of categories of data processed, users allowed access and access rules between the users and the data. Additionally, it describes procedures to prevent unauthorized access by clearing all protected information on objects before they are allocated or reallocated out of or into the system. Further protection must be provided where the computer system contains information for more than one program/project, office, or Agency and those personnel do not have authorization to see all information on the system.
- 2) **Accountability** – Computer systems processing Michigan tax information must be secured from unauthorized access. All security features must be available (audit trails, identification and authentication) and activated to prevent unauthorized users from indiscriminately accessing Michigan tax information. Everyone who accesses computer systems containing Michigan tax information is accountable. Access controls must be maintained to ensure that unauthorized access does not go undetected. Computer

programmers and contractors who have a need to access databases, and are authorized under the law, must be held accountable for the work performed on the system. The use of passwords and access control measures must be in place to identify who accessed protected information and limit that access to persons with a need to know.

a) On-line Access –Users will be limited to any Treasury on-line functions, by limiting access through functional processing controls and organization restrictions.

Any employee granted access privileges through the Contractor's Security Administrator will be approved for access and viewing rights to Treasury on-line systems by the Department of Treasury Disclosure Officer. The on-line access will be provided by Treasury's Office of Security.

b) Operating Features of System Security

Contractor must meet the following levels of protection with respect to tax return information. Individual user accountability must be ensured through user identification number and password.

- i. Access rights to confidential tax information must be secured through appropriate levels of authorization.
- ii. An audit trail must be maintained of accesses made to confidential information.
- iii. All confidential and protected information must be cleared from a system before it is used for other purposes not related to the enforcement, collection or exchange of data not covered by this section or by an addendum to this Contract.
- iv. Hard copies made of confidential tax return information must be labeled as confidential information.
- v. Confidential Treasury tax information will be blocked or coded as confidential on system.
- vi. Any computer system in which Michigan tax return information resides must systematically notify all users upon log-in of the following disclosure penalties for improperly accessing or making an authorized disclosure of Michigan tax return information:

NOTICE TO STATE AGENCY EMPLOYEES AND AUTHORIZED REPRESENTATIVES

*This system contains Michigan Department of Treasury tax return information. **DO NOT DISCLOSE OR DISCUSS MICHIGAN RELATED TAX RETURN INFORMATION** with unauthorized individuals. The Michigan Department of Treasury Revenue Act, MCL 205.28(10)(f)(1), (2), prohibits such disclosure. A person making a willful unauthorized disclosure or inspection (browsing) of tax return information may be charged with the following Michigan penalties:*

MICHIGAN PENALTIES

The Michigan Revenue Act imposes criminal penalties up to \$5,000 and/or imprisonment for 5 years, plus costs and dismissal from employment if it is found that an employee has made an unauthorized disclosure of a tax return or tax return information or divulged audit selection or processing parameters.

This statement is subject to modification. A confidentiality statement, subject to modification, as needed, will be sent annually by the Security Administrator to all employees, contractors, and legal representatives of Contractor.

- 3) **Assurance** – Contractor must ensure that all access controls and other security features are implemented and are working when installed on their computer system. Significant enhancements or other changes to a security system must follow the process of review, independent testing, and installation assurance. The security system must be tested at least annually to assure it is functioning correctly. All anomalies must be corrected immediately.
 - a) The Contractor must initiate corrective action for all non-conformities as soon as detected and immediately advise the Contract Administrator. Notice of the corrective action must be provided to the

Contract Administrator. All non-conformities must be reported to the Contract Administrator with the following:

- a. Duration of non-conformity/interruption
 - b. Reason for non-conformity/interruption
 - c. Resolution.
- b) All non-conformities to the specifications/tasks of the Contract must be corrected within four (4) hours. The State recognizes there will be instances when adherence to this time frame will not be possible. However, the State will only tolerate this on an exception basis. To request an exception to this time frame, the Contractor must submit a detailed project plan to address the non-conformity within four (4) hours to the Contract Administrator for approval.
- 4) **Documentation** – Design and test documentation must be readily available to the state. The developer or manufacturer should initially explain the security mechanisms, how they are implemented and their adequacy (limitations). This information should be passed on to the security officer or supervisor. Test documentation should describe how and what mechanisms were tested and the results. If recognized organizations/tests/standards are used, then a document to that effect will suffice. For example, a system that has been tested and certified as meeting certain criteria may have a document stating this fact, without detailed tests/results of information. Contractor, however, must ensure the documentation covers the exact system and that it includes the specific computer system used by Contractor.

Additionally, documentation must include a security administrator's guide. The security administrator's guide is addressed to the System's Administrator and Security Officer and will describe the protection mechanisms provided by the security system, guidelines on their use and how they interact. This document will present cautions about security functions and describe privileges that should be controlled when running a secure system. The document will be secured and locked at all times with access rights only by the Systems Administrator and Security Officer.

Note: When a security system is designed or purchased for a specific computer or computer system, the security mechanisms must be reviewed by the State to ensure that needed security parameters are met. An independent test should be implemented on the specific computer or computer system to ensure that the security system meets the security parameters within this contract and developed with the computer system. The test may be arranged by the developer but must be done by an independent organization. Contractor must assign responsible individuals (Security Officers) with knowledge of information technology and applications to oversee the testing process. These individuals must be familiar with technical controls used to protect the system from unauthorized entry.

Finally, contingency and backup plans must be in place to ensure protection of Michigan tax information.

V. Electronic Transmission of Michigan Tax Information

The two acceptable methods of transmitting Michigan tax information over telecommunications devices are encryption and the use of guided media. Encryption involves the altering of data objects in a way that the objects become unreadable until deciphered. Guided media involves the use of protected microwave transmitting or the use of end to end fiber optics.

The Department of Technology, Management and Budget (DTMB) has defined encryption standards in DTMB Technical Standard 1340.00.07 which must be used to provide guidance for encryption, message authentication codes or digital signatures and digital signatures with associated certification infrastructure.

Unencrypted, cable circuits of fiber optics are an alternative for transmitting Michigan tax information. Adequate measures must be taken to ensure that circuits are maintained on cable and not converted to unencrypted radio transmission. Additional precautions will be taken to protect the cable, i.e., burying the cable underground or in walls or floors and providing access controls to cable vaults, rooms and switching centers.

A. Remote Access

Accessing databases containing Michigan tax information from a remote location – that is, a location not directly connected to the Local Area Network (LAN) will require adequate safeguards to prevent unauthorized entry.

For dial up access, the system must require an identification security card that requires both PIN and card in possession. According to DTMB- Procedure 1410.17 (4.1), dial in access into any connected state network will only be permitted after a dial-in user has been authenticated. Authentication is provided through ID and password.

B. Portable Computer Devices

Any entrusted confidential information collected or accessed during this Contract must be encrypted when stored on all storage devices and media. This includes, but not limited to, disk drives for servers and workstations, and portable memory media (PDAs, RAM drives, memory sticks, etc.).

VI. Record Keeping Requirements for Information Received in a Paper Format

Each Contractor employee or contractor requesting and receiving information will keep an accurate accounting of the information received. The audit trail will be required which will include the following information:

- a. Taxpayer's name
- b. Identification number
- c. Information requested
- d. Purpose of disclosure request
- e. Date information received
- f. Name of Agency/Division and employee making request
- g. Name of other employees who may have had access
- h. Date destroyed
- i. Method of destruction

A. Electronic Media

Contractor will keep an inventory of magnetic and electronic media received under the Contract.

Contractor must ensure that the removal of tapes and disks and paper documents containing Michigan tax return information from any storage area is properly recorded on charge-out records. Contractor is accountable for missing tapes, disks, and paper documents.

B. Recordkeeping Requirements of Disclosure Made to State or Federal Auditor General

When disclosures are made by Contractor to State or Federal Auditors, these requirements pertain only in instances where the Auditor General's staff extracts Michigan tax returns or tax information for further review and inclusion in their work papers. Contractor must identify the hard copies of tax records or if the tax information is provided by magnetic tape format or through other electronic means, the identification will contain the approximate number of taxpayers' records, the date of inspection, the best possible description of the records and the name of the Auditor(s) making the inspection.

The Office of Privacy and Security must be notified, in writing, of any audits done by auditors, internal or otherwise, of Contractor that would involve review of Treasury processing parameters.

VII. Contract Services

The following language will be included in any contract entered into by Contractor with a subcontractor if the subcontractor will process Michigan tax return information provided under this Safeguard Provision.

A. The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.

B. Definition of Treasury Tax Return Information

Treasury tax return information is defined in RAB 1989-39 as follows:

Taxpayer's identity, address, the source or amount of his/her income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments, or tax payments whether the taxpayer's return was, is being or

will be examined or subject to their investigation or processing, or any other data, received by, recorded by, prepared by, furnished to or collected by the agency with respect to a return or with respect to the determination of the existence, or liability (or the amount thereof) of any person under the tax laws administered by the Department, or related statutes of the state for any tax, penalty, interest, fine, forfeiture, or other imposition or offense. The term "tax return information" also includes any and all account numbers assigned for identification purposes.

- C. An acknowledgment that a taxpayer has filed a return is known as a "fact of filing" and may not be disclosed. All tax return data made available in any format will be used only for the purpose of carrying out the provisions of the Contract between Contractor and the sub-contractor. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract between Contractor and the subcontractor. In addition, all related output will be given the same level of protection as required for the source material.
- D. The subcontractor will certify that the data processed during the performance of the Contract between Contractor and the subcontractor will be completely purged from all data storage components of the subcontractor's computer facility, and no output will be retained by the subcontractor at the time the work is completed. If immediate purging of all data storage components is not possible, the subcontractor will certify that any Michigan data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- E. Destruction of tax data, including any spoilage or any intermediate hard copy printout which may result during the processing of Michigan tax return information, will be documented with a statement containing the date of destruction, description of material destroyed, and the method used.
- F. Computer system security and physical security of tax data stored and processed by the subcontractor must be in compliance with security guidelines and standards established by this contract. See section VI (Record Keeping Requirements for Information Received in Paper Format) for more details.
- G. The Contractor will be responsible for ensuring that each employee authorized to access Michigan tax information has signed the *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) and provide a copy to the Department of Treasury, Office of Privacy and Security and the Contract Compliance Officer.
- H. No work involving information furnished under the contract between Contractor and a subcontractor will be further subcontracted without the specific approval of the Michigan Department of Management and Budget. Contractor and approved subcontractors handling Michigan tax return information will be required to sign the *Vendor, Contractor or Subcontractor Confidentiality Agreement* provided by Treasury, (Form 3337, see Attachment A). The original agreements will be returned to the Office of Privacy and Security for the Department of Treasury and a copy sent to the Contract Compliance Officer.

VIII. Transport of Tax Information

In the event, it is necessary to transport confidential tax return information the Contractor is responsible for holding the carrier responsible for safeguarding the records. The Contractor must obtain a signed *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) for each carrier employee who has access to Michigan tax return information. The original agreements will be returned to the Department of Treasury, Office of Privacy and Security and a copy sent to the Contract Administrator.

If it is necessary to transfer records and responsibility for transport to a third carrier due to a mishap during transportation, the Contractor is responsible for ensuring safeguard standards remain enforce.

Any such incidents must be reported to the Contract Administrator immediately.

IX. Disposal of Tax Information

Materials furnished to Contractor, such as tax returns, remittance vouchers, W-2 reports, correspondence, computer printouts, carbon paper, notes, memorandums and work papers will be destroyed by burning, mulching, pulverizing or shredding. If shredded, strips should not be more than 5/16-inch, microfilm should be shredded to effect a 1/35-inch by 3/8-inch strip, and pulping should reduce material to particles of one inch or smaller.

Disk media must be destroyed by overwriting all data tracks a minimum of three times or running a magnetic strip over and under entire area of disk at least three (3) times. If the CD or DVD cannot be overwritten it must be destroyed in an obvious manner to prevent use in any disk drive unit and discarded. Hand tearing, recycling, or burying information in a landfill are unacceptable methods of disposal. Electronic data residing on any computer systems must be purged based on Treasury's retention schedule.

Contractor and its subcontractor(s) will retain all confidential tax information received by Treasury only for the period of time required for any processing relating to the official duties and then will destroy the records. Any confidential tax information that must be kept to meet evidentiary requirements must be kept in a secured, locked area and properly labeled as confidential return information. See Procedure for Security (Section V of this section) for more details.

X. Security Responsibility

Contractor will designate a security person who will ensure that each individual having access to confidential tax information or to any system which processes Michigan tax return information is appropriately screened, trained and executes a *Vendor, Contractor or Subcontractor Confidentiality Agreement* (Form 3337, see Attachment A) before gaining access or transaction rights to any process and computer system containing Treasury tax return information.

Each Contractor or their subcontractor(s) employees' access and transaction rights will be reviewed periodically to ensure that there is a need to know Treasury tax return information displayed in any media.

Michigan tax return information will be made available only to individuals authorized by the Contract. State and Contractor will maintain a list of persons authorized to request and receive information and will update the list as necessary. A copy of the list must be furnished to the Michigan Department of Treasury Office of Privacy and Security and the Contract Compliance Officer.

XI. Effective Date

These Safeguard requirements will be reviewed whenever the Contract modifications include specifications or processes that affect tax data.

Vendor, Contractor or Subcontractor Confidentiality Agreement

The Revenue Act, Public Act 122 of 1941, MCL 205.28(1)(f), makes all information acquired in administering taxes confidential. The Act holds a vendor, contractor or subcontractor and their employees who sell a product or provide a service to the Michigan Department of Treasury, or who access Treasury data, to the strict confidentiality provisions of the Act. Confidential tax information includes, but is not limited to, information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the Michigan Department of Treasury for a tax administered by the department.

INSTRUCTIONS. Read this entire form before you sign it. If you do not complete this agreement, you will be denied access to Michigan Department of Treasury and federal tax information. After you and your witness sign and date this form, keep a copy for your records. Send the original to the address listed below.

Company Name and Address (Street or RR#, City, State, ZIP Code)		Last Name	First Name
		Driver License Number/Passport Number	Telephone Number
State of Michigan Department	Division	Subcontractor Name if Product/Service Furnished to Contractor	
Describe here or in a separate attachment the product or service being provided to the State of Michigan Agency (Required).			

Confidentiality Provisions. It is illegal to reveal or browse, except as authorized:

- All tax return information obtained in connection with the administration of a tax. This includes information from a tax return or audit and any information about the selection of a return for audit, assessment or collection, or parameters or tolerances for processing returns.
- All Michigan Department of Treasury or federal tax returns or tax return information made available, including information marked "Official Use Only". Tax returns or tax return information shall not be divulged or made known in any manner to any person except as may be needed to perform official duties. Access to Treasury or federal tax information, in paper or electronic form, is allowed on a **need-to-know** basis only. Before you disclose returns or return information to other employees in your organization, they must be authorized by Michigan Department of Treasury to receive the information to perform their official duties.
- Confidential information shall not be disclosed by a department employee to confirm information made public by another party or source which is part of any public record. 1999 AC, R 2005.1004(1).

Violating confidentiality laws is a felony, with penalties as described:

Michigan Penalties

MCL 205.28(1)(f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information acquired without authorization and without a **need to know** the information to perform official duties. Violators are guilty of a **felony** and subject to **fines of \$5,000 or imprisonment for five years, or both**. State employees will be discharged from state service upon conviction.

Any person who violates any other provision of the Revenue Act, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and **fined \$1,000 or imprisonment for one year, or both**, MCL 205.27(4).

Federal Penalties

If you willfully disclose federal tax returns or tax return information to a third party, you are guilty of a **felony with a fine of \$5,000 or imprisonment for five years, or both, plus prosecution costs** according to the Internal Revenue Code (IRC) §7213, 26 USC 7213.

In addition, inspecting, browsing or looking at a federal tax return or tax return information without authorization is a **felony violation** of IRC §7213A subjecting the violator to a **\$1,000 fine or imprisonment for one year, or both, plus prosecution costs**. Taxpayers affected by violations of §7213A must be notified by the government and may bring a civil action against the federal government and the violator within two years of the violation. Civil damages are the **greater of \$1,000 or actual damages** incurred by the taxpayer, plus the costs associated with bringing the action, 26 USC 7431.

Failure to comply with this confidentiality agreement may jeopardize your employer's contract with the Michigan Department of Treasury.

Certification		
By signing this Agreement, I certify that I have read the above confidentiality provisions and understand that failure to comply is a felony.		
Print name of employee signing this agreement	Signature of person named above	Date signed
Print Witness Name (Required)	Signature of Witness (Required)	Date signed

Submit your form to the following address:

Office of Privacy and Security/ Disclosure Unit
Michigan Department of Treasury
430 W. Allegan Street
Lansing, MI 48922

Questions, contact the Office of Privacy and Security by telephone, (517) 636-4239; fax, (517) 636-5340; or email:

Treas_Disclosure@michigan.gov

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

January 7, 2014

CHANGE NOTICE NO. 3
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 120 North Washinton Square Lansing, MI 48933	Richard Staten	
	TELEPHONE	CONTRACTOR #, MAIL CODE
	517-853-2682	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-335-5306	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		November 30, 2017
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$287,680.00		\$1,287,680.00		

Effective immediately, this Contract INCREASED by \$287,680.00 and the following resource is incorporated into this contract based on the State's work request #0071141114B0000060:

Name Resource: Lawanda Smith – Sr. Business Analyst at \$145.00/hour, not to exceed 1984 hours.

Please also note the buyer has been changed to Whitnie Zuker. All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement and the approval of DTMB Procurement.

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

October 3, 2013

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 180 N. Stetson Ave., Suite 3200 Chicago, IL 60601	Jim Mahony	jmahony@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	773-820-2258	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Joe Kelly	517-373-3993	Kellyj11@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		November 30, 2017
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$404,800.00		\$1,000,000.00		

Effective immediately, this Contract INCREASED by \$404,800.00.

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

Per vendor and agency agreement and the approval of DTMB Procurement.

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

August 30, 2013

CHANGE NOTICE NO. 071B3200056
 to
CONTRACT NO. 1
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 180 N. Stetson Ave., Suite 3200 Chicago, IL 60601	Jim Mahony	jmahony@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	773-820-2258	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER	DTMB	Joe Kelly	517-373-3993	Kellyj11@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Pre-Qualified IT Services Contract Programmer			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 1, 2012	November 30, 2017	5, 1 Year Options	November 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		November 30, 2017
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$595,199.00		\$595,200.00		

Effective immediately, the following resource is incorporated into this contract, based on the State's work requests 0071141113B0000060:

Named Resource: Bettina Rice at a rate of \$150.00/hr. not to exceed 1,984 hours

State's Work Request: 0071141113B0000060 for PCO Project Managers.

Named Resource: Sanil Neelakatan at a rate of \$150.00/hr. not to exceed 1,984 hours

State's Work Request: 0071141113B0000060 for PCO Project Managers.

This contract is also hereby INCREASED by \$595,199.00. All other terms, conditions, specifications and pricing remain the same. Per vendor and agency agreement and the approval of DTMB Procurement.

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. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 180 N. Stetson Ave., Suite 3200 Chicago, IL 60601	Jim Mahony	jmahony@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	773-820-2258	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER:	DTMB	Joe Kelly	517-373-3993	Kellyj11@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Pre-Qualified IT Services Contract Programmer			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	December 1, 2012	November 30, 2017	5, 1 Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$1.00	

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

CONTRACT NO. 071B3200056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Government Solutions, Inc. CSG 180 N. Stetson Ave., Suite 3200 Chicago, IL 60601	Jim Mahony	jmahony@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	773-820-2258	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Barb Dawson	517-241-4528	dawsonb3@michigan.gov
BUYER:	DTMB	Joe Kelly	517-373-3993	Kellyj11@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Pre-Qualified IT Services Contract Programmer			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	December 1, 2012	November 30, 2017	5, 1 Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$1.00

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #0842200131. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

Notice of Contract #: 071B3200056

FOR THE CONTRACTOR:

Government Solutions, Inc. CSG

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Greg Faremouth, IT Director

Name/Title

DTMB Procurement

Enter Name of Agency

Date



Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

The purpose of this contract is to provide a source of pre-qualified information technology services vendors for providing Project Control Office (PCO) services to support the Department of Technology, Management and Budget (DTMB) and members of the State of Michigan Extended Purchasing Program (MiDEAL). IT has new and on-going information technology projects that require resources exceeding the available staff resources.

The Project Control Office (PCO) is maintained and hosted by the Department of Technology, Management and Budget (DTMB) and currently supports multiple agencies. The State of Michigan wishes to continue to host and administer any replacement systems with existing State staff in existing State facilities.

1.100 Scope of Work and Deliverables

1.101 In Scope

Providing staff augmentation and project development support for Project Control Office (PCO) services.

1.103 Environment

The links below provide information on the State's Enterprise 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).

All services and products provided in this Contract must comply with all applicable State IT policies and standards. The Contractor must request any exception to State IT policies and standards in accordance with DTMB processes. The State may deny the exception request or seek a policy or standards exception.

Enterprise IT Policies, Standards and Procedures:

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

Enterprise IT Security Policy and Procedures:

All computer information systems and applications operate in a secure manner and comply with State Enterprise IT Security Policy and Procedures as found on the website:

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

The State's security environment includes:

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

IT Strategic Plan:

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

IT eMichigan Web Development Standard Tools:

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

The State Unified Information Technology Environment (SUITE):

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

Agency Specific Technical Environment

The agencies that use the Teradata use a range of databases and operating systems including Oracle on HP/UX, Solaris and Windows, SQL/Server on Windows and My SQL on Linux.

The State supports a common Business Objects reporting/query system that is used by several agencies to access the data warehouse. It runs on HP/UX with an Oracle 10g repository.

Three of the agencies (DCH, Treasury, and SCAO) use BI/Query.

1.104 Work and Deliverables

Deliverables described in section 1.104 are not all inclusive.

Project Control Office (PCO) Services

Requirements:

The State requires PCO services. In some cases this will be to support agencies without sufficient DTMB support to enable them to accomplish this with state staff. In other cases the agency has extensive DTMB support, but requires staff augmentation to assist them to deal with agency demand for services. In yet others an agency may ask for the pre-qualified PCO service Contractor to quote and build a system for the agency to maintain.

Pre-qualified Contractors will be required to sign this Primary Contract with DTMB Purchasing Operations.

The Primary Contracts and any resulting Work Contracts will be written so as to incorporate by reference all the terms of this Contract. DTMB may include additional terms and conditions within their specific Work Request. There is no stated or implied guarantee that Work Contracts will be awarded to any pre-qualified Contractor(s) by the SOM.

Establishment of a fully functional Project Control Office (PCO)

Establish and implement project management and processes, methodologies, and tools to maximize project team performance, minimize risk, and contain costs of systems and projects. The PCO will provide assistance to the State in the form of independent oversight, monitoring of the project team and their progress, and reporting on status of deliverables critical for on-time, within budget delivery of specified systems and projects.

The PCO will be responsible for performing at a minimum the functions of project schedule development, project plan management, scope containment including processes for issue and risk management.

The Project Control Office is responsible for creating and maintaining detailed MS Project plans and schedules that support project scope, costs, milestones, and deliverables. The project plans may include tasks for the business area that need to be tracked and managed to be successful. Once a project plan is resourced and a baseline established, all project resources are required to report effort against the plan. The Project Control Office will use this information to track progress against the plan, determine earned value calculations, derive weekly status reports and perform project evaluations.

Listed below in more detail are required activities and tasks. These activities and tasks are not all inclusive.

A) Feasibility Studies

- Analysis of new technology projects
- Comparison of conducting IT work in-house versus outsourcing
- Analysis of joint venture and partnership projects
- Determining project definition and planning methods
- Determining system development project methods using the State's standard development methodology.

B) Cost Benefit Analysis

- Determining tangible and intangible costs and benefits
- Applying DTMB/IT portfolio management standards
- Performing comparative analysis of in-house versus outsource costs
- Conducting present value analysis
- Having understanding of the state budgets cycle and state accounting methods

C) Coordination of Stakeholders

- Development of organizational requirements
- Communication and facilitation of meetings and status
- Having knowledge of Principles of information technology, business principles, and negotiation strategies
- Facilitation of stakeholders of projects

D) Project Management and Reporting

- Prepare Project Management deliverables as defined in SUITE Project Management Methodology (PMM)
- Monitor status and initiate corrective action when needed
- Perform status reporting
- Define and track issues through resolution
- Skill in working with all levels of business, technical and management staff.
- Ability to get work done through others in a matrix organization
- Ability to deal successfully with large amounts of detailed data and information
- Be capable of giving attention to detail while still understanding and dealing with the global aspects of the project
- Objectively assess the appropriateness and accuracy of system plans
- Provide a concise assessment
- Make objective recommendations to the State Project Manager, agency executives, oversight agencies, and Vendors
- Establishing and maintaining a system of project records
- Gathering data needed to create project reports and documentation
- Use of various software tools to report project progress and document project results
- Prepare appropriate Business Documents
- Create Business Case and Cost Benefit Analysis document for Development and Implementation Vendor RFP
- Develop and manage project schedule
- Perform Change Management, Issue Management and Risk Management
- Develop Communication plans
- Monitor performance
- Facilitate Project Management Buy-in
- Provide contract management support to DTMB Contractor Administrator
- Perform Quality Control
- Perform Production Ticket Workflow Management
- Perform release planning
- Facilitation of, materials preparation and meeting notes

- Manage all project resources
- Track and document project time and costs
- Update project plans as necessary
- Perform all updates required to the State of Michigan (SOM) PPM tool
- Providing resource planning, forecasting and role and skill descriptions.
- Develop and implement a formal process for data collection and control to ensure that data gathered are both defined and accurate and allows for subsequent decisions and reporting. The process should provide both a baseline from which to measure from and in certain cases a target on what to improve.

2. INDEPENDENT VERIFICATION AND VALIDATION (IV&V)

Verification and validation is an engineering discipline that employs rigorous methods for evaluating the correctness and quality of the software product throughout the software development life cycle. Validation is concerned with checking that the software meets the users' needs, and verification is concerned with checking how the system is produced. IV&V is the set of verification and validation activities performed by an entity NOT under the control of the organization that is developing the system. IV&V services must be provided and managed by an organization that is technically and managerially independent of the subject software development project.

IV&V services will be concerned with ensuring that processes, procedures, system development methodology, configuration management and documents associated with the design, development, and implementation of all appropriate implementation/integration projects meet the state's business and technical requirements. In addition, the contractor will be responsible for ensuring that the project is being conducted in accordance with state and industry standard project management methodologies and system engineering methodologies.

This project will have these major components:

1. The IV&V vendor will review processes being used in conjunction with the specified project to ensure that the project is being conducted in accordance with state and industry standard project management methodologies and system engineering methodologies. The review will include recommendations for changes to project processes.
2. The vendor will provide oversight for the project on an on-going basis. This will include continuing review of processes and deliverables.

IV&V does not require a continuous on-site presence or extensive testing, nor does it perform actual quality assurance activities or other remediation. It instead imposes periodic reviews of software development activities that include site visits employing industry standards to conduct artifact analysis and interviews of a project's team and stakeholders in order to fashion a comprehensive "snapshot" of a project's management and technical processes at work at a given point in time. IV&V encompasses work performed by both State employees and contractors, including both management and technical activities.

Listed below in more detail are required IV&V activities and tasks. These activities and tasks are not all inclusive.

A) IV&V Project Management

- Develop IV&V Management Plan
- Develop IV&V Review Checklist
- Conduct Initial/Periodic Review
- Executive Briefing(s)
- Develop Monthly Status Reports
- Verify the procurement strategy supports state objectives
- Perform ongoing assessment and review of State methodologies used for the feasibility study
- Evaluate the use of sub-contractors or other external sources of project staff
- Verify that State oversight is provided in the form of periodic status reviews and technical interchanges

B) Quality Management

- Evaluate and make recommendations on the project's Quality Assurance plans
- Review and make recommendations on all defined processes and product standards

C) Training/Documentation

- Review and make recommendations on the training provided to system users
- Review and make recommendations on the training provided to system developers

D) Requirements Management

- Evaluate and make recommendations on the project's process and procedures for managing requirements
- Evaluate and make recommendations on project policies and procedures for ensuring that the system is secure and that the privacy of client data is maintained
- Verify that an analysis of client and state needs and objectives has been performed to verify that requirements of the system are well understood, well defined, and satisfy federal regulations
- Verify that all system interfaces are exactly described, by medium and by function, including input/output control codes
- Verify that all system requirements have been allocated to either a software or hardware subsystem
- Verify that a well-defined plan and process for reengineering the system is in place and is followed

E) Production/Development Environment

- Evaluate new and existing system hardware configurations to determine if their performance is adequate to meet existing and proposed system requirements
- Evaluate new and existing system software to determine if its capabilities are adequate to meet existing and proposed system requirements
- Evaluate new and existing database products to determine if their capabilities are adequate to meet existing and proposed system requirements
- Evaluate the existing processing capacity of the system and verify that it is adequate for current statewide needs for both batch and on-line processing

F) Testing Environment

- Evaluate new and existing testing hardware configurations to determine if their performance is adequate to meet the needs of testing
- Evaluate new and existing testing software to determine if its capabilities are adequate to meet testing requirements

G) Software Development

- Evaluate and make recommendations on existing high level/detailed design products to verify the design is workable, efficient, and satisfies all system and system interface requirements
- Evaluation of existing job control and on the process for designing job control, and provide recommendations for improvement
- Evaluate and make recommendations on the standards and process currently in place for code development.
- Evaluate the plans, requirements, environment, tools, and procedures used for unit testing system modules
- Provide performance-tuning recommendations to development and maintenance teams (e.g., index recommendations, code efficiencies).
- Establish and monitor code standards and practices as integrated with any applicable State and project standards.
- Establish and monitor standards for programming languages and application interfaces and integrate with any applicable State standards.

- Assist the State with software updates, and provide ongoing support management and maintenance of the software used in managing the project.

H) System and Acceptance Testing

- Evaluate the plans, requirements, environment, tools, and procedures used for integration testing of system modules
- Evaluate the plans, requirements, environment, tools, and procedures for pilot testing the system. Provide recommendations for improvement.
- Evaluate interface testing plans and procedures for compliance with industry standards.
- Define, review and approve acceptance procedures and acceptance criteria for each product prior to test and document the results

I) Data Management

- Evaluate the State's existing and proposed plans, procedures and software for data conversion
- Evaluate new and existing database designs to determine if they meet existing and proposed system requirements

J) Production Oversight

- Evaluate statewide system's change request and defect tracking processes
- Evaluate user satisfaction with system to determine areas for improvement and provide recommendations for improvement.
- Evaluate impact of system on program goals and performance standards
- Evaluate operational plans and processes
- Evaluate implementation of the process activities including backup, disaster recovery and day-to-day operations to verify the processes are being followed

K) Other Services

- Provide preliminary estimates for additional services and tasks as approved
- Provide an impact assessment, with elements identified above, for additional tasks and services.
- Provide the services and tasks authorized.
- Perform technical assessments, as necessary, to identify the best options for proposed systems. Assessment will identify level of fit with Business Requirements, Quality of Code, scalability of architecture, performance, ease of maintenance and support, and cost and time to customize/develop to meet requirements. The assessment will also include issues encountered, as well as, lessons learned. In addition, the assessment will identify the technical components (hardware and software) of the system and identify if each component complies with the SOM Enterprise Architect Standards.

3. BUSINESS REQUIREMENTS/QUALITY ASSURANCE

The vendor will provide services in one or more of the following areas:

A) Perform Lead Business Analyst Services

- Assist in the development of a work statement or full RFP. These documents are used to solicit proposals from vendors to provide the requested services to complete the authorized project.
- Assist in the selection process proposals from vendors to provide the requested services to complete the authorized project.
- Using Structured techniques, create Business Requirements Documentation to provide a prioritized, consolidated view of the project's requirements and workflows associated with the project. Key items of this deliverable will include, but not limited to: Executive Summary, General Features, User Community, Business Processes (both current and proposed), Business Improvements, Use Case Scenarios, Project Impact, Organizational Data, Operations, Technical Considerations, Implementation Considerations, Assumptions, Risk, Glossary, and a listing of Prioritized Requirements Ranking.
- Facilitate requirements gathering sessions - Work with DTMB/ the Agency requesting services to provide the requirements gathering session-conducting services to support varying project types.
- Review business requirements to validate that the requirements conform to DTMB standards, meet the business needs and provide the level of clarity and specificity to allow the Development and Implementation vendors to respond with RFP proposals for a system that will support business needs. The business requirements document will be an addendum to the Development and Implementation RFP.
- Facilitate peer reviews for exit stage interviews to validate functional and system design meets the business requirements
- Maintain business requirements document; update requirements based on agreed upon changes. Perform correspondence updates to the requirements matrix.
- Facilitate communication between technical team and business analysts
- Provide analytical and technical assistance in gap analysis
- Assist in the preparation of training materials
- Transition project knowledge and information to DTMB/agency designated staff and/or contractors to continue efforts related to the project.
- Provide training to State staff on business requirements gathering processes, to include documenting requirements and managing requirements to ensure the project meets all identified requirements.
- Perform Business Process Re-engineering to achieve improvements in critical measures of performance such as cost, quality, service and speed
- Reduce volumes of detail to concise and easy to read form

B) Needs Assessment

- Identification of all business requirements
- Assess analytical skills
- Assess organizational skills
- Assess communication skills at the executive level
- Assess interviewing skills
- Determine depth of knowledge of current and emerging information technologies, including e-commerce, their strengths and weaknesses, and appropriate application to business needs

C) Quality Assurance and Testing

- Provide quality assurance on a major project.

- Develop and implement quality assurance measures for all aspects of project planning and execution.
- Develop and execute program and system test and acceptance processes.
- Assist project manager in monitoring business related activities
- Assist in resolution of key project issues
- Assist in monitoring and ensuring project scope is controlled
- Assist in identification of project risks, and risk mitigation strategies
- Assist in development of strategies for system development, verification, and implementation
- Ensure that application programs have been thoroughly tested
- Develop user acceptance test plan
- Assist teams in the development of test scenarios, and scripts.
- Facilitate usability testing sessions including interaction with test subjects to elicit meaningful comments and resolving questions that arise during testing.
- Document the results of usability testing
- Facilitate sessions in which clients review usability testing results

D) User Change Management

- Development and implementation of change management processes dealing with user needs and expectations
- Work with all levels of management and line staff.
- Perform complex task analyses to evaluate and document change requests
- Conduct change management activities for business process improvement

4. TECHNICAL WRITING

Assist in the development of all project-related materials and documentation. Examples of the associated tasks/skills are:

- Perform End-user documentation, which helps build, operate, and/or repair software, and hardware.
- Perform Technical documentation, which includes manuals, maintenance guides, and engineering specifications; white papers, research papers, or journal articles; reference guides; and annual reports.
- Develop Marketing copies, such as advertisements, brochures, catalogs, press releases, and home page content
- Assist in the development and implementation of the RFP. The RFP document will be specific and detailed to the extent necessary to ensure that the full scope of work and project expectations are identified to the Development and Implementation RFP bidders. In addition to required information, the RFP document should also include:
 - Project objectives
 - Description of all business, functional, and/or technical areas of new system
 - Identify Activities/Tasks required of Development and Implementation Vendor.
 - Provide a summary of high-level description of each Activity
 - Provide a definition of the task within each Activity and specify detailed deliverables for each task. The tasks must be specific, measurable, and time constrained
 - Propose Criteria for evaluation and award of Development and Implementation RFP – Identify criteria for assessing bidder's responses to ensure responses meet the requirements and deliverables of the RFP; develop sample questions

for bidder's oral presentation, if needed; develop criteria to guide the State in the evaluation of bidder responses to sample questions

- Adhere to and enforce both DTMB/Agency documentation policies. Develop and maintain all required project materials and documentation in alignment with the State's Project Management Methodology (PMM) and System Engineering Methodology (SEM) utilizing the State Unified Information Technology Environment (SUITE).
- Provide technical writing mentoring and support to DTMB.
- Recommend and implement formats, templates or writer guidelines for others

5. STRATEGIC AND ARCHITECTURAL TECHNOLOGY SERVICES

The vendor will provide architecture services in one or more of the following areas:

- Analyze and recommend architecture solutions
- Ensure compliance with standards (defacto and dejure)
- Analyze E-commerce opportunities
- Analyze and recommend solutions for Web and mobile applications
- Analyze business practices and processes to determine best practice strategies to ensure maximum effectiveness and efficiency
- Assist with Strategic planning, including applications integration and legacy application strategy
- Analyze hardware and software to assist in the standards determination and setting of processes
- Perform Cost analysis and modeling to assist in the assessment of the return on investment for projects and computer operations.
- Analyze application development processes and tools
- Recommend changes in hardware, storage, network systems, operating systems, COTS software, security and software design to meet future growth and improve system performance
- Assist with the development of Business Process Models
- Assist with architecting the integration of various vendor technologies including COTS
- Support technical teams with implementations
- Assist with the coordination of architectural change in both technical and business environments
- Assist with architecting diverse solutions into a cohesive and manageable environment
- Recommend solutions for technical architectures of web content management applications
- Assist in the development of solution architectures from business requirements, information architecture, and technical architecture
- Analyze market trends so as to relate business needs with technical opportunities
- Participate in technology test plan development and execution

CLASSIFICATION SKILL LEVELS

Defined below are the Classification Skill Levels for candidates from Pre-Qualified vendors who would work on State of Michigan projects.

- 1) Project Control Office (PCO) Manager
- 2) Senior Project Manager
- 3) IV&V Project Manager
- 4) Senior Business Analyst
- 5) Senior Architect
- 6) Senior Technical Writer
- 7) Project Scheduler

1) Project Control Office (PCO) Manager

The Project Control Office Manager will provide the oversight and direction necessary to establish a fully functional Project Control Office and to manage the PCO staff and ongoing daily operations of the PCO.

The PCO Manager will create and use tools to monitor and report on schedule progress, resource utilization, issue resolution/escalation, and process adherence. The PCO Manager will also gather and report on Project Team performance and compliance.

The PCO Manager will support the State in meeting the timely delivery of quality information technology services for all stakeholders of the Project. The PCO Manager will be responsible for performing schedule, scope and technical control tasks.

The PCO manager will directly oversee all the PCO personnel.

Position requires:

- 1) Documented experience in successfully managing Information Technology (IT) projects (full project lifecycle) whose budget was greater than \$10,000,000 (excluding hardware/software costs) and whose timeline was greater than 3 years.
- 2) 5 years of recent experience in managing IT projects in a government environment
- 3) Documented 3 to 5 years experience in successfully managing the establishment and operations of a fully functioning Project Control Office or Project Management Office. A minimum of 2 such "establishments" is required for this particular project position.
- 4) Documented experience in successfully managing a PMO/PCO for complex projects (including multiple stakeholders, PCO staff, multiple vendors, data conversions and multiple technologies).
- 5) Documented experience in performing Project Management, Quality Management, or other critical functions within complex Information Technology projects (preferably with budgets greater than \$10,000,000 and multi-phase, multiyear implementations).
- 6) Excellent written and verbal communication skills. Demonstrable presentation skills are necessary for this position. Skills in MS Project, MS Excel, MS Word, MS PowerPoint, required.
- 7) Demonstrated leadership ability in complex projects involving multiple vendors and in-house resources within all levels of an organization.
- 8) Professional certification in Project Management, such as Project Management Professional (PMP) certification from the Project Management Institute.
- 9) Knowledge and understanding of the Software Engineering Institute's (SEI) Capability Maturity Model Integration (CMMI)
- 10) Knowledge and understanding of the IT Governance Framework – COBIT
- 11) Knowledge and understanding of Information Technology Infrastructure Library (ITIL)

2) **Senior Project Manager**

Full-time, on-site Senior Project Manager to provide the overall management for State of Michigan projects. This individual will provide management services for all project activities to ensure that the project will be completed on time, within budget, and within scope.

This individual will create and manage detailed project plans and schedules for the day-to-day tracking and oversight of deliverables within the project using SOM Project Management Methodology. This individual will create and use tools to monitor and report on schedule progress, resource utilization, issue resolution/escalation, and process adherence. This individual also gathers and reports on vendor performance and compliance.

Position requires:

- 1) Documented experience in successfully managing Information Technology (IT) projects (full project lifecycle) whose budget was greater than \$10,000,000 (excluding hardware/software costs) and whose timeline was greater than 3 years.

- 2) Documented experience in successfully managing IT projects (full project lifecycle) whose scope included rewriting a large, complex existing system. Preference will be given to those resources who have experience in both mainframe and client server environments. A candidate will not be excluded if experience is in only one of the environments.
- 3) Proven record of delivering projects on time and within budget
- 4) Thorough understanding of systems development and technology working within a Unix and Windows operating system, Oracle and/or Microsoft SQL Server database and a wide range of web development technologies such as J2EE, Web Services, XML
- 5) A history of managing a project in a multi-vendor environment.
- 6) 5 years of recent experience in managing IT projects in a government environment
- 7) 5 years experience creating and managing comprehensive project plans utilizing project management flows and tools.
- 8) 5 years experience managing large, complex multi-year systems development projects
- 9) 5 years experience performing scope management for projects, including a disciplined change control process.
- 10) 5 years experience performing issues management across multiple Departments.
- 11) 5 years experience creating and executing Implementation plans.
- 12) 5 years experience creating Quality Assurance processes and plans.
- 13) 3 years experience in verbal and written communication with clients and technical staff in English.
- 14) Excellent verbal and written communication skills
- 15) Preference will be given to candidates who possess a current professional certification in Project Management, such as the Project Management Professional (PMP) certification from the Project Management Institute or George Washington University.
- 16) Knowledge and understanding of the Software Engineering Institute's (SEI) Capability Maturity Model Integration (CMMI)
- 17) Knowledge and understanding of the IT Governance Framework – COBIT
- 18) Knowledge and understanding of Information Technology Infrastructure Library (ITIL)

3) **IV&V Project Manager**

The IV&V Project Manager provides input to the DTMB Project Manager on the daily direction and work product progress, team interactions and overall project success. The IV&V Project Manager provides technical skills required to provide recommendations to the DTMB PM for this project regarding areas such as enterprise architecture design, system integration, web interface, addressing standards knowledge, and vendor management experience.

Specifically:

- Interfaces with any contractor managers engaged for this project
- Assesses and recommends changes for the project communications plan
- Helps the DTMB and PMO team identify project risks and issues
- Provides quality assurance on the technical aspects of the project
- Advises DTMB and PMO team on industry practices in relation to imaging, hardware selection, software products and capabilities
- Assists with business/technical decisions related to the use of hardware and software to align to business needs and budget constraints
- Advises DTMB on managing contracts for development effort
- Utilizes knowledge of emerging technological trends to educate both IT and the business of opportunities to build better IT solutions that support and drive business decisions for the project
- The IV&V Project Manager helps develop reporting/communication mechanisms for the project
- Helps develop and maintain an effective, customer-focused and usable communications process
- Assists in preparation of project status reporting mechanism that addresses, at a minimum, task status, deliverable completion, budget expenditure and completion

estimate, risk analysis, resource assessments, schedule adjustments, and problem/issue/risk identification and corrective action

Position requires:

- 1) Proven record of delivering projects on time and within budget
- 2) A history of managing a project in a multi-vendor environment.
- 3) 5 years of recent experience in managing IT projects in a government environment
- 4) 5 years experience creating and managing comprehensive project plans utilizing project management flows and tools.
- 5) 5 years experience managing large, complex multi-year systems development projects
- 6) 5 years experience performing scope management for projects, including a disciplined change control process.
- 7) 5 years experience performing issues management across multiple Departments.
- 8) 5 years experience creating and executing Implementation plans.
- 9) 5 years experience creating Quality Assurance processes and plans.
- 10) 3 years experience in verbal and written communication with clients and technical staff in English.
- 11) Excellent verbal and written communication skills
- 12) Preference will be given to candidates who possess a current professional certification in Project Management, such as the Project Management Professional (PMP) certification from the Project Management Institute or George Washington University.
- 13) Knowledge and understanding of the Software Engineering Institute's (SEI) Capability Maturity Model Integration (CMMI)
- 14) Knowledge and understanding of the IT Governance Framework – COBIT
- 15) Knowledge and understanding of Information Technology Infrastructure Library (ITIL)

4) Senior Business Analyst

Serves as the communication bridge between non-technical business users and technical solution developers. The Senior Business Analyst has a depth of knowledge in business analysis processes including knowledge of methodology, tools, and techniques. The Business Analyst is responsible for analyzing the raw data gathered by the project team, applying the appropriate tools and techniques to create meaningful results. This individual is an active participant in aspects of department assessment, visioning, and reengineering.

Position requires:

- 1) Bachelor's degree in area of specialty and 5 years of experience in the field or in a related area.
- 2) Documented experience in performing requirements gathering sessions for systems implementations.
- 3) Documented experience creating technical roadmaps to develop and implement a complex system rewrite in a phased approach.
- 4) 5 years experience in systems analysis and design working with Unix and Windows operating systems, Oracle and/or Microsoft SQL Server databases and a wide range of web development technologies, such as: J2EE, Web Services, XML
- 5) 3 years experience in systems analysis and design working with a wide range of mobile application development technologies, such as: HTML 5, CSS, JavaScript, .Net and MEAP
- 6) 5 years experience in Enterprise middleware software like (but not limited to) messaging, workflow and business process automation solutions
- 7) 5 years (combined) experience working with Oracle, Microsoft SQL and IMS databases
- 8) 2 years experience in Web 2.0 technologies
- 9) 3 years experience working in a Mainframe environment

- 10) 3 years experience in verbal and written communication with clients and technical staff in English.
- 11) Excellent verbal and written communication skills
- 12) Knowledge and understanding of the Software Engineering Institute's (SEI) Capability Maturity Model Integration (CMMI)
- 13) Skills and personal characteristics that enable them to deal successfully with a large variety of management personnel and users
- 14) Capability of giving attention to detail while still understanding and dealing with the global aspects of the project

5) Senior Architect

Full-time, onsite Senior Architect who will be responsible for providing technical expertise throughout the lifecycle of the project. This includes all tasks and deliverables previously identified.

Position requires:

- 1) Bachelor's degree in a related area and 5+ years of experience in the field or in a related area.
- 2) 5 years experience gathering and documenting business and functional requirements for complex web-based systems.
- 3) 5 years experience performing complex business task analysis to evaluate and document change requests
- 4) 5 years experience conducting peer reviews to validate business and functional requirements
- 5) 3 years leading review sessions to discuss draft documents and determine the appropriate revisions
- 6) 5 years experience create usability test plans
- 7) 3 years experience in creating test scenarios and testing scripts
- 8) 3 years experience documenting the results of usability testing
- 9) 3 years experience facilitating sessions in which clients review usability testing results.
- 10) 3 years experience working with end users in developing training plans to implement new web-based systems.
- 11) Expert level skills in MS Project, MS Excel, MS Word, MS PowerPoint, macros, charting
- 12) 3 years experience in developing solution architecture from business requirements, information architecture, and technical architecture
- 13) 3 years experience in developing business process models
- 14) 3 years experience in working with information architectures
- 15) 3 years experience in verbal and written communication with clients and technical staff in English.
- 16) Excellent verbal and written communication skills
- 17) Knowledge and understanding of the Software Engineering Institute's (SEI) Capability Maturity Model Integration (CMMI)
- 18) Knowledge and understanding of the IT Governance Framework – COBIT
- 19) Knowledge and understanding of Information Technology Infrastructure Library (ITIL)

6) Senior Technical Writer

The technical writer will be responsible for tasks and deliverables for the Development and Implementation RFP documents.

Position Requires:

- 1) Bachelor's Degree in a related area and 5+ years experience in technical writing
- 2) Documented experience in writing Request for Proposal (RFP) or Invitation to Bid (ITB) Documents. Preference will be given to those candidates with experience in RFPs/ITB writing for Information Technology projects whose budget was greater than \$10,000,000

- or whose timeline was greater than 3 years or whose scope involved the rewrite of a similar large, complex system as this one.
- 3) Documented experience in participating in the RFP evaluation and selection process for projects similar in size and scope to the Project
 - 4) 3 years experience in verbal and written communication with clients and technical staff in English.
 - 5) Excellent verbal and written communication skills

7) Project Scheduler

The project schedule will be responsible for the update of schedules for day-to-day tracking. This individual supports the Senior Project Manager using project management tools, techniques, and methodologies such as MS Project, MS Word, MS Excel, MS PowerPoint, Remedy and Tracker Tools to assist in the monitoring of individual tasks. The Senior Project Manager directs the daily activities of the Project Scheduler. The Project Scheduler does many of the administrative tasks needed to monitor and report on the status of a release.

Position requires:

- 1) A history of working within a Project Control Office.
- 2) 2 year experience managing projects on system development projects.
- 3) 2 year experience with one or more structured development methodologies.
- 4) Experience in tracking and analyzing metrics as relevant to application management.
- 5) 3 to 5 years experience in creating and managing detailed project plans and schedules for the day-to-day tracking and oversight of deliverables within a project.
- 6) 2 years experience in verbal and written communication with clients and technical staff in English.
- 7) Excellent verbal and written communication skills

13. Knowledge Transfer/Transition

While the PCO services Contractor(s) will be working closely with DTMB staff in most cases, they are still required to provide documentation for any work that they do, which describes both what was done and why it was done in that fashion. In addition PCO services staff will be required to perform informal training to state staff on platform issues, applications written by the Contractor, and general data usage.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, and Responsibilities

Project Control Office Services Staff Requirements

1. Contractor(s) must manage and implement PCO projects with minimal State involvement.
2. Contractor(s) must provide services during normal working hours (Monday through Friday, 7:00 a.m. to 6:00 p.m. ET.) and possible night and weekend hours depending on position and project requirements. No overtime will be authorized or paid. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project. Contractor(s) shall observe the same standard holidays as State employees. The State does not compensate for holiday pay. Contractor(s) will not be reimbursed for travel expenses or travel time.
3. Contractor(s) work is to be performed, completed, and managed in the Lansing, MI area:
4. Obtaining PCO Services
The State after formalizing a comprehensive Work Request will facilitate the second tier selection process for each Contracting effort. A Work Request template will identify the statement of work, period of performance, deliverables, specific response information required, work evaluation and payment criteria, and any special terms and conditions.

- a. Contractor(s) must respond fully to a service request with the following candidate information within five (5) days of issuance by the State on the Bid4Michigan site. Responses must include:
 - Resumes of qualified staff for each position the State has requested.
 - Date of availability for each candidate.
 - The results of two reference checks that the Contractor(s) has performed on the proposed individual, including the names and telephone numbers of the references themselves. At least one of these reference checks must be from a supervisor.
 - Verification of a candidate's permission to work in the United States.
 - Rate for each resume submitted. Rates may not exceed the rates in the Contract. However, the rates may be less, depending on the State's requirements, nature of the job market, and the candidate's abilities.
- b. Contractor(s) may request clarification regarding the State's request during the response period. If the Contractor is unable to provide the personnel requested, the Contractor must record this fact in a written response to the State.
- c. The State will evaluate the proposal, resumes and references of submitted candidates. Selection will be based on a best value evaluation using the criteria identified in the Work Request and the rate provided by the Contractor. The Contractor may be required to conduct an oral presentation of their proposal and approach. Other selection criteria or tools which may be in the best interest of the State may be utilized to make a selection.

The State may contact the Contractor to request an interview with candidate(s). The Contractor will be responsible for setting up all interviews. At the State's discretion, the interview may be conducted over the telephone. The State may, at its discretion, request a face-to-face interview. In this case, all expenses travel or otherwise, resulting from such a request must be borne by the Contractor.

- d. After selecting the resume(s) that present the best value to the State, the State will notify Contractor(s) regarding its selection.
5. Contractor(s) will be responsible for setting up all interviews between the candidates and DTMB/Agency management, if requested by DTMB.
6. Contractor(s) will provide a mechanism for expedited procurement of staff to meet a need for immediate replacement or for mission critical services.
7. Contractor(s) will ensure that the staff proposed for this assignment are fully trained and meet the skill set requirements of the job position being filled. The State makes changes to its technical architectures from time to time. If a Contract individual is assigned to a State project or support area and the technology associated with their assignment changes, the Contractor (s) are responsible for training in the new or changed technology (e.g., Contractor personnel needs training in a particular tool in order to perform their State assignment.) or providing new resources who are trained in the new tool, at the State's discretion. Contractor (s) or the assigned Contract staff may elect to pay for the training necessary to continue working on the assignment. The cost of the course, including any travel expenses, and the training hours will not be billable to the State.
8. Contractor(s) is responsible for providing a 30 day written notice to the State in addition to a plan for transitioning to a new resource including knowledge transfer in the event an individual is terminated or voluntarily withdrawn from an assignment. The State will not reimburse the Contractor for both the departing resource and the incoming resource during the transition

period. The State can request the Contractor replace the individual with an individual of equal or greater qualifications.

- a. Contractor(s) staff will be subject to the rules, regulations, and policies of DTMB and the Michigan Department of Civil Service.
- b. Contractor(s) staff assigned to work with restricted (a.k.a. sensitive) data have an obligation to safeguard and protect the confidentiality of such data. Further, if the staff member accidentally or purposefully releases restricted or sensitive data, the Contractor assumes full responsibility for any resulting penalties.
- c. Contractor(s) assumes full responsibility for the acts of all subcontractors.
- d. Contractor(s) may use subcontractors to fulfill requirements of the Contract. If subcontractors are employed, Contractor will pay subcontractors within 30 days of the Contractor's monthly invoice, to the extent that Contractor's invoice includes work done by its sub-contractors that meets the requirements of the corresponding subcontract, and as long as the State has not withheld payments to contractor due to the unsatisfactory performance of the sub-contractor.
- e. Contractor(s) will ensure that staff exhibits professional conduct and act in the best interest of the State.

Contractor(s) may not remove or reassign staff to other Contracts unless mutually agreed upon by the State and the Contractor(s). If staff is removed without compliance the State has the right to impose a monetary penalty of up to 1% of the previous month's invoice total as the State's sole and exclusive remedy.

On Site Work Requirements

Requirements:

1. Location of Work

The work is to be performed, completed, and managed at the following locations:

- State office buildings in the immediate Lansing, MI area.
- Some professional services related to projects may be performed in the Contractor's office in the Lansing area on a case by case basis as mutually agreed upon.

2. Travel:

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

3. Additional Security and Background Check Requirements:

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

All proposed Contractor personnel for PCO services must satisfy the security requirements for the agencies in which they will be working—at the minimum signing the Agency security forms. In addition some Agencies (Treasury for example) require personnel to attend additional security training and agree to be bound by their requirements.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project.

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

- A. The State will provide the following resources for the Contractor's use:
- Work space
 - Minimal clerical support
 - Telephone
 - PC workstation
 - Printer
 - Access to copiers and fax machine. This includes software licenses as appropriate.
- B. A purchase order (PO) will be issued for all resources working under this Contract.
- C. The State will notify Contractor(s) in writing if a senior resource is not performing at senior level. The Contractor(s) will be responsible for finding a senior level replacement, or will reduce the hourly rate for the person to that of a non-senior resource, at the discretion of the State.

1.400 Project Management - Reserved

1.600 Compensation and Payment

1.601 Compensation And Payment

A. Method of Payment

In each WORK REQUEST, DTMB will select or propose a method of compensation that it believes to be in the agency's best interests and /or most reasonable and feasible based on the circumstances under which the services are to be provided. Generally, contracts/work contracts, time and material factors such as the nature of the tasks to be performed, the duration of the project, the expected work products/deliverables, etc., will be taken into consideration in proposing and determining the appropriate method of compensation.

B. Travel

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc., except on an exception basis as set forth in Section 1.601(C) below. Travel time will not be reimbursed.

C. Out-of-Pocket Expenses

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

In the event travel is required, all travel reimbursement will be paid according to the State of Michigan's Standardized Travel Rates and Regulations. This information may be found at:

http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html

All air, car and hotel reservations must be made through the State Contract with Passageways Travel at (517) 333-5880 or (800) 915-8729. All original receipts must be included with your travel voucher and invoices, which must include the purchase order number. Failure to follow this policy will result in reduced reimbursement.

D. Purchase Orders

- The parties agree that the Services/Deliverables to be rendered by the Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work until authorized via a PO issued against this Contract. The Contractor shall perform in accordance with this Contract, including the Purchase Orders executed under it.

E. Invoicing

Contractor will submit properly itemized invoices to "Bill To" Address on Purchase Order. Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number

- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of any commodities/hardware, including quantity ordered;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item, or Contractor's list price for each item and applicable discounts;
- Maintenance charges;
- Net invoice price for each item;
- Shipping costs;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.
- Hours worked and time period for invoiced hours.
- Name of Contracted employee.

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

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 December 1, 2012 through November 30, 2017. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to 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 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 assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

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

2.005 Ordering

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

2.007 Headings

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

2.008 Form, Function & Utility

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

2.009 Reformation and Severability

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

2.010 Consents and Approvals

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

2.011 No Waiver of Default

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

2.012 Survival

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

2.020 Contract Administration

2.021 Issuing Office

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

Joe Kelly, Buyer
Purchasing Operations
DTMB Procurement
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Kellyj11@michigan.gov 517-373-39932.022

Contract Compliance Inspector

The Chief Procurement Officer 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. Purchasing Operations is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contract Compliance Inspector for this Contract is:

Laurie Dawson, Senior Project Manager DTMBConstitution Hall
525 W. Allegan
Lansing, Michigan 48913
Email: Dawsonl4@michigan.gov
Phone: (517) 241-3951

2.023 Project Manager

The following individual will oversee the project:

Barb Dawson, Senior Project Manager DTMBConstitution Hall
525 W. Allegan
Lansing, Michigan 48913
Email: Dawsonb3@michigan.gov
Phone: (517) 241-3951

2.024 Change Requests

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

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

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

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

(1) Change Request at State Request

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

(2) Contractor Recommendation for Change Requests:

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

(3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should

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

- (4) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (5) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by DTMB 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
DTMB ProcurementAttention: Joe Kelly
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Government Solutions, Inc. CSG
180 N. Stetson Ave., Suite 3200
Chicago, IL 60601

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

2.026 Binding Commitments

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

2.027 Relationship of the Parties

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

2.028 Covenant of Good Faith

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

2.029 Assignments

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

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

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

2.030 General Provisions

2.031 Media Releases

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

2.032 Contract Distribution

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

2.034 Website Incorporation

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

2.035 Future Bidding Preclusion

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

2.036 Freedom of Information

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

2.037 Disaster Recovery

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

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts, where such firm fixed price shall be expressed on an hourly rates by labor categories and in no event shall such rates exceed those set forth as not to exceed rates in Exhibit A attached hereto and incorporated by reference herein. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

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

2.043 Services/Deliverables Covered

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 will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments 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 Chief Procurement Officer of DTMB Procurement. 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) will mutually agree upon. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

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

2.045 Pro-ration

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

2.046 Antitrust Assignment

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

2.047 Final Payment

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

2.048 Electronic Payment Requirement

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

2.050 Taxes

2.051 Employment Taxes

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

2.052 Sales and Use Taxes

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

2.060 Contract Management

2.061 Contractor Personnel Qualifications

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

2.062 Contractor Key Personnel

(a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.

- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work.
- (c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles 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 will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other Contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other Contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that

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

2.067 Contract Management Responsibilities

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

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

2.068 Contractor Return of State Equipment/Resources

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

2.070 Subcontracting by Contractor

2.071 Contractor full Responsibility

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

2.072 State Consent to delegation

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Technology, 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 will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the mandatory flow down terms of this Contract identified in Section 2.074. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such Contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to

Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

2.074 Flow Down

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

2.075 Competitive Selection

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

2.080 State Responsibilities

2.81 Equipment

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

2.082 Facilities

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

2.090 Security

2.091 Background Checks

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

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

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided

for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA Security Requirements

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

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

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

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

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

2.100 Confidentiality

2.101 Confidentiality

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

2.102 Protection and Destruction of Confidential Information

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

Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information. The foregoing notwithstanding, Contractor and its Subcontractors may retain a single copy of Confidential Information in order to comply with contractual obligations and applicable professional standards. Information stored on routine back-up media for the purpose of disaster recovery will be subject to destruction in due course. Latent data such as deleted files and other non-logical data types, such as memory dumps, swap files, temporary files, printer spool files and metadata that can customarily only be retrieved by computer forensics experts and are generally considered inaccessible without the use of specialized tools and techniques will not be within the requirement for the destruction of records as contemplated by this paragraph.

2.103 Exclusions

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

2.104 No Implied Rights

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

2.105 Respective Obligations

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

2.110 Records and Inspections

2.111 Inspection of Work Performed

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

2.112 Examination of Records

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

parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract. Books, records, documents and papers relate to timekeeping and expense reports.

2.113 Retention of Records

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

2.114 Audit Resolution

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

2.115 Errors

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

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

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

- (e) The Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor, nor any individual partner, principal, or employee who is proposed to provide direct services to the State under this contract, has, must have, or must acquire, any Contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other Contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any Contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the Contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Procurement.

2.122 Warranty of Merchantability-Reserved

2.123 Warranty of Fitness for a Particular Purpose-Reserve

2.124 Warranty of Title

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

2.125 Equipment Warranty-Reserved

2.126 Equipment to be New-Reserved

2.127 Prohibited Products-Reserved

2.128 Consequences for Breach

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

2.130 Insurance

2.131 Liability Insurance

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

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

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

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

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

See www.michigan.gov/dleg.

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

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

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

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate.

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on auto including, 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.

- 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 (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
- 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

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

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of 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 will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

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

2.152 Termination for Cause

- (a) The State may terminate this Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of Contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 Termination for Convenience

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

2.154 Termination for Non-Appropriation

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).
- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of

time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

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

2.155 Termination for Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

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

2.157 Rights and Obligations upon Termination

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement Contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

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

2.160 Termination by Contractor

2.161 Termination by Contractor

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

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

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State.

If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 60 days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

2.172 Contractor Personnel Transition

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

2.173 Contractor Information Transition

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

2.174 Contractor Software Transition

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

2.175 Transition Payments

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

prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

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

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

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section**. 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 must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

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

2.190 Dispute Resolution

2.191 In General

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

2.192 Informal Dispute Resolution

- (a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes,

the parties must meet with the Director of Purchasing Operations, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.
 - (3) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (4) Following the completion of this process, the Director of Purchasing Operations, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.
- (b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.
- (c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

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

2.194 Continued Performance

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

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

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

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a Contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

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

2.204 Prevailing Wage

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

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

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

2.210 Governing Law

2.211 Governing Law

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

2.212 Compliance with Laws

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

2.213 Jurisdiction

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

2.220 Limitation of Liability

2.221 Limitation of Liability

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

The Contractor's liability for damages to the State is limited to two times the value of the Individual Statement of Work 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 must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor or the contractor and/or Subcontractor's ability to perform its obligations under the Prime Contract or Subcontract. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

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

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

2.232 Call Center Disclosure

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

2.233 Bankruptcy

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

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

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

2.240 Performance

2.241 Time of Performance

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

2.242 Service Level Agreement (SLA)

- (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 Liquidated Damages - Reserved

2.244 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or

requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

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

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

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

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

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

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

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

2.252 Contractor System Testing

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

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

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

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

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

2.253 Approval of Deliverables, In General

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

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

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

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

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

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

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

2.254 Process for Approval of Written Deliverables

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

2.255 Process for Approval of Custom Software Deliverables

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

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

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

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

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

2.256 Final Acceptance

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

2.260 Ownership

2.261 Ownership of Work Product by State

Except as set forth below in Section 2.264 the State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

2.262 Vesting of Rights

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

2.263 Rights in Data

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

2.264 Ownership of Materials

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State. The Contractor and Subcontractors, as applicable, retain all ownership rights in any proprietary methodologies, methods, processes, or procedures of the Contractor or Subcontractor that pre-exist or were developed outside the scope of this Contract. If any such property of Contractor or Subcontractor is contained in any of the Deliverables, the Contractor or Subcontractor, as applicable, grants to the State a royalty-free, paid-up, non-exclusive, perpetual license to use such intellectual property in connection with the State's use of the deliverables.

2.270 State Standards

2.271 Existing Technology Standards

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

2.272 Acceptable Use Policy

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

2.273 Systems Changes

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

2.280 Extended Purchasing

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally)

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

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

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

2.282 State Employee Purchases – Reserved

2.290 Environmental Provision

2.291 Environmental Provision-Reserved

2.300 Deliverables

2.301 Software – Reserved

2.302 Hardware – Reserved

2.303 Equipment to be New-Reserved

2.304 Equipment to be New and Prohibited Products-Reserved

2.310 Software Warranties

2.311 Performance Warranty-Reserved

2.312 No Surreptitious Code Warranty-Reserved

2.313 Calendar Warranty-Reserved

2.314 Third-party Software Warranty-Reserved

2.315 Physical Media Warranty-Reserved

2.320 Software Licensing

2.321 Cross-License, Deliverables Only, License to Contractor -Reserved

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

2.323 License Back to the State-Reserved

2.324 License Retained by Contractor-Reserved

2.325 Pre-existing Materials for Custom Software Deliverables-Reserved

2.330 Source Code Escrow

2.331 Definition -Reserved

2.332 Delivery of Source Code into Escrow-Reserved

2.333 Delivery of New Source Code into Escrow-Reserved

2.334 Verification-Reserved

2.335 Escrow Fees-Reserved

2.336 Release Events-Reserved

2.337 Release Event Procedures-Reserved

2.338 License-Reserved

2.339 Derivative Works-Reserved

Cost Table – Attachment A

Skill Level	Not To Exceed Hourly Rate
Project Control Office (PCO) Manager	\$ 210.00
Senior Project Manager	\$ 200.00
IV&V Project Manager	\$ 180.00
Senior Business Analyst	\$ 180.00
Senior Architect	\$ 210.00
Senior Technical Writer	\$ 120.00
Project Scheduler	\$ 100.00
Organizational Change Management Consultant	\$ 200.00
Database Analyst Sr.	\$ 150.00
Database Analyst	\$ 110.00
Technical Writer	\$ 95.00
Testing Technician Sr.	\$ 140.00
Testing Technician	\$ 100.00
Quality Assurance Analyst Sr.	\$ 140.00
Quality Assurance Analyst	\$ 100.00
Project Manager	\$ 150.00
Project Coordinator	\$ 100.00
Business Analyst	\$ 150.00
Training Specialist Sr.	\$ 150.00
Training Specialist	\$ 100.00

These are not to exceed, five (5) year rates that will be appropriately discounted as individual SOWs are issued.