

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

**NOTICE  
 OF  
 CONTRACT NO. 071B4300146**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
SS &C Technologies Inc. 80 Lambertson Road Windsor, CT 06095	Richard Schalowitz	<a href="mailto:rshalowi@sscinc.com">rshalowi@sscinc.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	646-213-7103	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Amy Dinstbier	517-636-5046	<a href="mailto:dinstbiera@michigan.gov">dinstbiera@michigan.gov</a>
BUYER:	DTMB	Barb Suska	517-284-7026	<a href="mailto:Suskab2@michigan.gov">Suskab2@michigan.gov</a>

CONTRACT SUMMARY:			
<b>DESCRIPTION:</b> Descriptive Contract Title (Not always the same language as provided in MAIN)			
<b>Treasury Debt Management</b>			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 years	August 26, 2014	August 25, 2017	2, one year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
<b>ALTERNATE PAYMENT OPTIONS:</b>			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
<b>MINIMUM DELIVERY REQUIREMENTS:</b>			
N/A			
<b>MISCELLANEOUS INFORMATION:</b>			
N/A			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>			<b>\$460,500.00</b>

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<b>MISCELLANEOUS INFORMATION:</b>			
N/A			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>			<b>\$460,500.00</b>

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #084R4300030. 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 #: 071B4300146**

<b>FOR THE CONTRACTOR:</b>	<b>FOR THE STATE:</b>
SS &C Technologies Inc. Firm Name	Signature Bill Pemble, IT Division Director
Authorized Agent Signature	Name/Title
Authorized Agent (Print or Type)	DTMB Procurement Enter Name of Agency
Date	Date



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

Buyer Name: Barb Suska  
Telephone Number: 517-284-7026  
DTMB-Procurement Telephone Number 1-855-MI-PURCH (1-855-647-8724)  
E-Mail Address: [suskab2@michigan.gov](mailto:suskab2@michigan.gov)

Contract #: 071B4300146  
for

Treasury Debt Management.



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**Attachment B** – General and Functional Requirements

**Attachment C** - Preliminary Enterprise Architecture Solution Assessment (EA)

**Attachment D** – Preliminary Training Plan



## Article 1 – Statement of Work (SOW)

### 1.000 Project Identification

#### **1.001 PROJECT REQUEST**

The purpose of this contract is for SS & C Technologies, Inc. (“**Contractor**”) to provide a Commercial-Off-The-Shelf (“**COTS Solution**”) for Debt Management System, known as and alternately called in this contract (“**DBC Debt Manager and DBC Finance**”), to the Michigan Department of Technology, Management and Budget (“**DTMB**”) in partnership with the Department of Treasury (“**Treasury**”) collectively known as the (“State”). The Debt Management System will assist in the issuance and management of the municipal debt process used by the Department of Treasury, Bureau of State and Authority Finance.

The purpose of this contract is for the purchase of DBC Debt Manager and DBC Finance software, installation of the software, training, documentation and maintenance and support of the software.

The State reserves the right to add other State agencies and to purchase additional software licenses, maintenance and support, training and services.

#### **1.002 BACKGROUND**

The Michigan Department of Treasury, Bureau of State and Authority Finance is charged to achieve and maintain access to the financial market at the lowest cost to the citizens of Michigan and provide equality of access to financial resources and information on behalf of:

- Municipalities
- Healthcare Providers
- Public, Private, and Charter Schools
- Higher Education
- Students and Parents Pursuing a Post-Secondary Education
- The State-at-large for environmental, recreational, and other specific-voter approved projects
- The State for cash flow financing for operating purposes.

The Bureau fulfills this mandate in the activities of its two primary divisions – the Authority Finance Division, and the State Finance Division. The Authority Finance Division provides the administrative support to the Michigan Finance Authority and the State Finance Division issues State general obligations Bonds and Notes, provides fiscal and trust services to other State agencies, and administers the State’s School Bond Qualification and Loan program, and performs compliance and regulatory disclosure functions.

### 1.100 Scope of Work and Deliverables

#### **1.101 IN SCOPE**

The Contractor will provide the following:

##### Software

- COTS Solution – DBC Debt Manager and DBC Finance

##### Installation – vendor

##### Training and Documentation

- End user
- System Administrator
- Technical

##### Maintenance and Support

- Help Desk



- Technical Support

The State reserves the right to add other State agencies and to purchase additional software licenses, maintenance and support, training and services.

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

### **1.102 OUT OF SCOPE**

Hardware  
Operation Services

### **1.103 ENVIRONMENT**

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

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

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

[http://michigan.gov/dtmb/0,4568,7-150-56355\\_56579\\_56755---,00.html](http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html)

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

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

#### **Enterprise IT Security Policy and Procedures:**

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

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

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



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

**IT eMichigan Web Development Standard Tools:**

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

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

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

**Agency Specific Technical Environment**

- Operating Systems: Microsoft Windows 7
- Database: Microsoft SQL Server 2008

**1.104 Work And Deliverables**

**I. Services and Deliverables To Be Provided**

The Debt Management System must be installed and in production within six months of contract execution.

**A. Software**

Contractor to provide COTS Solution which includes three (3) concurrent licenses for DBC Debt Manager and two (2) concurrent licenses for DBC Finance for debt issuance and management in accordance with requirements in Attachment B – General and Functional Requirements. The testing commencement date is after installation of software and loading of State data; when the State commences testing on the uploaded data.

**Deliverables**

- Contractor must provide installable software via cd or download which allows use under the three (3) concurrent licenses for DBC Debt Manager and two (2) concurrent licenses for DBC Finance.
- The Contractor shall complete the final Enterprise Architecture Solution Assessment (EA) form and submit to the DTMB Project Manager (PM). Any Contractor changes to the State approved Attachment C – Preliminary Enterprise Architecture Solution Assessment (EA) must be submitted within (1) month of contract execution.
- Contractor to assist in the completion of the DTMB 0170 (Security Assessment form) to obtain Michigan Cyber Security and Treasury Office of Privacy and Security written approvals as required by the State within (1) month of contract execution.
- Contractor must assist with installation of the COTS Solution either via phone, email, web session, on-site or remotely via VPN.

**Acceptance Criteria**

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

DTMB PM provides written approval that installable software has been provided to the State.



The DTMB PM shall obtain the EA team written approval of the Contractor's final Enterprise Architecture Solution Assessment (EA) prior to installation of COTS software into the test and production environments; after which DTMB PM will provide final written approval of any Contractor changes to the approved Attachment C -- Preliminary Enterprise Architecture Solution Assessment (EA). .

Upon State approval of DTMB 0170 Security Assessment form, the DTMB PM will provide acceptance of this form prior to COTS Solution package being installed into the production environment.

### **B. Training and Documentation**

The Contractor must provide their final training plan Attachment **D- Training Plan (SEM 703) to the DTMB PM for review and approval**. The Contractor must train up to six (6) end users and up to four (4) DTMB Technical resources in the use and administration of the software. The training plan shall identify the training approach, methods, schedules, tools, and curricula.

The Contractor will use the DBC Finance tutorial, which end users need to complete prior to contractor led training. Training may be provided as either classroom or WebEx. DBC Debt Manager training is conducted via ILT (Instructor Led Training).

The State will provide physical resources for training which includes the following:

- Conference room with classroom style seating
- Single network connection for the instructor (optional Wi-Fi if available)
- Projector screen
- Teleconference enabled phone

The State supports a limited number of formal classrooms which include student workstations but the Contractor should not assume they are suitable for meeting the training needs of this project or they will be available as needed. The Contractor may assume training will be held in a State owned facility in Lansing Michigan or as mutually agreed.

### **Deliverables:**

#### **Training Plan**

Contractor must provide a final training plan Attachment D- Training Plan (SEM 703) to the DTMB PM within one (1) month of contract execution.

Contractor must provide access to DBC Finance Tutorial.

#### **End User training**

The Contractor is responsible to train up to six (6) end users in the use and administration of the software.

#### **End User training documentation**

The Contractor will create professional training materials in both electronic and written formats which will serve as a reference in the operation of the software for up to six (6) End Users. These documents must be current to the operational version of the software.

#### **System Administrator training**

The Contractor is responsible to train up to four (4) DTMB Technical resources and two (2) Treasury resources in the administration of the software. This includes but is not limited to adding users, changing privileges, and updating key data elements. The DTMB Technical resources will also be trained how to support the software.

#### **System Administrator training documentation**

The Contractor will create system administration training materials which will serve as a reference in the administration of the software.

**Technical training**

The Contractor is responsible to train four (4) DTMB technical staff in the maintenance and support of the software.

**Technical training documentation**

The Contractor will create technical training materials in both electronic and written formats which will also serve as a reference in the maintenance and support of the software for up to four (4) DTMB Technical resources.

**Documentation**

User manuals

Technical manuals

1. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy will be provided:
  - a. User and Technical Manuals - On-line and Hard Copy
  - b. Data Element Dictionary
  - c. Operations Manual
  - d. All updates of documentation during the term of the Contract, software license and maintenance agreement
2. The following documentation is provided for all software:
  - a. System-wide documentation and specifications
  - b. Installation procedure
  - c. Testing scripts
  - d. Production migration
3. The documentation of components, features, and use of the software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
4. The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

**Acceptance Criteria**

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

To be acceptable to the State:

- Identified Treasury end users are proficient in the use of the software.
- Identified Treasury system administrators are proficient in the administration of the software.
- Identified DTMB technical staff are knowledgeable in the maintenance and support of the software.
- End User, System Administration, and Technical manuals are submitted in both electronic and written formats.

**Supporting Documents**

The Contractor will deliver final versions of the following documents to the DTMB PM for approval and signoff prior to beginning training activities.

- Training Plan (SEM-0703)
- End user training materials (No Template)
- Technical training materials (No Template)
- Administration training materials (No Template)

Upgrades and new versions to the system that affect end-user functionality will include training at no additional cost (e.g. classroom or online training, training flier, release features, etc.)



All training manuals, training plans and other documentation provided become the property of the State.

**C. Maintenance and Support**

Contractor to provide maintenance and support for COTS Solution as needed and to be renewed on an annual basis.

The chart below provides the required response and resolution times for the COTS Solution software *Service Levels*. *Response and Resolution times will be measured from the time Contractor receives a Support Request until the respective times Contractor has (a) responded to that Support Request, in the case of response time and (b) Resolved that Support Request, in the case of Resolution time. "Resolve", "Resolved", "Resolution" and correlative capitalized terms mean, with respect to any particular Support Request, that Contractor has corrected the Error that prompted that Support Request and that the State has confirmed such correction and its acceptance of it in writing. Contractor shall respond to and Resolve all Support Requests within the following times based on the State's designation of the severity of the associated Error, subject to the parties' written agreement to revise such designation after Contractor's investigation of the reported Error and consultation with the State:*

Severity Level of Error	Definition	Required Service Level Response and Response Time	Required Service Level Resolution Time
1	<p><b>Business Critical Failures:</b> An Error that:</p> <ul style="list-style-type: none"> <li>(a) materially affects the operations of the State's business or marketability of its service or product;</li> <li>(b) prevents necessary work from being done; or</li> <li>(c) disables or materially impairs (i) any major function of the Software or (ii) the State's use of any major function of the Software.</li> </ul>	<p><b>Level 1 Response:</b> Contractor shall acknowledge receipt of a Support Request within thirty (30) minutes.</p> <p><b>Level 2 Response:</b> Contractor shall work on the problem continuously and:</p> <ul style="list-style-type: none"> <li>(a) restore the Software to a state that allows the State to continue to use all functions of the Software in all material respects within twenty four (24) hours after the Level 1 Response time has elapsed; and</li> <li>(b) exercise best efforts to Resolve the Error until full restoration of function is provided.</li> </ul>	<p>Contractor shall Resolve the Support Request as soon as practicable and no later than twenty-four (24) hours after Contractor's receipt of the Support request. If the Contractor Resolves the Support Request by way of a work-around accepted in writing by the State, the severity level assessment will be reduced to a Severity Level of Error 2.</p>
2	<p><b>System Defect with Work-around:</b></p> <ul style="list-style-type: none"> <li>(a) a Severity Level 1 Error for which the State has received, within the Resolution time for Severity Level 1 Errors, a work-around that the State has accepted in writing; or</li> <li>(b) an Error, other than a Severity Level 1 Error, that affects operations of the State's business or marketability of its service or product.</li> </ul>	<p><b>Level 1 Response:</b> Contractor shall acknowledge receipt of a Support Request or, where applicable, the State's written acceptance of a Severity Level 1 Error work-around, within two (2) hours.</p> <p><b>Level 2 Response:</b> Contractor shall, within one (1) Business Day after the Level 1 Response time has elapsed, provide:</p> <ul style="list-style-type: none"> <li>(a) an emergency Software fix or work-around; or</li> <li>(b) temporary Software release or update release, that allows the State to continue to use all functions of the Software in all material respects.</li> </ul>	<p>Contractor shall Resolve the Support Request as soon as practicable and no later than one (1) Business Day after Contractor's receipt of the Support Request or, where applicable, the State's written acceptance of a Severity Level 1 Error work-around.</p>
	<b>Minor Error:</b>	<b>Level 1 Response:</b>	Contractor shall Resolve



	<p>An isolated or minor Error in the Software that meets each of the following requirements:                  (a) does not significantly affect Software functionality;                  (b) can or does impair or disable only certain non-essential Software functions;                  (c) does not materially affect the State's use of the Software; and                  (d) has no or no more than a minuscule effect on the operations of the State's business or marketability of its service or product.</p>	<p>Contractor shall acknowledge receipt of the Support Request within four (4) hours.</p>	<p>the Support Request as soon as practicable and no later than five (5) Business Days after Contractor's receipt of the Support Request.</p>
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All new releases and bug fixes (collectively referred to as “Changes”) for any software deliverable developed or published by Contractor and generally available to its other customers at no additional charge will be provided to the State at no additional charge.

Deliverables

- Maintenance of the COTS Solution
- Support
  - Help Desk
  - Technical
    - a. All maintenance is performed by qualified personnel familiar with the software.
    - b. Remote diagnostic capabilities are provided.
    - c. Maintenance is available on an annually renewable contract.
    - d. The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.
    - e. Help desk support during normal operating hours which is Monday thru Friday from 9:00 a.m. until 6:00 p.m. Eastern Standard Time (EST).
    - f. Calls for service will be returned within 2 hours or immediately the following day if after 6:00 p.m. EST.
    - g. The State will be provided with information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software.
    - h. Support is provided for superseded releases and back releases still in use by the State.
    - i. For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any Software provided with the deliverables, commencing upon installation of the deliverables or delivery of the Software:
      1. **Error Correction.** Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
      2. **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
      3. **Updates.** All new releases and bug fixes (collectively referred to as “Changes”) for any software deliverable developed or published by Contractor and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.



## Acceptance Criteria

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

The Contractor's help desk is staffed with qualified personnel familiar/knowledgeable of the software. Support is available Monday through Friday 9:00am to 6:00pm EST.

### 1.200 Roles and Responsibilities

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

##### A. Contractor Staff

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

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

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

##### 1. Additional Security and Background Check Requirements:

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

In addition, proposed Contractor personnel 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.

#### 1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The following personnel have been identified by the State as dedicated to the project:

##### State Project Manager- (DTMB)

DTMB will provide a Project Manager who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

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

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



Name	Agency/Division	Title
Amy Dinstbier	DTMB	Project Manager
Alistair Ritchie	Treasury	Project Manager/Coordinator

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

Name	Agency/Division	Title
Barb Suska	DTMB	IT Buyer

**1.203 OTHER ROLES AND RESPONSIBILITIES - RESERVED**

**1.300 Project Plan – RESERVED**

**1.400 Project Management**

**1.401 ISSUE MANAGEMENT**

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

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

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

Issues shall be escalated as mutually agreed in the Project Plan or as follows.

- Level 1 – Business leads
- Level 2 – Project Managers
- Level 3 – Executive Subject Matter Experts (SME's)

**1.402 RISK MANAGEMENT**

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

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

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the contract. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have



agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as mutually agreed upon.

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

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

### **1.403 CHANGE MANAGEMENT**

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

All changes must be submitted to and approved by the DTMB Project Manager and Treasury Project Coordinator.

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

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

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

### **1.500 Acceptance**

#### **1.501 CRITERIA**

Software is delivered, installed and operational per Section 1.104 A. The following criteria will be used by the State to determine Acceptance of the deliverables provided under this contract:

#### **Document Deliverables**

1. Draft documents are not accepted as final deliverables.
2. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Attachments.
3. DTMB will review documents within a mutually agreed upon timeframe.
  - a. Approvals will be written and signed by DTMB PM.
  - b. Issues will be documented and submitted to the Contractor.
  - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.

#### **Software Deliverables**



Software includes, but is not limited to, software product, support tools, and installation software.

1. Beta software is not accepted as the final deliverable.
2. The software will be reviewed and accepted in accordance with the requirements of the contract.
3. DTMB will review software within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
  - a. Approvals will be written and signed by DTMB PM.
  - b. After testing issues are resolved or waived, the Contractor will resubmit software for approval within thirty (30) days of receipt.
4. Software is installed and configured, with assistance from DTMB, in an appropriate environment (e.g. testing, Quality Assurance, production).
5. Contingency plans, de- installation procedures, and software are provided by the Contractor and approved by DTMB PM.
6. Final acceptance of the software will depend on the successful completion of User Acceptance Testing (UAT).
7. Testing will demonstrate the system's compliance with the requirements of the contract. At a minimum, the testing will confirm the following:
  - a. Functional - the capabilities of the system with respect to the functions and features described in the contract.
  - b. Performance - the ability of the system to perform the workload throughput requirements. All problems should be completed satisfactorily within the allotted time frame.
8. DTMB and Treasury will review test software, data, and results within a mutually agreed upon timeframe.
  - a. Approvals will be written and signed by DTMB PM.
  - b. Unacceptable issues will be documented and submitted to the Contractor.
  - c. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 30 days of receipt.
9. DTMB will review software license agreements within a mutually agreed upon timeframe.
  - a. Approvals will be written and signed by DTMB PM.
  - b. Unacceptable issues will be documented and submitted to the Contractor.
  - c. After issues are resolved or waived, the Contractor will resubmit the license agreement for approval and final signature by the authorized State signatory within 30 days of receipt

## **1.502 FINAL ACCEPTANCE**

("Final Acceptance") shall be considered to occur when one of the following occur: 1) the software Deliverable to be delivered has been approved by the State in writing, 2) the software has been used in production, or 3) fourteen (14) days have passed since the commencement of testing without notice of deficiencies; as well as all end users, system and technical users have been trained and provided training manuals and documentation in both a written and electronic format.

## **1.600 Compensation and Payment**

### **1.601 COMPENSATION AND PAYMENT**

#### **Method of Payment**

The project will be paid on firm fixed price basis, including maintenance and support costs. The Costs Tables attached, **Attachment A – Cost Tables**

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

The Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract. .



Extended purchasing program volume requirements are not included, unless stated otherwise.

### Statements of Work and Issuance of Purchase Orders

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

### Invoicing

Contractor will submit properly itemized invoices to

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

[DTMB-Accounts-Payable@michigan.gov](mailto:DTMB-Accounts-Payable@michigan.gov)

- 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.



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

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



## **Article 2, Terms and Conditions**

### **2.000 Contract Structure and Term**

#### **2.001 CONTRACT TERM**

This Contract is for a period of **three (3)** years beginning (8/26/14) through (8/25/17). All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

#### **2.002 OPTIONS TO RENEW**

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to **two (2)** additional 1 year periods.

#### **2.003 LEGAL EFFECT**

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

Except as otherwise agreed in writing by the parties, the State shall not be liable for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract or Change Order has been approved by the State Administrative Board (if required), signed by all the parties and a Purchase Order against the Contract has been issued.

#### **2.004 ATTACHMENTS & EXHIBITS**

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

#### **2.005 ORDERING**

The State must issue an approved written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown; however, the Contractor will be required to furnish all such materials and services as may be ordered during the Contract period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

#### **2.006 ORDER OF PRECEDENCE**

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

In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work shall take precedence (as to that Statement of Work only), provided, however, that a



Statement of Work may not modify or amend the terms of the Contract. The Contract may be modified or amended only by a formal 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, Procurement and Michigan Department of Treasury (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DTMB-Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The DTMB-Procurement Buyer for this Contract is:

Barbara Suska, Buyer  
Procurement  
Department of Technology, Management and Budget  
Constitution Hall, 1<sup>st</sup> Floor NE  
PO Box 30026  
Lansing, MI 48909  
[Suskab2@michigan.gov](mailto:Suskab2@michigan.gov)  
517-284-7026



## 2.022 CONTRACT COMPLIANCE INSPECTOR

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

Amy Dinstbier  
Michigan Department of Technology, Management and Budget  
7285 Parsons Drive Dimondale, MI 48821  
[dinstbiera@michigan.gov](mailto:dinstbiera@michigan.gov)  
517-636-5046

## 2.023 PROJECT MANAGER

The following individual will oversee the project:

Amy Dinstbier  
Michigan Department of Technology, Management and Budget  
7285 Parsons Drive Dimondale, MI 48821  
[dinstbiera@michigan.gov](mailto:dinstbiera@michigan.gov)  
517-636-5046

## 2.024 CHANGE REQUESTS

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

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

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

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



- (1) Change Request at State Request  
If the State requires Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").
- (2) Contractor Recommendation for Change Requests:  
Contractor shall be entitled to propose a Change to the State, on its own initiative, should Contractor believe the proposed Change would benefit the Contract.
- (3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal shall include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
- (4) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this **Contract, describing the Change and its effects on the Services and any affected components of this Contract** (a "Contract Change Notice").
- (5) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Procurement.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

## 2.025 NOTICES

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

State:

State of Michigan  
DTMB-Procurement  
Attention: Barb Suska  
PO Box 30026  
525 West Allegan  
Lansing, Michigan 48909

Vendor:

SS&C Technologies, Inc.  
80 Lamberton Road  
Windsor, CT 06095  
Attn: Legal Department:



Fax: 860-298-4969  
Phone: 860-298-4832

**With a copy to:**

SS&C Technologies, Inc.  
675 Third Avenue  
14<sup>th</sup> Floor  
New York, New York 10017  
Attn: Mr. Richard Shalowitz  
Sr. Vice President – SS&C Technologies, Inc.  
Managing Director – Real Estate, DBC, Zoologic  
Fax: 212-319-7690  
Phone: 646-213-7103  
E-mail: [rshalowi@sscinc.com](mailto:rshalowi@sscinc.com)

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

## **2.026 BINDING COMMITMENTS**

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

## **2.027 RELATIONSHIP OF THE PARTIES**

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

## **2.028 COVENANT OF GOOD FAITH**

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

## **2.029 ASSIGNMENTS**

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

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

If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also



must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

### **2.030 General Provisions**

#### **2.031 ADMINISTRATIVE FEE AND REPORTING**

The Contractor must remit an administrative fee of 1 % on all payments remitted to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales.

Itemized purchasing activity reports should be mailed to DTMB-Procurement and the administrative fee payments shall be made by check payable to the State of Michigan and mailed to:

The Department of Technology, Management and Budget  
Financial Services – Cashier Unit  
Lewis Cass Building  
320 South Walnut St.  
P.O. Box 30681  
Lansing, MI 48909

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each quarter.

#### **2.032 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.

#### **2.033 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.

#### **2.034 PERMITS**

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

#### **2.035 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.

#### **2.036 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.

### **2.037 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").

### **2.038 DISASTER RECOVERY**

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

## **2.040 Financial Provisions**

### **2.041 FIXED PRICES FOR SERVICES/DELIVERABLES**

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

### **2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES**

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

### **2.043 SERVICES/DELIVERABLES COVERED**

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

### **2.044 INVOICING AND PAYMENT – IN GENERAL**

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.600**.
- (c) Correct invoices shall be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d1) All invoices should reflect actual work done. Specific details of invoices and payments shall be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Procurement, Department of



Technology, Management and Budget. This activity shall occur only upon the specific written direction from DTMB-Procurement.

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

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

#### **2.045 PRO-RATION**

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

#### **2.046 ANTITRUST ASSIGNMENT**

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

#### **2.047 FINAL PAYMENT**

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

#### **2.048 ELECTRONIC PAYMENT REQUIREMENT**

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

### **2.050 Taxes**

#### **2.051 EMPLOYMENT TAXES**

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

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

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



means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

## **2.060 Contract Management**

### **2.061 CONTRACTOR PERSONNEL QUALIFICATIONS**

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

### **2.062 CONTRACTOR KEY PERSONNEL**

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State shall provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

### **2.063 RE-ASSIGNMENT OF PERSONNEL AT THE STATE'S REQUEST**

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If



any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service shall not be counted for a time as agreed to by the parties.

#### **2.064 CONTRACTOR PERSONNEL LOCATION**

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

#### **2.065 CONTRACTOR IDENTIFICATION**

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

#### **2.066 COOPERATION WITH THIRD PARTIES**

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor shall provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and shall not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

#### **2.067 CONTRACT MANAGEMENT RESPONSIBILITIES**

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

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

#### **2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES**

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

#### **2.070 Subcontracting by Contractor**

#### **2.071 CONTRACTOR FULL RESPONSIBILITY**



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

#### **2.072 STATE CONSENT TO DELEGATION**

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

#### **2.073 SUBCONTRACTOR BOUND TO CONTRACT**

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

#### **2.074 FLOW DOWN**

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

#### **2.075 COMPETITIVE SELECTION**

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

#### **2.080 State Responsibilities**

#### **2.081 EQUIPMENT**

The State shall provide only the equipment and resources identified in the Statement 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 shall have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it shall not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

## **2.090 Security**

### **2.091 BACKGROUND CHECKS**

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



## **2.100 Confidentiality**

### **2.101 CONFIDENTIALITY**

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

### **2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION**

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

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. Provided that any party may retain (i) one (1) copy of the Confidential Information it deems necessary to comply with any obligations under all applicable law and (ii) any Confidential Information it believes cannot reasonably be destroyed (such as oral communications reflecting Confidential Information, firm electronic mail back-up records, back-up server tapes and any similar such automated record-keeping or other retention systems), which shall remain in perpetuity subject to the confidentiality terms of this Contract.

### **2.103 PCI DATA SECURITY STANDARD - RESERVED**

### **2.104 EXCLUSIONS**

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



the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

### **2.105 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.

### **2.106 SECURITY BREACH NOTIFICATION**

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State shall cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 72 hours of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

### **2.107 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, at reasonable times and with 10 days prior notice, have the right to enter the Contractor's premises or any other places where work is being performed in relation to this Contract. The representatives may inspect, monitor, or evaluate the work being performed, to the extent the access will not reasonably interfere with or jeopardize the safety or operation of Contractor's systems or facilities. The Contractor must provide reasonable assistance for the State's representatives during inspections.

### **2.112 RETENTION OF RECORDS**

(a) The Contractor must retain all financial and accounting records related to this Contract for a period of 7 years after the Contractor performs any work under this Contract (Audit Period).

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records 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.

### **2.113 EXAMINATION OF RECORDS**

(a) The State, upon 10 days notice to the Contractor, may examine and copy any of the Contractor's records that relate to this Contract any time during the Audit Period. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Contract

(b) In addition to the rights conferred upon the State in paragraph (a) of this section and in accordance with MCL 18.1470, DTMB or its designee may audit the Contractor to verify compliance with the Contract. The financial and accounting records associated with the Contract shall be made available to DTMB or its designee and the auditor general, upon request, during the term of the Contract and any extension of the Contract and for 3 years after the later of the expiration date or final payment under the Contract.



## 2.114 AUDIT RESOLUTION

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

## 2.115 ERRORS

(a) If an audit reveals any financial errors in the records provided to the State, the amount in error must be reflected as a credit or debit on the next invoice and subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried forward for more than four invoices or beyond the termination of the Contract. If a balance remains after four invoices, the remaining amount will be due as a payment or refund within 45 days of the last invoice on which the balance appeared or upon termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, if the difference between the State's actual payment and the correct invoice amount, as determined by an audit, is greater than 10%, the Contractor must pay all reasonable audit costs.

## 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) 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.
- (d) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (e) It is qualified and registered to transact business in all locations where required.
- (f) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (g) 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.
- (h) 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.



- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) 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 SOFTWARE WARRANTIES AND REPRESENTATIONS**

- (a) Contractor has, and will have under any future purchases under this Contract, the unconditional and irrevocable right, power and authority, including all permits and licenses required, to provide the Deliverables and grant and perform all rights and licenses granted or required to be granted by it under this Contract; None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (b) neither Contractor's grant of the rights or licenses hereunder nor its provision of any Deliverables, or services, or other obligations under this Agreement does or at any time will: (i) conflict with or violate any applicable Law, including any Law relating to data privacy, data security or personal information; (ii) require the consent, approval or authorization of any governmental or regulatory authority or other third party; or (iii) require the provision of any payment or other consideration by the State or any Authorized User to any third party, and Contractor shall promptly notify the State in writing if it becomes aware of any change in any applicable Law that would preclude Contractor's performance of its material obligations hereunder;
- (c) there is no settled, pending or, to Contractor's knowledge as of the effective date, threatened action, and it has not received any written, oral or other notice of any action (including in the form of any offer to obtain a license): (i) alleging that any access to or use of the Deliverables does or would infringe, misappropriate or otherwise violate any Intellectual Property Right of any third party; (ii) challenging Contractor's ownership of, or right to use or license, any software or other materials used or required to be used in connection with the delivery, use or receipt of the Deliverables, or alleging any adverse right, title or interest with respect thereto; or (iii) that, if decided unfavorably to Contractor, would reasonably be expected to have an actual or potential adverse effect on its ability to provide the Deliverables or its other obligations under this Contract, and it has no knowledge after reasonable investigation of any factual, legal or other reasonable basis for any such litigation, claim or proceeding;



- (d) the Deliverables will in all material respects conform to and perform in accordance with the Statement of Work and all requirements of this Contract.
- (e) the Deliverables are delivered free of any harmful code and shall remain free of harmful code to the extent that Contractor is responsible for continued maintenance or support;
- (f) During the term of this Contract, any audit rights contained in any third-party software license agreement or end user license agreement for third-party software incorporated in or otherwise used in conjunction with the Deliverables, will apply solely to Contractor's (or its subcontractors) facilities and systems and regardless of anything to the contrary contained in any third-party software license agreement or end user license agreement, third-party software providers will have no audit rights whatsoever against State systems or networks; and,
- (g) Contractor acknowledges that the State cannot indemnify any third parties, including but not limited to any third-party software providers that provide software that will be incorporated in or otherwise used in conjunction with the Deliverables, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user license agreement, the State will not indemnify any third party software provider for any reason whatsoever.

### **2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE - RESERVED**

### **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 RESERVED**

### **2.126 RESERVED**

### **2.127 PROHIBITED PRODUCTS**

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

### **2.128 CONSEQUENCES FOR BREACH**

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

## **2.130 Insurance**

### **2.13.1 LIABILITY INSURANCE**

For the purpose of this Section, "State" includes its departments, divisions, agencies, offices, commissions, officers, employees, and agents.

(a) The Contractor must provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that may arise out of, or result from, or are alleged to arise out of, or result from, the Contractor's or a Subcontractor's performance, including any person directly or indirectly employed by the Contractor or a Subcontractor, or any person for whose acts the Contractor or a Subcontractor may be liable.



(b) The Contractor waives all rights against the State for the recovery of damages that are covered by the insurance policies the Contractor is required to maintain under this Section. The Contractor's failure to obtain and maintain the required insurance will not limit this waiver.

(c) All insurance coverage provided relative to this Contract is primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State.

(d) The State, in its sole discretion, may approve the use of a fully-funded self-insurance program in place of any specified insurance identified in this Section.

(e) Unless the State approves otherwise, any insurer must have an A.M. Best rating of "A" or better and a financial size of VII or better, or if those ratings are not available, a comparable rating from an insurance rating agency approved by the State. All policies of insurance must be issued by companies that have been approved to do business in the State.

(f) Where specific coverage limits are listed in this Section, they represent the minimum acceptable limits. If the Contractor's policy contains higher limits, the State is entitled to coverage to the extent of the higher limits.

(g) The Contractor must maintain all required insurance coverage throughout the term of this Contract and any extensions. However, in the case of claims-made Commercial General Liability policies, the Contractor must secure tail coverage for at least three (3) years following the termination of this Contract.

(h) The Contractor must provide, within five (5) business days, written notice to the Director of DTMB-Procurement if any policy required under this section is cancelled. The notice must include the applicable Contract or Purchase Order number.

(i) The minimum limits of coverage specified are not intended, and may not be construed, to limit any liability or indemnity of the Contractor to any indemnified party or other persons.

(j) The Contractor is responsible for the payment of all deductibles.

(k) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days' 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 require the Contractor to pay that cost upon demand.

(l) 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 Michigan Attorney General.

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

**(i) Commercial General Liability**

Minimal Limits:

- \$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, and
- \$1,000,000 Each Occurrence Limit.

Deductible maximum:

\$50,000 Each Occurrence

Additional Requirements:

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

*(Buyer may add this language if the contractor is with a distributor.)*



The Products/Completed Operations sublimit requirement may be satisfied by evidence of the manufacturer's Commercial General Liability Insurance. The manufacturer 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 and must provide evidence that the policy contains a waiver of subrogation by the insurance company.

**(ii) Umbrella or Excess Liability**

Minimal Limits:

\$10,000,000.00 General Aggregate

Additional Requirements:

Umbrella or Excess Liability limits must at least apply to the insurance required in (i), General Commercial Liability. The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

**(iii) Motor Vehicle**

Minimal Limits:

If a motor vehicle is used in relation to the Contractor's performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.

**(iv) Hired and Non-Owned Motor Vehicle Coverage**

Minimal Limits:

\$1,000,000 Per Incident

Additional Requirements:

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

**(v) Workers' Compensation**

Minimal Limits:

The Contractor must provide Workers' Compensation coverage according to applicable laws governing work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile.

For employees working outside of the state of the Contractor's domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Additional Requirements:

The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

**(vi) Employers Liability**

Minimal Limits:

\$100,000 Each Incident



\$100,000 Each Employee by Disease  
\$500,000 Aggregate Disease

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

**(vii) Employee Fidelity (Crime)**

Minimal Limits:

\$1,000,000 Employee Theft Per Loss

Deductible Maximum:

\$50,000 Per Loss



Additional Requirements:

Insurance must cover Forgery and Alteration, Theft of Money and Securities, Robbery and Safe Burglary, Computer Fraud, Funds Transfer Fraud, Money Order and Counterfeit Currency.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as Loss Payees on the certificate.

**(viii) Professional Liability (Errors and Omissions)**

Minimal Limits:

- \$3,000,000 Each Occurrence
- \$3,000,000 Annual Aggregate

Deductible Maximum:

\$50,000 Per Loss

**(ix) Cyber Liability**

Minimal Limits:

- \$1,000,000 Each Occurrence
- \$1,000,000 Annual Aggregate

Additional Requirements:

Insurance should cover (a) unauthorized acquisition, access, use, physical taking, identity theft, mysterious disappearance, release, distribution or disclosures of personal and corporate information; (b) transmitting or receiving malicious code via the insured's computer system; (c) denial of service attacks or the inability to access websites or computer systems.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

**(x) Property Insurance**

Property Insurance covering any loss or damage to the State-owned office space used by Contractor for any reason under this Contract, and the State-owned 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 State must be endorsed on the policy as a loss payee as its interests appear.

**2.13.2 SUBCONTRACTOR INSURANCE COVERAGE**

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any Subcontractor to purchase and maintain the insurance coverage required in Section 2.13.1, Liability Insurance. Alternatively, the Contractor may include a Subcontractor under the Contractor's insurance on the coverage required in that Section. The failure of a Subcontractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

**2.13.3 CERTIFICATES OF INSURANCE**

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 of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents are listed as additional insureds as required. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying



insurance coverage or providing, if approved, satisfactory evidence of self-insurance as required in Section 2.13.1, Liability Insurance. Each certificate must be on the standard "Accord" form or equivalent and MUST IDENTIFY THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER.

## **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, willful misconduct or fraud 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.

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



State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.



## **2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS**

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

## **2.146 INDEMNIFICATION PROCEDURES**

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

- (a) After the State receives notice of the action or proceeding involving a claim for which it shall seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim; and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

## **2.150 Termination/Cancellation**

## **2.151 NOTICE AND RIGHT TO CURE**

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



## 2.152 TERMINATION FOR CAUSE

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State 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

Provided that the Deliverables have been accepted and the license fee has been paid in full, 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. Services and related provisions of this Contract that are terminated for convenience must cease on the effective date of the termination.

## 2.154 TERMINATION FOR NON-APPROPRIATION

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).
- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract shall be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section shall not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction,



any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

### **2.155 TERMINATION FOR CRIMINAL CONVICTION**

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

### **2.156 TERMINATION FOR APPROVALS RESCINDED - RESERVED**

### **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, and (d) 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 shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 90 days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

### **2.172 CONTRACTOR PERSONNEL TRANSITION**

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

### **2.173 CONTRACTOR INFORMATION TRANSITION**

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

### **2.174 CONTRACTOR SOFTWARE TRANSITION**

The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

### **2.175 TRANSITION PAYMENTS**

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

### **2.176 STATE TRANSITION RESPONSIBILITIES**

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

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

### **2.180 Stop Work**



## **2.181 STOP WORK ORDERS**

The State may, at any time, by written Stop Work Order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order must be identified as a Stop Work Order and must indicate that it is issued under this **Section**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the Stop Work Order as provided in **Section 2.182**.

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

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

## **2.183 ALLOWANCE OF CONTRACTOR COSTS**

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

## **2.190 Dispute Resolution**

### **2.191 IN GENERAL**

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

### **2.192 INFORMAL DISPUTE RESOLUTION**

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

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



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

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

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

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

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

### **2.193 INJUNCTIVE RELIEF**

A claim between the State and the Contractor is not subject to the provisions of Section 2.192, Informal Dispute Resolution, where a party makes a good faith determination that a breach of the Contract by the other party will result in damages so immediate, so large or severe, and so incapable of adequate redress that a temporary restraining order or other 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 shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

### **2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**



In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

#### **2.204 PREVAILING WAGE**

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

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

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

#### **2.210 Governing Law**

##### **2.211 GOVERNING LAW**

The Contract shall in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

##### **2.212 COMPLIANCE WITH LAWS**

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

##### **2.213 JURISDICTION**

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

#### **2.220 Limitation of Liability**

##### **2.221 LIMITATION OF LIABILITY**

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 attorneys' fees awarded by a court in addition to damages after litigation based on this Contract.

### **2.230 Disclosure Responsibilities**

#### **2.231 DISCLOSURE OF LITIGATION**

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

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

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
  - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
  - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor shall make the following notifications in writing:
  - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.
  - (2) Contractor shall also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
  - (3) Contractor shall also notify DTMB-Procurement within 30 days whenever changes to company affiliations occur.

#### **2.232 CALL CENTER DISCLOSURE**

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

#### **2.233 BANKRUPTCY**



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

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

## **2.240 Performance**

### **2.241 TIME OF PERFORMANCE**

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

### **2.242 SERVICE LEVEL AGREEMENT (SLA)**

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



- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

### **2.243 LIQUIDATED DAMAGES**

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.152**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

#### **Unauthorized Removal of any Key Personnel**

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

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is \$25,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed \$50,000.00 per individual.

### **2.244 EXCUSABLE FAILURE**

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

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



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

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

## **2.250 Approval of Deliverables**

### **2.251 DELIVERY OF DELIVERABLES**

Before delivering a Deliverable to the State, Contractor shall ensure to the State that (1) it has performed quality assurance activities, (2) it has performed any necessary pre-testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and pre-testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable has all critical security patches/updates applied.

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

All 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 the COTS Solution and Enhancements, will include the successful completion of State User Acceptance Testing, to be led by the State with the support and assistance of Contractor.

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 Section 2.251.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of the COTS Solution and Enhancements, 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).

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.

#### **2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES**

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

#### **2.255 PROCESS FOR APPROVAL OF COTS SOLUTION AND ENHANCEMENTS**

The State will conduct UAT of each software Deliverable (including but not limited to the COTS Solution and any Enhancements) 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.

For each software Deliverable, the State Review Period for conducting UAT will commence within three (3) days of delivery. The State Review Period for each software Deliverable will begin when Contractor has



delivered the software Deliverable to the State accompanied by the certification required by Section 2.251 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 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 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 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. The State shall have fourteen (14) days from commencement of testing to notify Contractor of any deficiencies. If no notice is given, the Deliverables shall be deemed accepted.

## **2.256 FINAL ACCEPTANCE**

"Final Acceptance" shall be considered to occur when one of the following occur: 1) the software Deliverable to be delivered has been approved by the State in writing, 2) the software has been used in production, or 3) fourteen (14) days have passed since the commencement of testing without notice of deficiencies.

### **2.260 Ownership**

#### **2.261 OWNERSHIP OF WORK PRODUCT BY STATE - RESERVED**

All Enhancements shall be owned by Contractor.

#### **2.262 VESTING OF RIGHTS - RESERVED**

#### **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.

#### **2.264 OWNERSHIP OF MATERIALS**

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

### **2.270 State Standards**

#### **2.271 EXISTING TECHNOLOGY STANDARDS**

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dmb/0,4568,7-150-56355-108233--,00.html>.



## 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://michigan.gov/cybersecurity/0,1607,7-217-34395\\_34476---,00.html](http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html). 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.

## 2.274 ELECTRONIC RECEIPT PROCESSING STANDARD

All electronic commerce applications that allow for electronic receipt of credit/debit card and electronic check (ACH) transactions must be processed via the Centralized Electronic Payment Authorization System (CEPAS).

### 2.280 Extended Purchasing Program

#### 2.281 EXTENDED PURCHASING PROGRAM

The Contract will be extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at [www.michigan.gov/mideal](http://www.michigan.gov/mideal). Upon mutual written agreement between the State of Michigan and the Contractor, this Contract may be extended to (a) State of Michigan employees, or (b) other states (including governmental subdivisions and authorized entities).

If extended, the Contractor must supply all goods and services at the established Agreement prices and terms. The State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

The Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

### 2.290 Environmental Provision

#### 2.291 ENVIRONMENTAL PROVISION

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

**Environmental Purchasing Policy:** The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such



products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

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

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

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

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

**Environmental Performance:** Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's



programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

### **2.300 Deliverables**

#### **2.301 SOFTWARE**

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

#### **2.302 HARDWARE**

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

### **2.310 Software Warranties**



### **2.311 PERFORMANCE WARRANTY**

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

### **2.312 NO SURREPTITIOUS CODE WARRANTY**

The Contractor represents and warrants that the COTS Solution and any Enhancements provided to the State do not contain or will not contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the “No Surreptitious Code Warranty.”

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

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

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

### **2.313 THIRD-PARTY MATERIALS WARRANTY**

Contractor warrants that it will not include in the COTS Solution or Enhancements, and operation of the COTS Solution and Enhancements will not require, any Third-Party Materials, unless specifically approved in writing by the State.

### **2.314 OPEN SOURCE COMPENET WARRANTY**

Contractor warrants that it will not include in the COTS Solution or Enhancements, and operation of the COTS Solution and Enhancements will not require, any Open Source Components, unless specifically approved in writing by the State.

### **2.315 PHYSICAL MEDIA WARRANTY**

Contractor represents and warrants that each licensed copy of the COTS Solution provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor’s expense (including shipping and handling).

## **2.320 Software Licensing**

### **2.321 LICENSE GRANT**



**2.321.1 License Grant.** Contractor hereby grants to the State the right and license to use the COTS Solution and Documentation throughout the universe for the Permitted Use in accordance with the terms and conditions of this Contract. The rights and licenses hereby granted are non-exclusive, fully paid up, royalty-free, perpetual, and irrevocable. For purposes of this Section, "Permitted Use" means use of the COTS Solution and Documentation by the State for the purposes set forth in Article 1 of this Contract.

**2.321.2 Licensed Access and Use.** Pursuant to the license granted under Section 2.321.1 and in accordance with the terms and conditions thereof, the State has the right and license to do each of the following for or in connection with the Permitted Use:

- (a) install, execute and run copies of the COTS Solution on the State's computer network for use by authorized end users in accordance with Article 1;
- (b) have authorized end users access and use the COTS Solution by any means whatsoever, including via the internet or any WAN, LAN or VPN, from any other device;
- (c) generate print, copy, download and store all State Data and other data, information and content, including all GUI, audio, visual or digital and other displays and output, as may result from any execution or other use of the COTS Solution;
- (d) use the COTS Solution in object code form only,
- (e) prepare and use a reasonable number of copies of the COTS Solution and Documentation for the Permitted Use, including for purposes of:
  - operation with other software or systems;
  - (i) hardware or system maintenance or repair;
  - (ii) software, hardware or system testing;
  - (iii) disaster recovery; and
  - (iv) backup and archiving;
- (f) train end users in any and all uses of the COTS Solution and Documentation permitted hereunder; and
- (g) perform, and have end users perform, any other act, including the provision of any service, that is reasonably incidental to the operation of the COTS Solution for the Permitted Use in accordance with terms and conditions of this Contract.

**2.321.3 Use Restrictions.** Except as and to the extent expressly permitted, or as reasonably necessary to make any use of the COTS Solution permitted by Section 2.321.2 or elsewhere in this Contract, the State shall not, and shall not permit others to:

2.1 Reverse engineer, disassemble, decompile, decode or adapt the COTS Solution, or otherwise attempt to derive or gain access to the Source Code of the COTS Solution, in whole or in part, except as and only to the extent: (a) such action is taken for purposes of creating Enhancements to the COTS Solution (b) such action is taken for purposes of ensuring or assessing interoperability or; (c) with respect to Open-Source Components included in the COTS Solution, these acts are permitted under the applicable open-source license.

2.2 Rent, lease, lend, sell, sublicense, distribute, publish, transfer or otherwise make the COTS Solution available to any third party.

**2.330 Source Code Escrow - RESERVED**

**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**



**Glossary**

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
COTS Solution	The Commercial-of-the-Shelf software program provided by Contractor under this Contract, and any update, upgrade, release, or other adaptation or modification of the COTS Solution, including any updated Documentation, that Contractor may generally provide to its licensees from time to time, which may contain, among other things, error corrections, enhancements, improvements or other changes to the user interface, functionality, compatibility, capabilities, performance, efficiency or quality of the COTS Solution.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DTMB	Michigan Department of Technology, Management and Budget
Documentation	All user manuals, operating manuals, technical manuals and any other instructions, specifications, documents and materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support and technical and other components, features and requirements of the COTS Solution or Enhancements.
EA/EASA	Enterprise Architecture Solution Assessment
Enhancements	All modifications, corrections, repairs, translations, enhancements and other derivative works and improvements of the COTS Solution or Documentation made by Contractor pursuant to this Contract.
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
Intellectual Property Rights	All or any of the following, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world: (a) patents, patent disclosures and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (c) copyrights and copyrightable works (including computer programs), and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) other intellectual property rights.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a



Waste	manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services
Services	Any of the services Contractor is required to or otherwise does provide under this Contract or the Statement of Work, as more fully described in this Contract or such Statement of Work.
Source code	The human readable source code of the COTS Solution to which it relates, in the programming language in which the COTS Solution was written, together with all related flow charts and Documentation, including a description of the procedure for generating object code, all of a level sufficient to enable a programmer reasonably fluent in such programming language to understand, operate, support, maintain and develop modifications, upgrades, updates, enhancements, improvements and new versions of, and to develop computer programs compatible with, such COTS Solution.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
SPOC	Single Point of Contact
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
SUITE	State Unified Information Technology Environment
UAT	User acceptance testing
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



## Attachment A Treasury Debt Management Cost Tables

**Table 1: Summary of the Project Cost**

No.	Project Cost(s)	Cost (\$)	Cost (\$) OPTION YEARS	Comments
A.	<b>Software</b> Give breakdown in Table 2a	\$255,000.00	Not applicable	Three (3) concurrent licenses for DBC Debt Manager and Two (2) concurrent licenses for DBC Finance.
B.	<b>Software Installation</b> Give breakdown in Table 2b	FREE	Not applicable	
C.	<b>Training and Documentation</b> Give breakdown in Table 3	\$10,500.00	Not applicable	This includes three (3) days of training. One (1) day DBC Debt Manager and Two (2) days DBC Finance at \$3500.00 per day.
D.	<b>Maintenance and Support (help desk)</b> Give breakdown in Table 4	\$195,000.00	\$130,000.00	For both DBC Debt Manager and Debt Finance. Contract base years = \$195,000.00; OPTION Years 4 and 5 total \$130,000.00
	<b>TOTAL BASE YEARS/Contract Value</b>	<b>\$460,500.00</b>		
	<b>Total Project Cost includes BASE Years plus option years 4 and 5 for maintenance and support t</b>		<b>\$590,500.00</b>	<b>Tables 2a, 2b, 3, 4 Only</b>

**Table 2a: Breakdown of Software Licenses – COTS Software Costs - One Time Fee**

No.	Software license cost Product Name(s) and version	Concurrent User Cost FIRST	Concurrent User Cost SECOND	Concurrent User Cost THIRD	TOTALS
A.	DBC Debt Manager	\$98,000	\$42,500	\$29,000	\$169,500
	DBC Finance	\$48,500	\$37,000		\$85,500
				<b>GRAND TOTAL</b>	<b>\$ 255,000.00</b>

**Table 2b: Breakdown of Software Installation Assistance**

No.	Software Installation – One Time Cost	Hourly Rate	Comments
B.	COTS software package Via phone, email or remotely by VPN	FREE	Contractor will provide assistance via phone, email or remotely via VPN
	On Site	N/A	In the event the Contractor needs to come on-site the hourly rate should include al travel cost and expenses as the State will not reimburse for these costs.
	<b>Total Cost of Software Installation</b>	<b>FREE</b>	



**Table 3: Breakdown of Training and Documentation Cost**

No.	Training and Documentation – includes all training and documentation	Cost Per Day include any travel and expenses (\$)	Comments
C.	End User training and documentation	\$3,500.00	The State will provide the training room. Contractor has included all travel and expenses in their daily rate for training at a State facility located in Lansing, Michigan. Training costs are \$3,500.00 per day. One (1) day DBC Debt Manager and Two (2) days DBC Finance.
	System Administrator training and documentation	FREE	
	Technical training and documentation	FREE	
	<b>Total Training and Documentation Cost</b>	<b>\$10,500.00</b>	<b>(3 days x \$3,500 per day = \$10,500.00)</b>

**Table 4: Recurring Costs: Software Maintenance and Support**

No.	Cost Categories	DBC Debt Manager (3 concurrent licenses)	DBC Finance (2 concurrent licenses)	Comments
D.	<b>Software Maintenance and Support cost (including helpdesk (9:00 am – 6:00 PM EST))</b>			If option years 4 and 5 are utilized a contract change notice will need to be done to add funding and time. Payment is due annually.
	First Year	\$42,500.00	\$22,500.00	
	Second Year	\$42,500.00	\$22,500.00	
	Third Year	\$42,500.00	\$22,500.00	
	<b>OPTIONAL : Fourth Year</b>	\$42,500.00	\$22,500.00	
	<b>OPTIONAL: Fifth Year</b>	\$42,500.00	\$22,500.00	
	<b>Base 3 year costs</b>	<b>\$127,500.00</b>	<b>\$67,500.00</b>	
	<b>Total Software Maintenance and Support base years plus option years 4 and 5</b>	<b>\$212, 500.00</b>	<b>\$112,500.00</b>	



**Attachment B  
Debt Management  
General and Functional Requirements**

**Contractor: SS&C Technologies Inc.**

Items followed by (M) are considered mandatory.  
 Items followed by (A) are applied and recommended  
 Items followed by (O) are considered optional.

**The Contractor responded to each requirement by selecting one of the following choices and entered it in the column titled ‘Response’.**

**FS=Fully Supported**, means the function is currently available in the current product.

**PS=Partially Supported**, means the function is partially supported in the current product. Bidder is required to explain how the current product software meets the requirement in the **Vendor Comment** area next to the requirement.

**NS=Not Supported**, means the function is not currently supported, and the vendor does not intend to develop or implement this function.

#	Requirement	RFP	Response	Vendor Comment
<b>General Requirements</b>				
G6.01	The software must have a comprehensive report suite that includes standard reports and the ability to generate ad-hoc reports.	M	FS	
G6.02	The software must have the ability to export data into Microsoft Access and Excel.	M	FS	
G6.03	The software must have the ability to import data from Microsoft Excel and Access.	M	FS	For the initial data conversion of existing debt, DBC can import your data from a variety of sources including Excel and Access files.
G6.04	A contact management module would be preferable.	O	FS	
G6.05	The software must have an advanced search and query functionality.	M	FS	
<b>Debt Tracking Requirements</b>				
D7.01	The software must be able to establish and track debt at the program level and maturity level. The software must have drill down functionality by multiple levels of detail including: series, CUSIPs, agency, fiscal year, calendar year, and daily.	M	FS	
D7.02	The software must allow links between debt series, maturities, and programs. This may be either a many-to-one relationship or a one-to-one relationship.	M	FS	



D7.03	The software must be able to roll up all the program debt service schedules and compare to the applicable debt service schedule at the detail debt issuance level.	M	FS	
D7.04	The software must allow for determining the debt service for any fiscal year and for multiple fiscal years.	M	FS	
D7.05	The software must allow for debt service schedules to be broken into multiple programs, new money, refunding, tax exempt, taxable, and agency.	M	FS	
D7.06	The software must generate reports that facilitate the audit and reconcile all debt service payments.	M	FS	
D7.07	The software must allow for storing all bond types. Bond types include but are not limited to; fixed and variable rate bonds, auction rate bonds, housing bonds, CABS and notes.	M	FS	
<b>Refunding Requirements</b>				
R8.01	The software must be able to maintain historical data on debt that is refunded.	M	FS	
R8.02	The software must allow a maturity to be refunded by one or more refunding debt issues.	M	FS	
R8.03	The software must allow a maturity to be partially refunded.	M	FS	
R8.04	The software must be able to link the new debt service schedule back to the refunded debt service schedule at multiple levels (combined issuance and program detail).	M	FS	
R8.05	The software must also show the debt issue used to refund the outstanding debt.	M	FS	
R8.06	The software must be able to link the maturities of the refunded debt to the refunding debt; this may be either a many-to-one relationship or a one-to-one relationship.	M	FS	
<b>Arbitrage Requirements</b>				
A9.01	For each bond issued, the software should calculate spending exceptions allowed per IRS regulations.	O	NS	
A9.02	For each bond issued, the software should track and report the calculation/rebate dates required by IRS regulations.	O	NS	
A9.03	For each bond issued, the software should calculate the arbitrage yield.	O	FS	
A9.04	For each bond issued, the software should calculate and sum the future values of the cash receipt and disbursement of bond proceeds to a specified calculation date.	O	FS	
A9.05	The software should be able to import daily cash flows of bond funds extracted from the state accounting software to be used as source data for arbitrage calculations.	O	NS	



A9.06	The software should be able to characterize imported daily cash receipts of bond funds as bond proceeds or the issuance cost of a specific (taxable or tax-exempt) bond issue, or as other receipts and disbursements.	O	FS	
A9.07	The software should allow for the allocation of daily cash disbursements of bond funds to a specific bond issue or issues.	O	FS	
A9.08	For each bond issue, the software should calculate the balance of unspent bond proceeds as of any date specified.	O	FS	
A9.09	For each bond issue, the software should calculate the unspent balance of other (non-bond) receipts.	O	FS	This would be tracked the same way bonds proceeds are tracked.
A9.10	For each bond issue, the software should calculate and accrue daily interest on the balance of unspent bond proceeds based on a specified common cash interest rate. The accrued interest should be added to the balance of unspent bond proceeds on the 1st day of each calendar quarter.	O	FS	
A9.11	For refunding bonds, the software should be able to calculate transfer percentages for the purpose of transferring unspent proceeds from the refunded issue to the refunding issue.	O	FS	
A9.12	The software must be able to calculate annual credit (and the FV) for the specified annual cost of rebate calculations.	O	NS	DBC calculates present value and future value of cash flows that have been calculated by DBC, imported from other sources, or provided by the user. Information, required for rebate calculations, that is held in DBC can be saved to Excel or other formats to be processed externally.

**Reporting Requirements**

R11.01	The software must provide a set of standard reports at both the debt or project level, including but not limited to the following:	A	FS	
R11.01a	Debt (in thousands of dollars) by Program Type (School Bond Loan, Environmental Program, Recreation, Clean Michigan Initiative, Great Lakes Water Quality), Issue, Issue Date (calendar year), Listing of Range of Maturity Dates (by year of maturity), New Issue Principal (during the fiscal year), Refunded Principal (during the fiscal year), Refunded Interest (during the fiscal year), Principal Payments (during the fiscal year), Interest Payments (during the fiscal year), Outstanding Principal as of 9/30/XX. <b>(See Exhibit 1- Sample Report Formats, example ER11.01a)</b>	A	FS	
R11.01b	Advance Refunding (in thousands of dollars) by Program, by Series, from what Refunding Series, Original Par Refunded, Principal (paid from escrow during the fiscal year), Interest (paid from escrow during the fiscal year), Premium (paid from escrow during the fiscal year), Fiscal Year Ending Escrow Balance (by series)	A	FS	



R11.01c	Debt (in thousands of dollars) by Authority, by Program, New Issues (during the fiscal year), Principal Payments (during the fiscal year), Interest Payments (during the fiscal year), Outstanding Principal as of 9/30/XX. <b>(See Exhibit 1-Sample Report Formats, example ER11.01c)</b>	A	FS	
R11.01d	Program (in thousands of dollars) Principal and Interest Payments (by fiscal year ending 9/30/XX). <b>(See Exhibit 1-Sample Report Formats, example ER11.01d)</b>	A	FS	
R11.01e	Debt (in thousands of dollars) by Program Type, as of fiscal year ending 9/30/XX (for current fiscal year and previous four fiscal years). <b>(See Exhibit 1-Sample Report Formats, example ER11.01e)</b>	A	FS	
R11.01f	Debt (in thousands of dollars) by Program Type, by Issue, by Issue Date (calendar year), Listing of Range of Maturity Dates (by year of maturity), New Issue Principal (during the fiscal year), Refunded Principal (during the fiscal year), Refunded Interest (during the fiscal year), Principal Payments (during the fiscal year), Interest Payments (during the fiscal year), Outstanding Principal as of 9/30/XX. <b>(See Exhibit 1-Sample Report Formats, example ER11.01f)</b>	A	FS	
R11.01g	Debt Service Requirements by Program, by Issue, by Fiscal Year, by Principal, by Interest, and by Principal and Interest. <b>(See Exhibit 1-Sample Report Formats, example ER11.01g)</b>	A	FS	
R11.01h	Debt Service Outstanding by Program, by Issue, as of Fiscal Year Ending 9/30/XX, by Principal, by Interest, and by Principal and Interest. <b>(See Exhibit 1-Sample Report Formats, example ER11.01h)</b>	A	FS	
R11.01i	Debt Service by Due Date, by Issue, by Principal, by Interest, Total Paid by Issue Date, Escrow Payments. <b>(See Exhibit 1-Sample Report Formats, example ER11.01i)</b>	A	FS	
R11.01j	Existing Debt Service (dollars in thousands) by Program, by Fiscal Year Ending 9/30/XX, Principal Due (during fiscal year), Interest Due (during fiscal year), Annual Debt Service (Principal and Interest), Cumulative Debt Service (total every five years), Cumulative Percentage (total every five years). <b>(See Exhibit 1-Sample Report Formats, example ER11.01j)</b>	A	FS	
R11.01k	Principal of Bonds by Program, by Fiscal Year Ended 9/30/XX, by Bond Principal Issued (during the fiscal year), by Bond Principal Matured (during the fiscal year), Bond Principal Outstanding End of Period (fiscal year end 9/30/XX). <b>(See Exhibit 1-Sample Report Formats, example ER11.01k)</b>	A	FS	



R11.01l	Principal Outstanding (dollars in thousands), by Program, by Total Authorization, by Remaining Authorization, by Outstanding Principal Balance (as of fiscal year ending 9/30/XX). <b>(See Exhibit 1-Sample Report Formats, example ER11.01l)</b>	A	FS	
R11.01m	Bonded Indebtedness (dollars in thousands), by Type, Total Authorization (as of September 30, XXXX), Total Issued (as of September 30, XXXX), and Remaining Authorization (as of September 30, XXXX), by Principal (outstanding as of fiscal year end 9/30/XX and the previous four fiscal year ends). <b>(See Exhibit 1-Sample Report Formats, example ER11.01m)</b>	A	FS	



**Attachment C  
Debt Management  
Preliminary Enterprise Architecture Solution Assessment**

**Contact Info & Purpose (vendor version)**

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

**Vendor Version 2.6**

<b>Solution/Project Name</b>	<i>Debt Management RFP</i>
<b>RFP Name/Number</b>	<i>TBD</i>
<b>Date Submitted</b>	<i>TBD</i>
<b>Vendor Name</b>	<i>SS&amp;C Technologies, Inc.</i>
<b>Vendor City and State</b>	<i>New York, NY</i>
<b>Vendor Phone No.</b>	<i>646-213-7103</i>
<b>Vendor eMail</b>	<i>dbcsales@sscinc.com</i>

<b>A brief description of the proposed solution and business purpose/process.</b> <i>(please keep the description brief)</i>	<p><i>The State of Michigan (State), through the Department of Technology, Management and Budget (DTMB) in partnership with the Department of Treasury (Treasury) has issued this Request for Proposal (RFP) to solicit bids from qualified firms to acquire a Commercial Off the Shelf (COTS) Software solution for the issuance and management of the Debt process used by the Department of Treasury, Bureau of State and Authority Finance.</i></p> <p><i>This solution will assist the DTMB and Treasury in replacing Microsoft Excel and consolidating various databases and spreadsheets, used by the Michigan Department of Treasury, Bureau of State and Authority Finance. The State is looking for a COTS package that fulfills the requirements for issuance and debt service of bonds in a regulated and standard process.</i></p>
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<b>Additional description of the solution and business purpose.</b> <i>(please expand the row as much as needed)</i>	<p><i>DBC is proposing a COTS debt management system comprised of two programs – DBC Finance and DBC Debt Manager. DBC Finance handles sizing and structuring, refunding analysis and forecasting the impact of new issues. DBC Debt Manager manages all outstanding debt and produces a variety of debt service schedules as well as reporting on other information related to your bond issues. These products speak to each other, and data can be imported and exported between the two programs. Simply put, DBC Finance handles bond structuring needs pre-issuance and DBC Debt Manager manages all of an issuer’s outstanding debt post-issuance. The State will be able to directly import files from their investment bankers, as they all use DBC, into both DBC Debt Manager and DBC Finance.</i></p> <p><i>DBC Debt Manager is the industry standard debt management database application. It tracks critical information on outstanding debt from issuance through maturity. Information contained in the database includes data related to the initial bond issuance, such as maturity structure and underwriter information, plus rating changes, refunding status, and other essential data. DBC Debt Manager combines the bond math library of DBC Finance, the nation’s leading municipal finance software, with an industry standard database management platform. Issuers nationwide, including states, counties, cities, housing agencies, and authorities, rely upon DBC Debt Manager to manage their debt. DBC Debt Manager is the only product that can import/export data from/to DBC Finance, and the State will be able to directly import files from their investment bankers into DBC Debt Manager.</i></p> <p><i>Our proposal also includes user support and program updates. All DBC products are backed by our outstanding support team. The DBC support technicians are industry experts in municipal bond structuring with an average of 20 years in the business. They explain arbitrage regulations, Treasury department rules, MSRB rules and industry conventions to DBC clients. They inform clients about what assumptions in</i></p>
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*their model makes it possible to satisfy all their financial objectives. The DBC staff will provide the State with the most comprehensive development, consulting and support team in the municipal finance field.*

*The following is information from our standard product brochures:*

*DBC Debt Manager tracks critical information on outstanding debt from issuance through maturity. It combines the entire bond math library of DBC Finance, the nation's leading municipal finance software, with an industry standard database management platform. DBC Debt Manager is relied upon by states, counties, cities, housing agencies, and authorities to manage their debt.*

*Key Benefits*

- *One repository for all critical bond information.*
- *Reliable and stable – The tested, proven bond math library that has been used extensively in bond structuring by all of the top investment banking firms since 1992, is paired with a stable database platform.*
- *Professional support staff provides excellent ongoing user and technical assistance.*

*Key Features*

- *Program designed to support your unique debt profile.*
- *Dozens of standard reports to meet all requirements for payment reconciliation, budget forecasting and accounting.*
- *General ledger interface eliminates redundant data entry and reduces errors.*
- *On-site training is provided. User-friendly interface is easy to learn.*
- *Database security permissions have multiple levels to ensure only authorized use.*

*Debt Tracking*

- *Store all bond types in the database, including fixed and variable rate bonds, auction rate bonds, housing bonds, CABS and notes.*
- *Forecast debt service for any fiscal year basis, using any "as of" start date.*
- *Manage multiple issuers, capital programs and bond issues in a single database.*
- *Outstanding debt service reports are automatically updated to reflect refunding changes made to the database.*
- *Track legislative bond authorizations including 'authorized but unissued' amounts.*
- *Maintain a complete history of refunded bonds.*
- *Report call and refunding status by maturity*

*Project Funding*

- *User-defined hierarchy of unique program definitions is designed to facilitate the allocation of bond debt service.*
- *Multi-purpose bond issues are easily allocated to different capital projects or operating departments of a municipality by percentage or dollar amount.*
- *Refund selected projects across many bond series.*

*Expense Tracking*

- *Bond issuance expenses for any type of service may be recorded and amortized*
- *Monitor underwriter participation by par amount or number of deals. Orders, allotments and designations may also be tracked.*
- *Insurers may be monitored at the maturity level.*

*DBC Finance is the industry standard for sizing and structuring municipal bond issues. DBC Finance is used by the industry's top-ranking underwriters, financial advisors and bond issuers for sizing and structuring municipal bond issues. DBC Finance is market-proven software that produces reliable results and is backed by the best support team in the business. DBC Finance is composed of four seamlessly integrated modules – Debt/Size, Refund, Monitor and Project Finance.*

*Debt/Size*

- *Easily accommodates multiple delivery dates, distinct interest payment or maturity frequencies and overlapping and bifurcated maturities.*
- *Supports all bond types, including CABS, convertible CABS, 26-week, 35-day and 28-day auction rate bonds, variable rate, multi-mode, convertible option, taxable and tax-exempt bonds, AMT and non-AMT bonds, and stepped and zero coupon bonds.*
- *Automatically prices bonds to "worst call date." Premium and deep discount term bonds subject to optional redemption are redeemed at the call dates producing the lowest arbitrage yield. Call dates are calculated and reported individually for pricing and arbitrage purposes.*
- *Supports the "safe-harbor" test on fixed yield bonds callable within five years of issuance.*
- *Sizes project funds based on additional proceeds or defined draw weights if desired.*



- Optimizes which maturities to insure given two scales and a bond insurance premium.
- Performs insurance breakeven analysis.
- Calculates expenses based on a formula or fixed dollar amount.
- Expenses may be flagged as affecting IRS tax rules to include in bond yield calculations.
- Supports commercial paper, lines of credit and letters of credit.
- Directs interest earnings to other funds or to pay for debt service. For example, excess reserve fund earnings can be directed first to net fund CAPI and then to pay debt service.
- Sizes investments based on future revenues.
- Handles formulas that can reference deposits to or draws from reserve or project funds, as well as expenses.
- Handles formulas based on prior bonds, costs of issuance, underwriter discount, escrow cost, outstanding debt service or revenues.
- Supports non-level guarantee fee amortization.
- Build America Bonds are easily handled.

*Refund*

- Analyzes current, advance, crossover and forward delivery refunding issues.
- Models full and partial defeasances easily, including principal or interest-only escrows.
- Targets savings to a specific range of fiscal years, if desired.
- Refunding par may be limited to the refunded par and an equity contribution or taxable issue can be sized for the overage, if desired.
- Uses Batch Runs to perform interest-rate sensitivity analysis by varying the bond and escrow yields by specified increments; savings results are summarized in one easy-to-read report.
- Runs multiple what-if scenarios efficiently.
- Manages multiple escrows, bifurcated escrows, transferred proceeds and funds on hand for proper allocation to escrow accounts.
- Models complete transferred proceeds capabilities, including cascading transferred proceeds.
- Computes transferred proceeds automatically on old reserve funds spent pro rata in the escrow.
- Structures linear optimized SLGS, OMS or combined escrow portfolios using one or more sources of funds, each with its own investment parameters.
- Calculates float contracts or zero coupon rollovers for escrows with timing inefficiencies.
- Creates XML files for uploading subscriptions to SLGSafe.

*Monitor*

- Sifts through a large number of prospective candidates on a regular basis.
- Processes batch runs that allow multiple runs with different case evaluations to be performed easily, quickly giving a current market perspective for all monitored issues.
- Runs recurring market-based evaluations of bonds that meet savings criteria for all types of refundings.
- Evaluates refunding candidates from entire issues, or any combination of issues and maturities, including complete term bond analysis.
- Evaluates combinations of callable/noncallable and refundable/unrefundable bonds.

*Project Finance*

- Allocates bonds, project funds, reserve funds and expenses to many capital projects.
- Structures and analyzes long-term capital programs such as phased-in financings with complete tracking of reserve fund income.
- Structures pooled financing programs for state and regional agencies.
- Structures senior/subordinate deals.
- Blends arbitrage yield for multiple issues and can consider investment yields of all escrow accounts, project funds and reserve funds for arbitrage analysis.
- Aggregates the arbitrage yield to allow sharing of negative arbitrage from one series with positive arbitrage from another series, thereby maximizing yield for escrow, reserve and project funds.
- Includes or excludes series for yield calculations while keeping them in the sizing and debt service solution. This is useful for taxable/tax-exempt bond programs.
- Directs excess interest earnings in one series towards funds and/or debt service funds in other series. This can be useful when there are restrictions such as volume cap limitations.
- Rounds contingency to one bond denomination or less.
- Holds a series constant after it has been solved in order to combine several series with different objectives into a single project financing for tax purposes only.
- Universal Bond Solutions (UBS):



- Shapes debt service at the Project.
- Finance level to model difficult solutions, such as accelerating a taxable series and deferring a tax-exempt series with overall level debt service.
- Solves aggregate solutions for upfront savings on multiple refundings.
- Structures taxable tail deals to cover costs of issuance that exceed the two percent limit.
- Solves for overlapping maturities using multiple proportionality options.
- Amortizes principal sequentially by series.
- Prints reports on a defined subset of financing components without recalculating or changing the results, which is useful for handling large financings. For example, multiple components may be grouped together for a Series A, Series B, etc.

*CalcAgent*

- Performs interest rate sensitivity analysis by varying the bond and escrow yields by specified increments up and down the yield curve. Savings are summarized in one easy-to-read report.
- Batch processes “what-if” scenarios with full reporting.
- Calculates aggregate issue and escrow yields and produces aggregate reports for multiple series and/or refundings.
- Compares competitive bids and runs a summary report of the bid results.

*Ease-of-Use Features*

- Uses Natural Language Formulas (NLF) to make writing expenses and other formulas easy and provides maximum flexibility. For example, you can compute the size of a reserve fund using a formula such as “max annual ds.”
- Provides drop-down menus with complete selection of alternative choices. The most commonly used options are set as the defaults. System defaults can also be customized for specialized needs.
- Component Gallery stores frequently used or complicated bonds, expenses or funds for re-use in future deals and for sharing with others.
- Template series feature saves time by automatically updating multiple series.
- Dynamically import and export data between DBC Finance and Excel.
- Copies one or all of an issuer’s series within or to a new database to reduce data input.
- Downloads SLGS and OMS pricing easily.
- Provides context-sensitive Help system on all screens within the system.
- DBC Learning, a web-based library of courses and articles for municipal bond professionals, is included with all DBC programs.

*Reporting*

- Generates easy-to-read reports with multiple frequencies and detail levels that provide a full audit trail of all calculations.
- Produces all industry-standard reports, including sources and uses, debt service schedules, accreted value table, bond maturity table, proof of arbitrage yield, statistics, refunding savings and all escrow reports.
- Designs custom reports with any yield, statistical value or cash flow.



Select all that apply ✓ (vendor complete)	<b>Attachment C</b>	
	<b>Debt Management</b>	
	<b>Preliminary Enterprise Architecture Solution Assessment</b>	
	<b>Architecture Overview (vendor version)</b>	
	<i>Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.</i>	
<b>1</b>	<b>Server/Application Hosting</b>	<b>Comments</b>
✓	Internally Hosted	We are proposing that the SOM host.
	Externally Hosted	
	Internally & Externally Hosted	
<b>2</b>	<b>User Interface Type</b>	<b>Comments (e.g. version or release)</b>
	Browser	
	Citrix	
✓	Client	
	Mobile Browser	
	Mobile Client	
	Terminal	
	Other (explain =>)	
<b>3</b>	<b>Supported Browsers (internet)</b>	<b>Comments</b>
✓	IE 6.0+ (internet, intranet)	
✓	Firefox 3.0.x (internet)	
✓	Chrome 3.0 (internet)	
✓	Safari 4.x (internet)	
	Other (explain =>)	
<b>4</b>	<b>Data Exchange Interface</b>	<b>Comments (e.g. version or release)</b>
	EDI (industry protocol)	
✓	Flat File (private protocol)	
	Web Service	
✓	XML	
✓	Other (explain =>)	ODBC
<b>5</b>	<b>System Access</b>	<b>Comments</b>
✓	Internal (SOM only)	
	External (general public)	
✓	External (authorized)	
✓	Mixed (internal-external)	
<b>6</b>	<b>User Access</b>	<b>Comments</b>
	Internet	
	Intranet	
	Local Government (LGNet)	
	Public facing internet	
	Kiosk terminal	
	Vendor Net	
	VPN	
✓	Other (explain =>)	Thick Client install

(continued)



<b>Attachment C</b> <b>Debt Management</b> <b>Preliminary Enterprise Architecture Solution Assessment</b>		
Select all that apply ✓ (vendor complete)	<b>Architecture Overview (continued)</b>	
	<i>Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.</i>	
<b>7</b>	<b>Data Classification</b>	<b>Comments</b>
✓	Non-sensitive	
	Sensitive w/ personal ID info	
	Sensitive w/ no personal ID info	
	Not classified	
	Other (explain =>)	
<b>8</b>	<b>PCI-DSS Compliance Needed?</b>	<b>Comments</b>
	Yes	
✓	No	
<b>9</b>	<b>Data Audit Trail Implementation</b>	<b>Comments</b>
✓	Application Code	
	Database Audit Files	
	Database Triggers	
	Stored Procedures	
		Uses Sybase logging feature with application coding to interpret the audit information and present it in a more user-friendly manner.
✓	Other (explain =>)	
<b>10</b>	<b>IT Services (Centers of Excellence)</b>	<b>Comments</b>
		Has been tested on VMWare. Also has been tested on Citrix but not being used currently.
✓	x86 Virtualization	
	Address Verification	
	Business Objects Reporting	
	Digital Electronic Gateway (DEG)	
	Extract Transform Load (ETL)	
	Citrix Virtualization	
<b>11</b>	<b>Enterprise Data Storage</b>	<b>Comments</b>
✓	<10GB (small)	
	10GB-500GB (medium)	
	500GB - 4TB (large)	
	>4TB (x-large)	



12	<b>Database (RDBMS)</b>	<b>Comments</b>
	MS SQL Server 2008	
	MySQL 5.1	
	Oracle 11g	
	TeraData TD 13.0	
✓	Other (explain =>)	SAP/Sybase SQL Anywhere. Debt Manager is packaged with Sybase. The solution will not run on any of the above RDBMSs

(continued)



<b>Attachment C</b> <b>Debt Management</b> <b>Preliminary Enterprise Architecture Solution Assessment</b>		
Select all that apply ✓ (vendor complete)	<b>Architecture Overview (continued)</b>	
	<i>Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.</i>	
<b>13</b>	<b>Database Modeling Tools</b>	<b>Comments</b>
	Erwin 7.x, 8x	
	MSSQL Server Mgmt Studio (match db)	
	MySQL Workbench (match db)	
	Oracle Designer (match db)	
	TeraData Utilities (match db)	
	Other (explain =>)	
<b>14</b>	<b>Development Framework</b>	<b>Comments</b>
	.NET Framework 3.5, 4.0	
	Java J2EE 5.x, 6x	
✓	Other (explain =>)	Microsoft Foundation Class (MFC)
<b>15</b>	<b>Development Platform</b>	<b>Comments</b>
	Eclipse 3.x, 4.x	
	Hibernate 3.x	
	IBM Websphere Integration Dev 6.x, 7.x	
	Microsoft SilverLight Expression (match VS)	
	Microsoft Team Foundation System 2010	
✓	Microsoft Visual Studio 2008, 2010	
	Oracle JDeveloper 11g	
	Spring 2.5	
	Struts 2.x	
	XML Spy 2010	
	Other (explain =>)	
<b>16</b>	<b>Development Language</b>	<b>Comments</b>
	ASP .NET 2008, 2010	
	CSS Level 3	
	Microsoft C#	
	Microsoft VB.Net	
	Java	
	JavaScript	
	JDK 6.x, 7x	
	PHP 5.3.x	
✓	Other (explain =>)	C++
(continued)		



<b>Attachment C</b> <b>Debt Management</b> <b>Preliminary Enterprise Architecture Solution Assessment</b>		
Select all that apply ✓ (vendor complete)	<b>Architecture Overview (continued)</b>	
	<i>Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.</i>	
	17	<b>Markup languages</b>
✓	HTML 4 & 5	
✓	XML Schema 1.1	
	XSLT 2.0	
	XHTML 2.0	
18	<b>Presentation (Web) Server</b>	<b>Comments</b>
	Apache HTTPD 2.x	
	IBM Websphere IHS (match app svr)	
	Microsoft IIS 7.0	
✓	Other (explain =>)	Not utilized as part of the core package.
19	<b>Application Server</b>	<b>Comments</b>
	.NET Framework 3.5, 4.0	
	Apache Tomcat 7.x	
	IBM WebSphere 7.0, 8.0	
	JBoss 5.x, 6	
	Other (Explain)	
20	<b>HW Platform</b>	<b>Comments</b>
✓	Dell	
✓	HP	
	Sun	
	Unisys Mainframe	
✓	x86 Virtualization	
	Other (explain =>)	
21	<b>Server OS</b>	<b>Comments</b>
	Linux Redhat Enterprise Server 5.x, 6.x	
	Linux SUSE Enterprise 11.x	
✓	Microsoft Windows 2008	
	Unix HPUX 11i v3	
	Unix Sun Solaris 10.x, 11.x	
	VMWare vSphere 4, 5, VCD	
	Other (explain =>)	
(continued)		



<b>Attachment C</b> <b>Debt Management</b> <b>Preliminary Enterprise Architecture Solution Assessment</b>		
<b>Architecture Overview (continued)</b>		
Select all that apply ✓ (vendor complete)	<i>Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.</i>	
	22	<b>Document Management</b>
	Captaris Alchemy 8.3	
	FileNet Content Services 5.4	
	FileNet Document Mgmt P8	
	HP Trim	
	MS SharePoint Server 2007 EE	
✓	Other (explain =>)	Document Management is not a requirement within the RFP/contract.
23	<b>Centralized Printing</b>	<b>Comments</b>
✓	DMB consolidated print center	
	Other (explain =>)	
24	<b>Testing Tools</b>	<b>Comments</b>
	JUnit 4.x	
	LoadRunner 11.x	
	Microsoft Team Foundation System	
	Quick Test Pro 11.x	
	Selenium 1.x, 2.x	
	Other (explain =>)	
25	<b>Identity Management (network)</b>	<b>Comments</b>
✓	Active Directory 2008	
	Other (explain =>)	
26	<b>Identity Management (application)</b>	<b>Comments</b>
✓	IBM Tivoli SSO (TIM-TAM)	
✓	Microsoft Active Directory 2008	
	Other (explain =>)	
27	<b>Project Management</b>	<b>Comments</b>
	Clarity 12.x	
	MS Project 2007, 2010	
	Rational	
✓	Other (explain =>)	Project Management is not a requirement within the RFP/contract.

(continued)



<b>Attachment C</b> <b>Debt Management</b> <b>Preliminary Enterprise Architecture Solution Assessment</b>		
<b>Architecture Overview (continued)</b>		
Select all that apply ✓ (vendor complete)	<i>Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.</i>	
	28	<b>Requirements Gathering</b>
	Compuware Optimal Trace 5.x	
✓	Microsoft Office	
	Microsoft Visio	
	SUITE/SEM templates	
	Rational Requisite	
	Serena Dimensions 2009 R1.x, 11.2	
	Other (explain =>)	
29	<b>Design Tools</b>	<b>Comments</b>
	Microsoft Visio	
	MSSQL Server Mgmt Studio (match db)	
	Rational Rose	
	Serena Prototype Composer 2009, 2010	
	Other (explain =>)	
30	<b>Version Control</b>	<b>Comments</b>
	Microsoft Team Foundation System	
	Serena Dimensions (PVCS Mgr) 2009, 12.1	
	Subversion 1.6	
✓	Other (explain =>)	Version control is not a requirement within the RFP/contract. CVS is used by the vendor for their own internal control version.
31	<b>Message Queuing</b>	<b>Comments</b>
	Apache Active MQ 5.3	
	IBM Websphere MQ 6.x, 7.x	
	Other (explain =>)	
32	<b>Business Integration</b>	<b>Comments</b>
	JBoss SOA	
	Websphere Message Broker 6.x, 7.x	
	Other (explain =>)	
(continued)		



<b>Attachment C</b> <b>Debt Management</b> <b>Preliminary Enterprise Architecture Solution Assessment</b>		
<b>Architecture Overview (continued)</b>		
<b>Select all that apply ✓ (vendor complete)</b>	<i>Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.</i>	
<b>33</b>	<b>Database Tools</b>	<b>Comments</b>
	DBArtisan 8.6, 8.7	
	Infosphere Information Svr v8.1.x	
	MSSQL Server Mgmt Studio (match db)	
	MySQL Workbench (match db)	
	Oracle Developer Suite (match db)	
	Oracle Enterprise Manager (match db)	
	Oracle SQL Developer (match db)	
	Rapid SQL 7.6 & 7.7	
	TeraData Utilities (match db)	
	Toad 9.x & 10.x	
✓	Other (explain =>)	Sybase Central
<b>34</b>	<b>Reporting Tools</b>	<b>Comments</b>
	ActivePDF 2009	
	ActiveReports 4.0	
	Birt 3.7	
	Crystal Reports 2008	
	Crystal Xcelsius 2008	
	Crystal Reports for Eclipse	
	MSSQL Reporting Services (match db)	
	Oracle Reports (match db)	
✓	Other (explain =>)	Reporting Tools are not a requirement within the RFP/contract. No 3rd party reporting tools are used. The solution has built-in reports and also user can export to MS-Excel.
<b>35</b>	<b>End-User Tools</b>	<b>Comments</b>
	Business Objects (BO) XI R2, 3.x, 4.x	
	Oracle Discoverer (match db)	
	Other (explain =>)	
<b>36</b>	<b>Deployment Tools</b>	<b>Comments</b>
	Microsoft Team Foundation System 2008	
	Serena Dimen.CM Mover 2009, 2.3, 12.1	
	Other (explain =>)	

(continued)



<b>Attachment C</b> <b>Debt Management</b> <b>Preliminary Enterprise Architecture Solution Assessment</b>		
<b>Architecture Overview (continued)</b>		
<b>Select all that apply ✓ (vendor complete)</b>	<i>Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.</i>	
<b>37</b>	<b>Build Tools</b>	<b>Comments</b>
	Apache Ant 1.7.x, 1.8.x	
	Apache Maven 2.2, 3.0	
	Microsoft Team Foundation System	
	Serena Dimensions CM Builder 2009 R1.x	
	Other (explain =>)	
<b>38</b>	<b>Job Schedulers</b>	<b>Comments</b>
	BL/Sched 5.0, 5.2	
	OpCon XPS 4.x, 5.x	
	Tidal Enterprise Scheduler 5.3.1 & 6.x	
	UC4 App Mgr 8.0	
	UC4 Op Mgr 6.0 & 8.0	
	Other (explain =>)	
<b>39</b>	<b>GIS Technologies</b>	<b>Comments</b>
	ArcIMS 9.3	
	ArcGIS Server 9.3	
	ArcSDE 9.3	
	Erdas ADE Rel. 2	
	ER Mapper Image Server 7.2	
	Oracle Spatial (match db)	
	Oracle MapView (match db)	
	Other (explain =>)	
<b>40</b>	<b>Issue &amp; Defect Tracking</b>	<b>Comments</b>
	Bugzilla 3.2.5 & 3.4.2	
	BugTracker .Net 3.5	
	Clear Quest Chg Mgmt Suite 7.5	
	Microsoft Team Foundation System	
	Serena Mashup Composer 2009 R1.x	
✓	Other (describe =>)	Issue & Defect Tracking are not a requirement within the RFP/contract. The user reports bugs to the vendor with an email submission



**Attachment C  
Debt Management  
Preliminary Enterprise Architecture Solution Assessment**

**Disaster Planning (Section to be completed by SOM)**

<b>Business continuity requirements.</b>	<b>Describe below</b>
<b>The business requirement(s) that determine the amount of time and the operational availability of the application to the end-user.</b>	The Solution will be available 9 x 6 Monday – Friday Eastern Standard Time (EST)

<b>Select Only One (1)</b>	<b>Availability Requirement Category – Availability Requirement is divided into three different levels. These levels define the continuous service availability requirements of the application. Based on the following definitions, please indicate the level of availability required for this Business Function / Application.</b>
	<b>Urgent</b> - Business Function / Application outage has potential to cause loss of life or risk of injury to a citizen. 99.99% availability (<45 minutes of downtime / month). If an Urgent priority application is not available, DTMB will work to resolve the incident 7 x 24 x 365. If the incident occurs after normal business hours, on-call staff (where available) will be called in to resolve the incident. DTMB staff will continue to work the issue during and after business hours until the incident is resolved, and the application service restored.
	<b>High</b> – Business Function / Application outage will have a high non-life threatening impact on the public. If this application is not available, there may be an adverse impact on a large number of business clients who use the application. The lack of application availability may also be considered politically sensitive. 99.5% availability (<3.5 hours of downtime / month). DTMB will work to resolve the incident 7 x 24 x 365. If the incident occurs after normal business hours, on-call staff (where available) will be called in to resolve the incident. DTMB staff will continue to work the issue during and after business hours until the incident is resolved, and the application service restored.
X	<b>Medium</b> – Business Function / Application not meeting the Urgent or High criteria will be assigned Medium priority status; this default will be considered the third priority and reflect a situation where there is no risk of personal injury, and the public is not being directly effected. 98% availability (<15 hours of downtime / month). If there is an issue with a medium priority application, work to resolve the incident will be handled during normal DTMB Business hours (typically 8:00 am-5:00 pm, Monday-Friday. If the problem is not resolved at the end of the business day, staff will return to work the next business day, and continue the resolution process until the service is restored

**Recovery Point and Time Objectives**

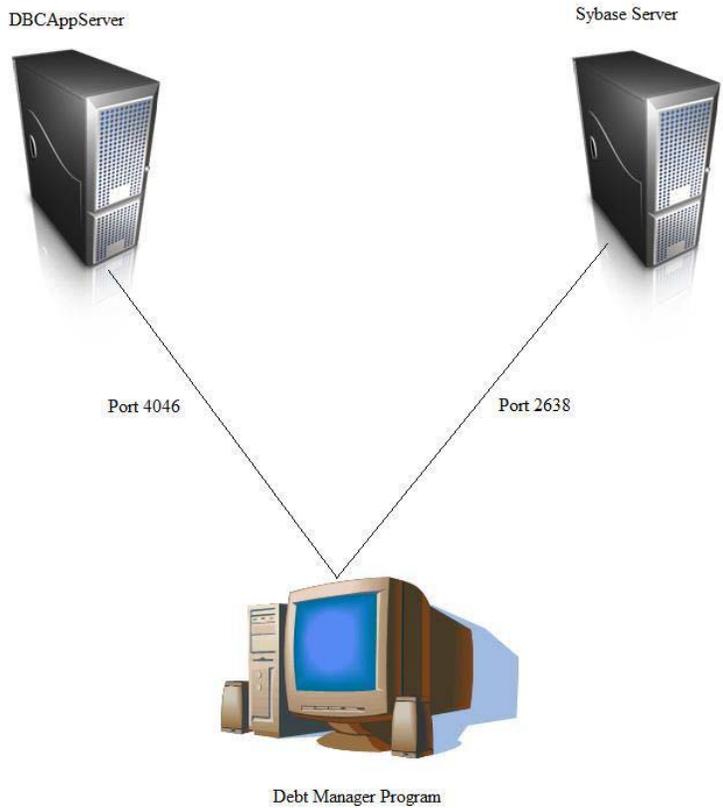
<b>Select Only One (1)</b>	<b>Recovery Point Objective (RPO) is the maximum amount of data loss a business function can sustain during an event.</b>		<b>Select Only One (1)</b>	<b>Recovery Time Objective (RTO) is the maximum amount of time that can elapse until a system / application / function must be returned to service.</b>
	2 hours			2 hours
	4 hours			4 hours
	6 hours			6 hours
	8 hours			8 hours
	24 hours			24 hours
X	72 hours		X	72 hours
	Other			Other



**Attachment C**  
**Debt Management**  
**Preliminary Enterprise Architecture Solution Assessment**

**Server/Network Diagram (vendor version)**

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





**Attachment D  
Debt Management  
Preliminary Training Plan  
SS&C Technologies, Inc.**

**General Information**

<b>System or Project ID/Acronym:</b>	DEBT MGMT	<b>Creation Date:</b>	4/4/2014
<b>Client Agency:</b>	Treasury	<b>Modification Date:</b>	
<b>Author(s):</b>	Kelly DiMaria	<b>DTMB Authorized by:</b>	

**Privacy Information**

This document may contain information of a sensitive nature. This information should not be given to persons other than those who are involved with this system/project or who will become involved during its lifecycle.

**Change Control**

Revision Date	Author	Section(s)	Summary



## 1. Introduction

SS & C Technologies, Inc. is providing a debt management system comprised of two programs – DBC Debt Manager and DBC Finance. These programs will provide the State of Michigan with a COTS Solution that fulfills the requirements for issuance and debt service of municipal bonds in a regulated and standard process compatible with those used by large investment banks and financial advisors

SS & C Technologies, Inc. will provide training and training documentation to the State of Michigan.

### 1.1 Scope

SS & C Technologies, Inc. will provide the following:

#### End User training

SS & C Technologies, Inc. will train up to six (6) end users in the use and administration of the software.

#### End User training documentation

SS & C Technologies, Inc. will provide professional training materials in both electronic and written formats which will serve as a reference in the operation of the software for up to six (6) End Users. These documents will be current to the operational version of the software.

#### System Administrator training

SS & C Technologies, Inc. will train up to four (4) DTMB Technical resources and two (2) Treasury resources in the administration of the software. This includes but is not limited to adding users, changing privileges, and updating key data elements. The DTMB Technical resources will also be trained how to support the software.

#### System Administrator training documentation

SS & C Technologies, Inc. will provide system administration training materials which will serve as a reference in the administration of the software.

#### Technical training

SS & C Technologies, Inc. will train four (4) DTMB technical staff in the maintenance and support of the software.

#### Technical training documentation

SS & C Technologies, Inc. will provide technical training materials in both electronic and written formats which will also serve as a reference in the maintenance and support of the software for up to four (4) DTMB Technical resources.

### 1.2 Objectives

SS & C Technologies, Inc. will train end users and provide training manuals and documentation in both a written and electronic format to the end users.

### 1.3 Background

Founded in 1980, SS & C Technologies, Inc. is the leading developer and provider of municipal finance analytic and structuring software applications in the United States. We are the largest software firm in our industry.

In November 2002, DBC was acquired by SS&C Technologies, Inc. (<http://www.ssctech.com/>), a public company traded on the NASDAQ under the ticker "SSNC" with a market capitalization of \$3.24 billion. Providing mission-critical software



and services for the global financial services industry, SS&C employs a disciplined and highly focused acquisition strategy to increase the breadth and depth of its product and service offerings and capitalize on evolving market opportunities.

SS&C has 4,200 employees and serves 5,000 financial services firms worldwide. Headquartered in Windsor, Connecticut, SS&C has offices throughout North America, Europe, Asia Pacific, and Australia. The DBC unit is based in New York City. More information can be found on our web site at [www.ssctech.com](http://www.ssctech.com).

SS & C Technologies, Inc. develops and sells six programs all related to the public finance or asset-backed securitization industries. Clients include all 30 of the top 30 investment banks, 75 debt issuers including state and local entities, and other finance professionals. Our client base consists of over 260 investment banks, financial advisors and issuers, with over 3,200 users. It is estimated that about 90% of all annual negotiated new issuance of municipal bonds in the United States is structured using SS & C Technologies, Inc. software.

We have been providing software and support to the municipal finance community for over thirty years. Our dedication to customer support is unparalleled, as demonstrated by the fact that SS & C Technologies, Inc. maintains the largest professional staff of any firm in our industry. SS & C Technologies, Inc. client list, which ranges from top ranking investment banks to large issuers, can attest to the quality of s SS & C Technologies, Inc. services and support.

#### 1.4 References

1. The Commonwealth of Massachusetts uses DBC Debt Manager, Interface Module and DBC Finance. Other work performed includes data conversion into DBC Debt Manager and the implementation of the Interface Module to integrate with their accounting system. They have \$21.5 billion debt outstanding and the largest variable rate portfolio of any state.

Colin MacNaught, Assistant Treasurer for Debt Management  
Office of State Treasurer  
One Ashburton Place, 12th Floor  
Boston, MA 02108  
Phone: 617-367-9333 x226  
E-mail: [cmacnaught@tre.state.ma.us](mailto:cmacnaught@tre.state.ma.us)  
Dates Under Contract: From: 2005 To: Present

2. The New York State Comptroller uses DBC Debt Manager and DBC Finance. Other work provided includes data conversion into DBC Debt Manager and development of alternative report formats. They have \$6.3 billion debt outstanding.

Chuck Trimbach, Debt Manager  
Office of the State Comptroller  
Bureau of Debt Management  
110 State Street, 15th Floor  
Albany, NY 12236  
E-mail: [ctrimbach@osc.state.ny.us](mailto:ctrimbach@osc.state.ny.us)  
Phone: 518-474-3732  
Dates Under Contract: From: 1999 To: Present

3. The City of Philadelphia (including the Water Department, Gas Works and Airport) uses DBC Debt Manager. Other work provided includes data conversion into DBC Debt Manager. They have \$8.5 billion debt outstanding.



Nancy E. Winkler, City Treasurer  
Municipal Services Building, Suite 640  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102  
Email: Nancy.Winkler@phila.gov  
Phone: 215-686-2304

Dates Under Contract: From: 2013 To: Present

## **2. Training Requirements**

End users will need to complete the DBC Finance tutorial prior to the training.

### **2.1 Roles and Responsibilities**

SS & C Technologies, Inc. will provide experienced instructors to train the State of Michigan end users on DBC Debt Manager and DBC Finance. SS & C Technologies, Inc. will provide both live and online (Webex) trainings.

### **2.2 Training Evaluation**

Training evaluations will be distributed at the conclusion of the training session.

## **3. Training Strategy**

### **3.1 Training sources**

We will be using the DBC Finance tutorial, which is proprietary training material, and associated with the DBC Finance product. DBC Debt Manager training is conducted via ILT (Instructor Led Training).

### **3.2 Pilot Class**

SS & C Technologies, Inc. will provide the State of Michigan with a Pilot Class to teach users enough about the COTS solution so they can test and validate the COTS solution.

### **3.3 Dependencies/Constraints/Limitations**

None. There are no limits in training class size or technical limitations.

## **4. Training Resources**

We will provide all materials – both written and online – as well as SMEs (Subject Matter Experts).

## **5. Training Environment**

SS & C Technologies, Inc. can travel to a State owned facility in Lansing, Michigan. SS & C Technologies, Inc. also welcomes the end users to the SS & C Technologies, Inc. training room located at our New York City office.

## **6. Training Materials**

SS & C Technologies, Inc. will provide the following training materials:

### **1. End User training documentation**



SS & C Technologies, Inc. will provide professional training materials in both electronic and written formats which will serve as a reference in the operation of the software for up to six (6) End Users. These documents will be current to the operational version of the software.

**2. System Administrator training documentation**

SS & C Technologies, Inc. will provide system administration training materials which will serve as a reference in the administration of the software.

**3. Technical training documentation**

SS & C Technologies, Inc. will provide technical training materials in both electronic and written formats which will also serve as a reference in the maintenance and support of the software for up to four (4) DTMB Technical resources.

**6.1 Update/Revise Training Materials**

The training documents will be current to the operational version of the software. SS & C Technologies, Inc. can update/revise the materials as necessary.

**Approval Information**

The signatures relay an understanding of the purpose and content of the document by those endorsing it.

	Approve		Approve with Modifications		Reject
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Comments:

**Approval Signatures**

Role	Name/Title	Signature	Date
Client Sponsor			
DTMB Sponsor			
Project Manager			