STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

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

CONTRACT CHANGE NOTICE

Change Notice Number **4**
to
Contract Number **071B5500023**

CONTRACTOR	
	LexisNexis Claims Solutions Inc.
	1000 Alderman Drive
	Alpharetta, GA 30005
	Salman Anwar
	269-615-7949
	salman.anwar@lexisnexis.com
	*******6168

STATE			
	Program Manager	David Roach	DTMB
		517-284-3271	
		roachd2@michigan.gov	
	Contract Administrator	James Topping	DTMB
		(517) 284-7032	
		ToppingJ@michigan.gov	

CONTRACT SUMMARY

DESCRIPTION: Ecrash and Ecitation for MSP

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 14, 2014	September 13, 2015	5 - 1 Year	September 30, 2018

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$5,742,639.76	$ 0.00	$5,742,639.76

DESCRIPTION: Effective October 17, 2016 the following changes are hereby incorporated in the Contract.
1. Modify the language in; Section 2.263- Rights in Data
2.Add additional language; Section 1.602- Fees due to the State
The modification and additional language is to allow LexisNexis to access and disseminate vehicle accident reports and related data in accordance with applicable laws and regulations. LexisNexis will pay Michigan State Police $10.00 for each traffic crash from (UD-10) accessed.

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

Updated Terms and Conditions:

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

Notwithstanding Section 2.263, upon the Effective Date of this Change Order, the State hereby authorizes Contractor to access and disseminate vehicle accident reports and related data (each documented incident a "Crash Report") generated by MSP and other municipal law enforcement agencies to Authorized Requestors and Agency Requestors in accordance with applicable laws and regulations. The State represents and warrants that it is authorized to disclose Crash Reports to Contractor for the purposes set forth in this Contract. Fees due to the State related to the sale of Crash Reports shall be made in accordance with the process set forth in Section 1.602.

1.602. Fees due to the State.

All Crash Reports requested by authorized law enforcement entities ("Agency Requestors") shall be provided free of charge. Contractor will collect a fee of Ten and 00/100 ($10.00) ("State Fee(s)") on behalf of the State for Crash Report requests by individuals or legal entities ("Authorized Requestor"). Contractor will remit any State Fees to the State using the process as herein defined. For clarity, if a fee is not charged to an Authorized Requestor for the Report, no State Fee shall be collected or paid to the State in connection with this Section.

1.602.1 On a monthly basis, Contractor will electronically transfer to the State's designated account, the total amount of applicable State Fees collected by Contractor during the previous month. Contractor will provide a monthly report to the State identifying the number of Crash Reports provided on its behalf. Where permitted by law, Contractor will charge a convenience fee for each Crash Report provided to an Authorized Requestor ("Convenience Fee") which shall be retained by Contractor. The Convenience Fee shall be established by Contractor at its sole discretion and responsibility and in no event shall exceed the amount a provider may legally charge an Authorized Requestor; and

1.602.2. At no charge to the State, Contractor will provide access to Contractor's agency administration portal ("Command Center") to view reports, generate analytics on Crash Reports sold for

auditing purposes ("Receipts"), and access to Contractor's people search functionality ("Services"). To the extent the State utilizes the Services, the following shall apply:

a) State shall not use the Services for marketing purposes, resell, or broker the Services to any third-party or otherwise use the Services for any personal (non-law enforcement) purposes; and
b) State may not use the Services to store or transmit infringing, libelous, or otherwise unlawful or tortuous material, or to store or transmit material in violation of third-party privacy rights or otherwise infringe on the rights of others; and
c) State shall not reveal any user accounts or passwords for the Services to any third parties (third parties shall not include State's employees who have a need to know such information); and
d) State shall comply with all laws, regulations, and rules which govern the use of the Services.

1.602.3 –The rights and obligations pursuant to this Section are subject to Section 2.100 of the Contract. The parties acknowledge that certain Crash Reports and information related thereto may come from outside Michigan and are subject to other states' laws, rules, and regulations. As such, all non MSP Crash Reports or information contained therein or from Crash Reports accessed in the Command Center shall be treated as Confidential Information unless otherwise permitted by the laws, regulations, and rules of the state from which the Crash Report was created.

STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

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

CONTRACT CHANGE NOTICE

Change Notice Number **3**
to
Contract Number **071B5500023**

CONTRACTOR	
	LexisNexis Claims Solutions Inc
	1000 Alderman Drive
	Alpharetta, GA 30005
	Salman Anwar
	269-615-7949
	salman.anwar@lexisnexis.com
	*******6168

STATE			
	Program Manager	David Roach	DTMB
		517-284-3271	
		roachd2@michigan.gov	
	Contract Administrator	James Topping	DTMB
		(517) 284-7000	
		ToppingJ@michigan.gov	

CONTRACT SUMMARY

DESCRIPTION: Ecrash and Ecitation for MSP

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PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$1,326,639.76	$ 4,416,000.00	$5,742,639.76

DESCRIPTION: Effective September 29, 2016 pending Administrative Board approval the following Statement of Work is hereby incorporated into the contract. The work to be performed will be development of the Electronic Automated Incident Capture System (“eAICS) or (“Software”) application and provision of production support for the time period of 10/01/2016-09/30/2018 (24 months).

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

IT SERVICES STATEMENT OF WORK

Agreement to Change Contract Number: 071B5500023

Between the State of Michigan and LexisNexis, Inc.

Project Title: eAICS Production Support	**Period of Coverage:** 010/01/2016-09/30/2018
Requesting Department: Michigan State Police (MSP)	**Date:** 9/20/2016
Agency Business Owner Al Renz	**Phone:** 517-648-5871
DTMB Project Manager: Andrew Richards	**Phone:** 517-897-3947

BACKGROUND

Contract 071B5500023 between LexisNexis Claims Solutions, Inc., ("Contractor") and the State of Michigan ("State") was originally executed to have the Contractor maintain as-needed iyeCrash and iyeCitation licenses to support electronic Traffic Crash and Citation mobile computing reporting systems (eCrash and eCitation modules) used by Michigan State Police ("MSP") troopers throughout the State ("Master Contract").

Section 1.100 Scope of Work and Deliverables of the Master Contract, Subsection 6 allows for "Future Enhancements (includes additional services, software licenses, maintenance and support and training related to the iyeCrash and iyeCitation environment)".

Per Contract Change Notice #1, the Contract allows for the Contractor to host and maintain the MSP developed eDaily application which replaced the State's Officer Daily System (OD) that is integrated with eCrash and eCitation reporting systems.

The parties desire to enter into this Statement of Work ("SOW") to provide for Contractor's continuing development of the Electronic Automated Incident Capture System ("eAICS) or ("Software") application and provision of production support for the time period of 10/01/2016-09/30/2018 (24 months). eAICS replaces the current State Automated Incident Capture System as it relates to the iyeCrash and iyeCitation environment. The parties acknowledge and agree that Sections 2.321 and 2.322 of the Master Contract control Contractor's license to the Deliverables including the eAICS application and

Software source code and the license grant to Contractor thereunder shall be perpetual and irrevocable. For the purpose of this SOW, "Deliverable" shall mean the eAICS application delivered as agreed to by the parties.

I. Technical Environment

The Contractor will comply with Section 1.103, Subsections1 through 5 of the Master Contract.

II. Specific Operating Environment

The following information regarding the MSP technical environment will be relevant to the Contractor:

Platform Specific:
Solution is hosted in the Saginaw County Data Center and supported by Saginaw County IT staff.

The Testing/QA/Production Environment consists of: two (2) - Dell 610 Servers with 4 dual quad cores, 24 GB Memory, Windows 2008 R2 and Microsoft SQL 2008.

End User Specific:
Operating System – Microsoft Windows 7. Transitioning to Windows 10 by 1 October of 2018
Hardware – Dell Latitude 12 Rugged Extreme Laptop
Panasonic FZ-G1 ToughPad
Dell E6430 ATG Semi-Rugged Laptop
Dell Latitude 12 Rugged Extreme

Open Source Components:
Microsoft .net
CodePlex
CsQuery
SGLite
Saxon-HE
HtmlToOpenXml

III. PROJECT OBJECTIVE / SCOPE OF WORK

A. Production Support

Provide staff augmentation resources for production maintenance and support to complete necessary enhancements for the eAICS application in accordance with the following requirements. Each release will be completed based on a sprint work cycle upon such intervals as mutually agreed by the parties:

1. At the State's option, the Contractor will provide up to eight fulltime software developer consultants ("Consultants") to continue to develop, maintain, and enhance the eAICS software. A separate SOW or agreement will be required if development has been completed and Contractor is providing maintenance only. Within thirty (30) days from the full execution of this

SOW, the parties will use reasonable efforts to execute an addendum to this SOW to outline the post- production support process for the eAICS application in the production environment.

2. All Terms and Conditions of the Master Contract apply unless modified herein this Statement of Work.
3. Planning for each sprint work cycle will be completed by the fifteenth (15th) of every month. If the day falls on a weekend or federal holiday, the next working day will be utilized.
4. The parties will forecast the resources needed for upcoming quarterly tasks. Contractor will provide the State's Business Owner an estimate of the required personnel in support of the eAICS application for the following quarter. If it is mutually agreed upon that the Production Support does not warrant eight Consultants, the Contractor will re-size the team to what would be needed to complete the next quarter's obligations. If there is a reduction of Consultants, the costs will be adjusted accordingly to the number of actual Consultants developing, maintaining and enhancing the eAICS software. Notwithstanding the foregoing, the parties agree that there shall not be a reduction in Consultants for one year following the execution of this SOW.
5. Contractor will work with the State to identify, prioritize and provide ongoing status of eAICS application enhancements during the term of this SOW. Contractor will work with the State to identify the number of releases per year.

In accordance with the specifications provided to Contractor by the State and/or MSP, Contractor will complete the activities listed below for each release. The content of each release must be based on feedback from MSP's Business Owner approver. The requirements and content for each release will be mutually agreed upon by the parties to this SOW in advance to any work starting on such release.

Contractor responsibilities include: Providing direction, input and securing approval from the State for:

- Scope Definition and Prioritization
- Implementation Plan and Schedule
- Specification Gathering and Validation
- Development, including interfaces, configuration, installation, etc.
- Integration, Quality Assurance (QA), Quality Control (QC), and Regression Testing
- Front-End Verification (FEV) Release
- Functional and Administrative Training
- UAT Release and Support
- Production Promotion
- Post Production Release Support
- All Supportive Documentation
- Any changes proposed by the Contractor

B. General Requirements

The Contractor agrees to the following for the term of this SOW:

i. Build, Verification and Development:

The Contractor will:

- Review all code changes for new code deployed and modified for MSP before such changes go to MSP. All reviews must include execution of a test plan.

- Conduct testing of the new/modified module to ensure that all deployments and modifications integrate with all current and future modules including but not limited to: eAICS, eCrash, eCitation, and eDaily.
- Perform regression testing of all functionality.

ii. Encryption:
The Contractor will use current encryption security standards. The current standards are listed below. Contractor must stay in compliance with future security standards as defined by CJIS Security Policy:

- FIPS 140-2 SSL
- FIPS 140-2 CSP (Microsoft Cryptographic Service Providers)
- 128 bit encryption, per Public Act 566 of 2006

iii. Session Timeouts:
Sessions will expire after a period of 30 minutes inactivity. This ensures that user sessions are not left idle for an unauthorized person to gain access as defined by CJIS Security Policy.

iv. Strict Password Rules:
Strict password conventions will be exercised, preventing users from choosing common or easy words to figure out as defined by SOM Policy:
http://inside.michigan.gov/dtmb/wr/psp/Documents/1335.00.20%20Active%20Directory%20Password%20Standard.pdf

v. Failed Login Attempts:
Application logging is required as defined by CJIS Security Policy. The contractor will provide MSP the ability to access the application logs.

vi. Identity Management System:
If the State requests, and upon written agreement by the parties, the Contractor will configure the application(s) to use the State's identity management system environment to achieve single sign on, when used on a computer connected to MSP's network.

vii. Breach:

If the Contractor becomes aware of any confirmed misuse or unauthorized access to MSP data, the Contractor is required to contact the MSP and DTMB Project Managers immediately and not to exceed a timeframe of more than 24 hours of said incident. The State and Contractor will determine who will be required to contact any persons affected by said breach via (1) written notice or (2) e-mail or (3) web site posting and public media release within 5 days of said breach.

IV. AGENCY RESPONSIBILITIES:

- Assign a primary point of contact with the Contractor.
- Ensure access to systems, resources etc. needed to complete Testing and Production Support activities.
- Ensure access to database and server(s) needed for Testing and Production Support activities assigned.
- Conduct User Acceptance Testing (UAT) and provide Acceptance.
- Provide network and VPN access as necessary.

- Provide specifications and/or requirements.
- Audit application logs as defined by SOM and CJIS Security Policy.
- Review and provide feedback and acceptance on all deliverables.
- Assist in providing the information needed for the requirements planning and provide approvals in a timely manner to ensure sprints can meet the required deadlines.

V. ACCEPTANCE CRITERIA

On a monthly basis unless otherwise agreed to by the parties, Contractor will provide status reports listing work performed, tasks completed and detailed time sheet (s). Contractor will invoice monthly for services and tasks that have been completed. Contractor will provide a Deliverable Acceptance Form (DAF) that shows the original estimate and actual hours for each specific completed task. Signing the monthly DAF by the MSP's Business Owner signifies State and MSP deliverable acceptance.

VI. Acceptance Testing; Acceptance

1. **<u>Acceptance Testing</u>.**
   A. Acceptance Tests will be conducted to ensure the Software conforms to the requirements set forth in the agreed upon release, including the applicable Specifications and Documentation of each module and complete Software package release. The State may, but is not obligated to perform its own pretest on the software utilizing Contractor's test package. If the State performs a pretest and Contractor's test package does not successfully pass the following activities, the following will be completed:
      - The contractor will provide the state with all test data and test scripts
      - The State is not obligated to transition into formal Acceptance Testing set forth in this Section.
      - The State may elect to return the Contractor's test package for problem correction and retest.

   B. All Acceptance Tests will take place at the designated Site(s) in the Operating Environment described in this Statement of Work, commence on the Business Day following installation of the Software and be conducted for up to thirty (30) Business Days (the "Testing Period").
      - Contractor will make suitable Contractor Personnel available to observe or participate in Acceptance Tests conducted by the State if requested.
      - The State has the right to observe or participate in all or any part of Acceptance Tests conducted by the contractor.

   C. Contractor is solely responsible for all costs and expenses related to Contractor's performance of, participation in, and observation of Acceptance Testing. The following Acceptance Test will be performed upon delivery and installation of any Configuration to the Software: full operability, integration, and compatibility among all elements of the Software ("Integration Testing"). Integration Testing is subject to all procedural and other terms and conditions set forth in this Statement of Work.

   D. If the State discovers a material Non-Conformity ("Non-Conformity" means any failure of any: (a) Software or Documentation to conform to the requirements of this Statement of Work or (b) Software to conform to the requirements of this Statement of Work or the Specifications or Documentation)resulting from the tested Software or part or feature of the Software. The following actions will be taken:
      - The State may suspend Acceptance Tests and the corresponding Testing Period by written notice to Contractor.
      - Contractor will within twenty-one (21) Business Days, correct such Non-Conformity.
      - When the non-conformity is corrected, the Acceptance Tests and Testing Period will

resume.

E. The Contractor will be responsible for keeping and making available to the State an issues tracking log which will tally all issues, time to remediate, dependencies, and steps to remediate the issue. This will become part of the overall Project scope and be referred to for future deployments and modifications.

2. <u>Notices of Completion, Non-Conformities, and Acceptance</u>.

Within fifteen (15) Business Days following the completion of any Acceptance Tests, including any Integration Testing, the party responsible for conducting the tests will prepare and provide to the other party written notice of the completion of the tests. Written notice (s) must include the following information:

- Report describing in detail the tests conducted and the results of such tests,
- Any uncorrected Non-Conformity in the tested Software.

A. When written notice is provided by either party and identifies any Non-Conformities, the parties' rights, remedies, and obligations will be as set forth herein and below

B. If such notice is provided by the State and identifies no Non-Conformities, signed notice will constitute the State's Acceptance of such Software. Notice must be signed by both the MSP's Business Owner and Project Manager

C. If such notice is provided by Contractor and identifies no Non-Conformities, the State will have thirty (30) Business Days to use the Software in the Operating Environment. The State has sole discretion in determining, whether it is satisfied that the Software contains no Non-Conformities. The State will provide the following as appropriate:

   i. Notification to the Contractor in writing of Non-Conformities the State has observed in the Software and of the State's non-acceptance, whereupon the parties' rights, remedies and obligations will be as set forth herein and below; or

   ii. Providing Contractor with a written notice of its Acceptance of such Software, which must be signed by the State's Business Owner and Project Manager.

3. <u>Failure of Acceptance Tests</u>.

If Acceptance Tests identify any Non-Conformities, Contractor, at Contractor's sole cost and expense, will remedy all such Non-Conformities and re-deliver within twenty-one (21) Business Days following, as applicable, Contractor's:

A. completion of such Acceptance Tests, in the case of Acceptance Tests conducted by Contractor; or

B. receipt of the State's notice under Section 1(A) or 2(C)(i) above, identifying any Non-Conformities.

4. <u>Repeated Failure of Acceptance Tests</u>.

If Acceptance Tests identify any Non-Conformity in the Software after a second or subsequent delivery of the Software, or Contractor fails to re-deliver the Software In keeping with number 3 above, the State may, in its sole discretion, by written notice to Contractor:

A. continue the process set forth in Acceptance Testing;

B. accept the Software as a nonconforming deliverable, in which case the Payment for such Software will be reduced equitably as agreed to by the parties to reflect the value of the Software as received relative to the value of the Software had it conformed; or

C. Deem the failure to be a non-curable material breach of this Contract and this Statement of Work and terminate this Statement of Work for cause in accordance with Section 2.152 of the Contract. Nothing in this section shall be deemed to release the State from paying Contractor for any Deliverable that has been approved or accepted pursuant to section 5 below prior to such termination.

D. If a non-Accepted Non-Conformity is deemed to be a previous Non-Conformity as reflected in the Issues Log which has not been subsequently remediated in later fixes and releases, Contractor will correct the Non-Conformity at no charge to State.

5. **Acceptance.**
Acceptance ("Acceptance") of the Software (subject, where applicable, to the State's right to Integration Testing) will occur on the date that is the earliest of the State's delivery of a notice accepting the Software under 2(B), or 2(c) (ii) above.

VII. SPECIFIC DEPARTMENT STANDARDS

At the request of the State, 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.

VIII. PROJECT CONTROL AND REPORTS:

A monthly progress report must be submitted to MSP's Business Owner and DTMB Project Manager throughout the life of this Statement of Work. Each monthly Progress Report must contain, but not limited to:

1. **Summary:** Indicate a summary of activity during the report period.

2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.

3. **Planned Tasks for the following Month:** Describe activities to be accomplished and deliverables expected during the next reporting period.

4. **Issues and Resolutions:** Indicate major issue/risks/changes, real or perceived, and recommend solutions.

Any changes to this Statement of Work will require a Contract Change Notice executed by Contractor and DTMB Procurement to be effective.

IX. PAYMENT

Pricing is based on the blended rate per the pricing table below in increments of .5 (half of a full-time resource = $9,200.00). This agreement also includes a contingency fund of $883,200.00 for an additional 10 hours per week, per resource. Potential total cost for twenty-four (24) months for the time period of 010/01/2016-09/30/2018; $4,416,000.00 (Rate based on 8 full time resources working 50 hours a week for a full twenty-four (24) months). The State is not obligated to pay the Contractor for resource support that was not utilized or time not approved by the Agency Business Owner within each month. The parties agree that Consultants will dedicate at least forty (40) hours weekly to the eAICS application but no more than 50 hours weekly. Any work beyond forty (40) hours per week will require the prior written approval of MSP and is subject to straight-time pay.

Pricing for Production Support		
Resource Support Quantity	**Payment**	**Invoice Timing**
0.5	$9,200.00	Monthly, if performed
1	$18,400.00	Monthly, if performed
1.5	$27,600.00	Monthly, if performed
2	$36,800.00	Monthly, if performed
2.5	$46,000.00	Monthly, if performed
3	$55,200.00	Monthly, if performed
3.5	$64,400.00	Monthly, if performed
4	$73,600.00	Monthly, if performed
4.5	$82,800.00	Monthly, if performed
5	$92,000.00	Monthly, if performed
5.5	$101,200.00	Monthly, if performed
6	$110,400.00	Monthly, if performed
6.5	$119,600.00	Monthly, if performed
7	$128,800.00	Monthly, if performed
7.5	$138,000.00	Monthly, if performed
8	$147,200.00	Monthly, if performed
Contingency funds	$883,200.00	10 hours per resource, per week for 24 months, if pre-approved by MSP.
Potential Total: 24 Months	Up to $4,416,000.00	

DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency Business Owner and DTMB Project Manager approvals. All invoices should reflect actual monthly work completed by payment date, and must be approved by the Agency Business Owner and DTMB Project Manager prior to payment. The invoices must include the Progress Report and associated fees.

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

TRAVEL AND EXPENSES

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

X. PROJECT CONTACTS

STATE

The designated Agency Business Owner/Primary Point of Contact is:
F/LT Alan Renz
MSP
7150 Harris Drive
Dimondale, MI
517-648-5871
RenzA1@michigan.gov

The designated DTMB Project Manager is:
Andrew Richards
DTMB EPMO
7150 Harris Drive
Dimondale, MI
517-897-3947
Richardsa4@michigan.gov

The designated DTMB Technical Lead is:
Ramesh Devaram
DTMB Agency Services MSP/DMVA
7150 Harris Drive
Dimondale, MI
517-898-6895
devaramr@michigan.gov

Contractor

The designated Contractor Key Personnel are as follows. Project Manager/Single Point of Contact and all Consultants assigned to complete an agreed upon release will be designated as Key Personnel per Section 2.060 Contract Management of the Master Contract.

Project Manager/Single Point of Contact is:

Chris Sowerwine
Project Analyst
608.819.5305 Direct
530.521.7498 Mobile
chris.sowerwine@lexisnexis.com

XI. LOCATION OF WHERE THE WORK IS TO BE PERFORMED

Contractor will perform services remotely unless otherwise requested by the State.

XII. EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

XIII. GENERAL ASSUMPTIONS.

The parties acknowledge that the State's responsibilities and tasks include those set forth in this SOW, and that Contractor's fixed rate for its Services depend upon the State's performance of such obligations. In the event of a delay or failure by the State to meet its obligations, and such failure materially effects Contractor's ability to perform the Services, then the parties will mutually negotiate an equitable adjustment to the implementation schedule or fees pursuant to Section 2.024 of the Master Contract.

STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

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

CONTRACT CHANGE NOTICE

Change Notice Number **2**
to
Contract Number **071B5500023**

CONTRACTOR	
	LexisNexis Claims Solutions, Inc.
	1000 Alderman Drive
	Alpharetta, GA 30005
	Salman Anwar
	269-615-7949
	salman.anwar@lexisnexis.com
	*******6168

STATE			
	Program Manager	David Roach	DTMB
		517-284-3271	
		roachd2@michigan.gov	
	Contract Administrator	James Topping	DTMB
		(517) 284-7030	
		Toppingj@michigan.gov	

CONTRACT SUMMARY

DESCRIPTION: iyeCrash and iyeCitation Software, Maintenance and Support

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 14, 2014	September 31, 2015	5 - 1 Year	September 30, 2016

PAYMENT TERMS	DELIVERY TIMEFRAME
N/A	

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	2 - 1 year	☐		September 30, 2018

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$ 473,982.76	$ 852,657.00	$1,326,639.76

DESCRIPTION: Effective July 12, 2016 this following changes are incorporated in the contract.

1. Exercise two, one year options for the time period of 10/01/2016 to 09/30/2018.
2. Add funds in the amount of $852,657.00
3. Update Buyer to James Topping

All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement, DTMB

Procurement approval and State Administrative Board approval on July 12, 2016.
Approved Ad Board Contract Value: $2,038,017.76

Remaining Approved AD Board Contract Value: 711,378
Previous Change Notice 4 for Contract: 071B5500023 will now be referred to as Change Notice 1.

Payments owed to Vendor

Product	Year Acquired	Quantity	Quanity Price	Total cost	Amount Paid	Amount Pending
iyeCrash Maint	2015-2016	470	$ 143.00	$ 67,210.00		$ 67,210.00
iyeCitation Maint	2015-2016	570	$ 143.00	$ 81,510.00		$ 81,510.00
			Total	**$ 1,719,120.00**	**$ 892,320.00**	**$ 148,720.00**
iyeCrash Maint	2014-2015	466	$ 143.00	$ 66,638.00		$ 66,638.00
iyeCitation Maint	2014-2015	366	$ 143.00	$ 52,338.00		$ 52,338.00
iyeCrash Maint	2015-2016	466	$ 143.00	$ 66,638.00		$ 66,638.00
iyeCitation Maint	2015-2016	366	$ 143.00	$ 52,338.00		$ 52,338.00
			Total	**$ 1,018,368.00**	**$ 780,416.00**	**$ 237,952.00**
Escrow	2011-2012	1	$ 2,000.00	$ 2,000.00		$ 2,000.00
Escrow	2012-2013	1	$ 2,000.00	$ 2,000.00		$ 2,000.00
Escrow	2013-2014	1	$ 2,000.00	$ 2,000.00		$ 2,000.00
Escrow	2014-2015	1	$ 2,000.00	$ 2,000.00		$ 2,000.00
Escrow	2015-2016	1	$ 2,000.00	$ 2,000.00		$ 2,000.00
			Total	**$ 12,000.00**	**$ 2,000.00**	**$ 10,000.00**
Total iyeCrash Licenses		1073				
Total iyeCitation License		1073				
Total Licenses		2146				
Total Cars		1073			Total Amout Due:	**$ 396,672.00**

Form No. DTMB-3521 (Rev. 5/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 4

to

CONTRACT NO. 071B5500023

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
LexisNexis Claims Solutions, Inc.	Salman Anwar	Salman.anwar@lexisnexis.com
1000 Alderman Drive	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Alpharetta, GA 30005	(269) 615-7949	-6168

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	David Roach	517-241-2220	Roachd2@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: iyeCrash and iyeCitation Software, Maintenance and Support

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 14, 2014	September 31, 2015	5, one year	September 30, 2015

PAYMENT TERMS	F.O.B.	SHIPPED TO
N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☒ Yes ☐ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
☒ No ☒ Yes	☒	☐	1 year	September 30, 2016

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$473,982.76	$0.00	$473,982.76

DESCRIPTION:
Effective July 17, 2015, the contract between the State of Michigan and LexisNexis Claims Solutions, Inc. ("Contract") is amended by this Change Notice No.4 to exercise an option year, use $257,012.00 existing funding for the annual maintenance renewal/license true-up and use $55,200.00 existing funding for the services in the attached Statement of Work fora mapping tool addition to the eCrash software. This is a zero-dollar change. Remaining balance after change: $161,770.76. All other pricing, terms and conditions remain the same. All other Contract terms, conditions, specifications, and pricing remain the same unless specifically modified herein. Per vendor and agency agreement and DTMB Procurement approval.

Quote

LexisNexis®
1000 Alderman Drive
Alpharetta, GA 30005

LexisNexis®

June 11, 2015

Quote No.: 20150611

Ship To:
Financial SVCS - Accoutns Payable
2nd Floor Lewis Cas Building
320 S. Walnut
Lansing, MI 48933

Bill To:
Financial SVCS - Accoutns Payable
2nd Floor Lewis Cas Building
320 S. Walnut
Lansing, MI 48933

Part Number	Description	Quantity	Unit Price	Amount
N/A	**iyeCrash Software True-up Licenses as of 2015**	137	$ 795.00	$ 108,915.00
N/A	**iyeCrash Software True-up Licenses as of 2015**	137	$ 795.00	$ 108,915.00
N/A	**Software Maintenance/ Support, Proprietary iyeCrash Maintenance Period Covered 10/01/2015 through 9/30/2016 - Per Contract #071B0200339**	137	$ 143.00	$ 19,591.00
N/A	**Software Maintenance/ Support, Proprietary iyeCitation Maintenance Period Covered 10/01/2015 through 9/30/2016 Per Contract #071B0200339**	137	$ 143.00	$ 19,591.00
			Quote Subtotal	**$ 257,012.00**
			Sales Tax	As Applicable

LexisNexis® appreciates the opportunity to provide you with this quote. If you have any questions regarding this quote, feel free to reach out to your account manager:

Salman Anwar
salman.anwar@lexisnexis.com
269-615-7949

Signature to Accept Quote:_____

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

Project Title: **Crash Location Improvement Project (CLIP)**	**Period of Coverage:** **08/2015 –10/2015**
Requesting Department: **Michigan State Police**	**Date:** **07/17/2015**
Agency Project Manager: **Sydney Smith**	**Phone:** **517-241-1750**
DTMB Project Manager: **Debbi Simon**	**Phone:** **517-241-9524**

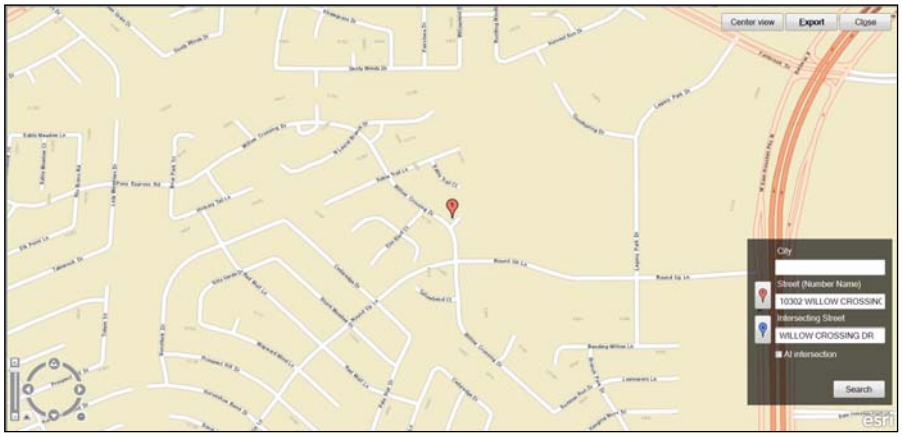
BACKGROUND:
Today, police officers place motor vehicle crash location information on an electronic crash form (UD-10), using his/her best judgment of the crash location to the nearest intersecting road. Although the officer may measure or pace-off a distance to the nearest intersection, reviews of crash data show that the officer will many times misjudge the distance to the intersection. The accurate location of crashes, whether at/near an intersection or at a distance from an intersection, is extremely important in determining where a crash pattern is occurring, thereby enabling traffic safety agencies to review the crash locations and possibly determine the proper corrective measure. Many crashes near an intersection may be intersection related or they may be driveway related. Depending on the intersection, there may be several driveways close to the intersection making the accurate location of the crash even more important.

Adding a mapping component to the version of the electronic UD-10 crash form (to the form version that will become effective January 2016) would give the officer several advantages to correctly locate crashes. An electronic map would allow the officer to see the nearby streets and better gauge the correct location of the crash. The map would allow the officer to click a precise point on the road where the crash occurred and automatically populate several fields with the correct location information, increasing accuracy and reducing the officer's time to complete the UD-10. If the map or any of the add-ons fails, the officer could still manually estimate the location. The proposed enhancement would use the existing Michigan Geographic Framework (MGF) map as a base product with extra functionality added as options.

PROJECT OBJECTIVE:
- Implement a comprehensive solution that will allow Law Enforcement agencies to have a mapping tool displayed as part of the electronic UD-10 form display.
- Utilize the Michigan Geographic Framework (MGF) as the source for the displayed map and the road data reported on the UD-10 form.

SCOPE OF WORK:
This Statement of Work contains the following scope:
- Building a User Interface (to be completed by end of September 2015)
- Testing Phase (UAT from September – October 2015)

TASKS & DELIVERABLES:
Prior to Contractor beginning work, DTMB Center for Shared Solutions will create map control code on the MGF, which will then be piloted and tested by the State's Traffic Crash Reporting Unit team. After that team completes the pilot and approves the code, Contractor will develop a user interface to host that map control ("Map Code")(referred to by Contractor as Case # 16727 and shown below).



Note: The map will only work while in a connected mode so it should be disabled in disconnected mode. Access to the map will be disabled when Wi-Fi connection is unavailable.

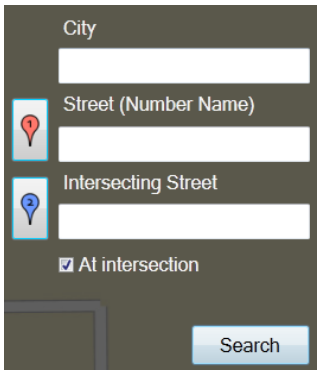
The Map Code will:

1) Provide functionality offering a variety of views for the map including: Aerial, Street, and Hybrid (combination of Aerial with an overlay of the Street) views provided that the CSS web service supports such functionality.

2) Provide functionality in the map that will allow the user to pan to any other area within the bounds of the state of Michigan.

3) Provide functionality that includes a reset option to the user which returns to the original displayed map.

4) Provide functionality in the map that will allow the user to select the location where the crash occurred (referred to by Contractor as Case # 16724 and shown below.



5) Provide a mapping component hosted by CSS. (https://gis.mcgi.state.mi.us/ArcGIS/rest/services/BaseMap/StreetMap/MapServer) The State of Michigan shall maintain licensing with an applicable vendor.

6) Build a user interface that allows the user to display the mapping component.

Note:

-
- The user will be able to locate an accident by using a single 'push pin' on the map.
- Based on the selected location, system will pass the geo coordinates into MSP's geo lookup service.

7) Provide functionality that will enable a user to select a location on the visual map to automatically import into the crash report. The mapping service will accept parameters of County, City/Township, Primary Street Name, Distance, Direction, and Intersecting Street Name (referred to by Contractor as Case # 16721 and shown below.

Requirements:

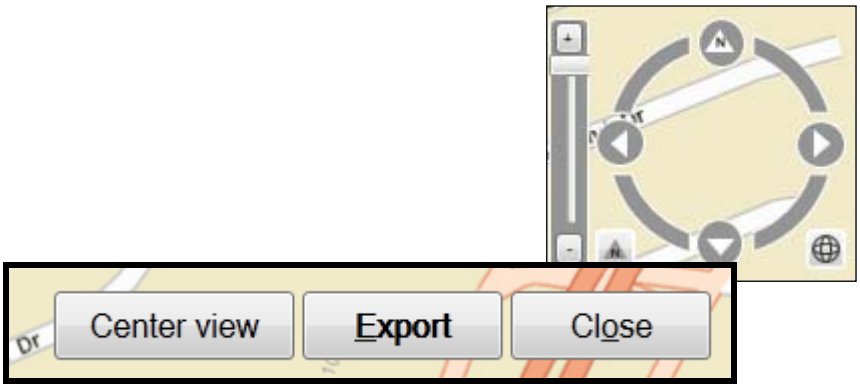
- Use the selected location to populate the crash form.
- If no location is found in the CSS service, system will return an empty result and display a 'No Road Found' message to the user.
- If multiple results are found, system will prompt users and provide options from which users may select desired option.
- If the user attempts to push pin the location more than 100ft from road, no results will be returned by the system.

8) Enable a user to capture, store, and transfer the following information from the Crash Mapping Service in accordance with the Contract:

- County information
- City/Township
- Latitude and Longitude (Note: this information is not currently captured on the UD-10 and the TCRS crash export will be updated) (referred to by Contractor as Case ## 16726 and 16830 and shown below.

Latitude - (decimal degrees) **29.92036**	Longitude- (decimal degrees) **-95.56370**

9) Enable user to rotate and zoom Map View.

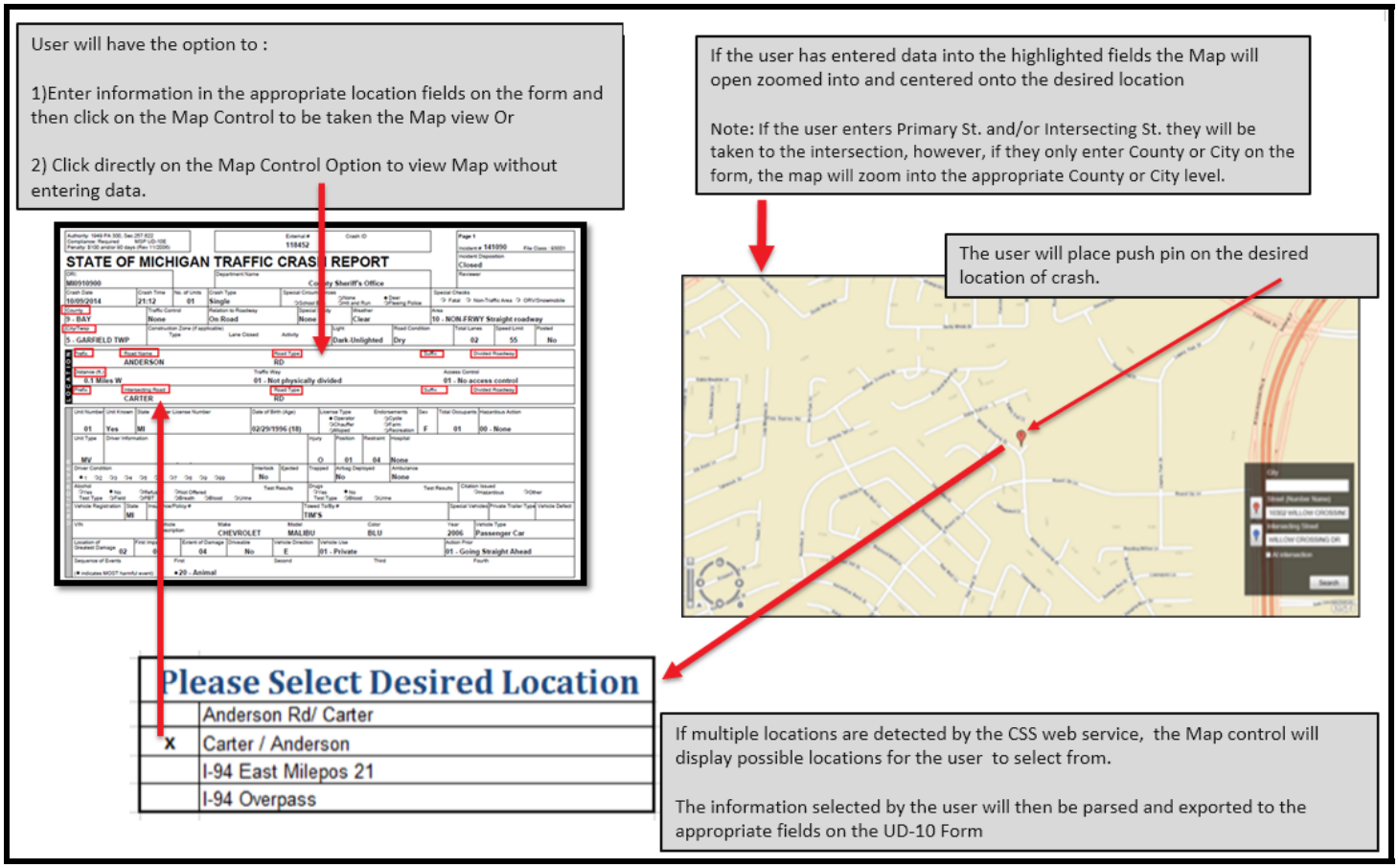


10) As applicable, function in accordance with MSP standards, as communicated to Contractor in writing, in a Change Order, or contained with the Contract.

11) Provide functionality with ability to control whether the mapping capabilities are available to the agency based on the ORI (originating agency) number.

12) Provide functionality with the ability to use Map Controls to enter Crash Location information.

The following depicts the user interaction:



ACCEPTANCE CRITERIA:
Deliverables will not be considered complete until the DTMB Project Manager has formally accepted them as described below. The following high-level acceptance criteria apply:

<u>Software Deliverables</u> - Software includes, but is not limited to, software product, development tools, support tools, data migration software, integration software, and installation software.

1. 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 both the DTMB Project Manager and Agency Program Manager.
    a. Unacceptable issues will be documented and submitted to the Contractor.
    b. After issues are resolved or waived, the Contractor will resubmit software for approval within60 days of receipt.
2. Software is installed and configured, with assistance from DTMB, in an appropriate environment (e.g. development, conversion, QA testing, UAT testing, production, and training).
3. Contingency plans, de-installation procedures, and software are provided by the Contractor and approved by both the DTMB Project Manager and Agency Project Manager.

Project-Specific Criteria
The following acceptance criteria apply to this project:

- Solution is functional per requirements/design – integrated into the eCrash module
- Solution integrates with the CSS identified services
- Completed specification documentation for the integration of solution is provided by Contractor

PROJECT CONTROL AND REPORTS:
Once the project commences, a monthly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. Each monthly progress report must contain information such as

current status, actions taken, progress made, and any risks identified since the previous report. Any changes to this Statement of Work will require a Contract Change Notice executed by Contractor and DTMB Procurement to be effective.

PAYMENT SCHEDULE:
Payment will be based on a firm-fixed, deliverables-based price model. Contractor may invoice the State after all deliverables have been formally tested and accepted by the State. The total firm fixed fee for Contractor's Services is **Fifty-Five Thousand, Two Hundred Dollars ($55,200)** and is based upon Contractor's determination that it must provide the following resources to fully perform this Statement of Work:

Architect / Senior .NET Developer	80 hours	$115	$9,200.00
Senior .NET Developer	400 hours	$115	$46,000.00

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

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

PROJECT CONTACTS:
The designated Agency Project Manager is:

Sydney Smith
Michigan State Police
Traffic Crash Reporting Unit
MSP HQ, 1st Floor
333 South Grand Avenue
Lansing, Michigan 48909
Phone: (517) 241-1750
Fax: (517) 241-1644
Smiths57@michigan.gov

The designated DTMB Project Manager is:

Debbi Simon
Senior Project Manager
DTMB-EPMO Supporting MDOT, MSP, DOC, and DMVA
Van Wagoner Building, 3rd Floor
425 West Ottawa Street
Lansing, Michigan 48909
Phone: 517-241-9524
Fax: 517-335-4239
simond1@michigan.gov

GENERAL ASSUMPTIONS:
- All dates referenced in this document are subject to change based upon modifications to Project scope and/or dates as approved by MSP, and mutually agreed upon in writing by both parties.
- Contractor may submit invoices for the firm fixed deliverables after the State has formally tested and accepted same.
- Notwithstanding anything contained in the Contract, no restrictions shall be placed on Contractor's ability to perform the same or similar services for other clients or to provide similar deliverables to other clients.
- Contractor's ability to fulfill its obligations hereunder is at all times subject to: the accuracy of the information contained herein or otherwise provided to Contractor; MSP/DTMB/CSS, or other parties in connection with this Statement of Work, fulfilling its obligations; any delays or scope changes caused by MSP; and any delays or stoppages due to occurrences beyond Contractor's control.
- Furthermore, Contractor shall not be held liable for failure to fulfill its obligations hereunder in the case of:
    - Failure of MSP/DTMB/CSS to provide adequate specifications and/or requirements and the web

service definitions;
  - Failure of MSP/DTMB/CSS to approve a project deliverable or Change Order Request in a timely fashion; and
  - Failure of MSP/DTMB/CSS to fulfill its obligations hereunder.

AGENCY RESPONSIBILITIES:

- Assign a primary point of contact with Contractor.
- Ensure access to systems, resources etc. needed to complete development activities.
- Ensure access to application source code, database and server(s) needed for development activities assigned.
- Provide all hardware and software licenses required, including without limitation licensing required for Contractor's access to MGF.
- Provide network and VPN access necessary to complete the project. Delays in access may impact schedule.
- Review and provide feedback on all deliverables.
- Provide adequate specifications and/or requirements and the web service definition.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Contractor will perform services remotely unless otherwise requested by the State.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime will be permitted.

Van Wagoner Building, 3rd Floor
425 West Ottawa Street
Lansing, Michigan 48909
Phone: 517-241-9524
Fax: 517-335-4239
simond1@michigan.gov

GENERAL ASSUMPTIONS:

- All dates referenced in this document are subject to change based upon modifications to Project scope and/or dates as approved by MSP, and mutually agreed to by both parties.
- Contractor may submit invoices for the firm fixed deliverables after the State has formally tested and accepted same.
- No restrictions shall be placed on iyeTek's ability to perform the same or similar services for other clients.
- iyeTek's ability to fulfill its obligations hereunder is at all times subject to: the accuracy of these assumptions; MSP/DTMB/CSS fulfilling its obligations; any delays or scope changes caused by MSP; and any delays or stoppages due to occurrences beyond iyeTek's control.
- Furthermore, iyeTek shall not be held liable for failure to fulfill its obligations hereunder in the case of:
    - Failure of MSP/DTMB/CSS to provide adequate specifications and/or requirements and the web service definitions;
    - Failure of MSP/DTMB/CSS to approve a Project deliverable or Change Order Request in a timely fashion;

AGENCY RESPONSIBILITIES:

- Assign a primary point of contact with iyeTek.
- Access to systems, resources etc. needed to complete development activities.
- Access to application source code, database and server(s) needed for development activities assigned.
- Provide all hardware and software licenses required.
- Provide network and VPN access for the developer. Delays in access may impact schedule.
- Review and provide feedback on all deliverables.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Contractor will perform services remotely unless otherwise requested by the State.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing. No overtime will be permitted.

Form No. DTMB-3524 (Created 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: No further payment will be made to the previous Contractor name and or number.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE

CONTRACT NO. 071B0200339

hereafter referred as

CONTRACT NO. 071B5500023

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR (AFTER ASSIGNMENT):	PRIMARY CONTACT	EMAIL
LexisNexis Claims Solutions, Inc. 1000 Alderman Drive Alpharetta, GA 30005	Salman Anwar	Salman.anwar@lexisnexis.com
	TELEPHONE	NEW CONTRACTOR #, MAIL CODE
	269-615-7949	

PREVIOUS NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
IyeTek LLC 950 Trade Center Way, Ste 115 Kalamazoo, MI 49002	Salman Anwar	Salman.anwar@iyeTek.com
	TELEPHONE	PREVIOUS CONTRACTOR #, MAIL CODE
	888-949-3835	

DESCRIPTION OF CHANGE NOTICE:
iyeTek, LLC (iyeTek) requested an assignment of this Contract to LexisNexis Claims Solutions, Inc. (LexisNexis) because LexisNexis acquired a 100% interest in iyeTek. Due to the internal systems related to the release of Contractor payments, a new Contract number must be assigned. The new Contract Number is 071B5500023**. The Contractual obligations and rights of Contract Number 071B0200339 are hereby assigned to LexisNexis Claims Solutions, Inc.** **THIS CHANGE IS EFFECTIVE:** 10/14/2014
$473,982.76 **REMAINING ON CONTRACT #** 071B0200339 **TO BE TRANSFERRED TO CONTRACT #** 071B5500023.

Form No. DTMB-3524 (Created 4/2012)
Change of Contractor Name or Tax Identification Number

Contract No. 071B0200339 **hereafter referred as Contract No.** 071B5500023

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	David Roach	517-241-2220	Roachd2@michigan.gov
BUYER:	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
iyeCrash and iyeCitation Software, Maintenance and Support			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	10/14/2014	09/13/2015	5 one year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☒ YES ☐ NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

FOR THE CONTRACTOR:

LexisNexis Claims Solutions, Inc.

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Sharon Walenga-Maynard,
Sourcing Director

Name/Title

DTMB Procurement

Enter Name of Agency

Date

FOR THE CONTRACTOR:

IyeTek LLC

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 2
to
CONTRACT NO. 071B0200339
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
iyeTek LLC	Salman Anwar	salman.anwar@iyeTek.com
950 Trade Centre Way, Ste 115	TELEPHONE	CONTRACTOR #, MAIL CODE
Kalamazoo, MI 49002	(888) 949-3835 Extension 701	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Sandi Thorne	517-335-4070	ThorneS@michigan.gov
BUYER	DTMB	Jarrod Barron	(517) 284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: iyeCrash and iyeCitation Software, Maintenance and Support

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
9/14/2010	9/13/2015	Five One-Year	9/13/2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☒ Yes ☐ No

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐	N/A	9/13/2015

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$899,392.00	$3,155,967.00

Effective the date signed below by the last required signer, this contract is amended to:

1. Add $899,392.00, comprised of $661,440.00 for 466 additional iyeCrash and 366 iyeCitation licenses and $237,952.00 for software support and maintenance on those additional licenses for the period 10/1/2013 through 9/30/2015. Pricing is per rates established in the original contract. Hereafter, the parties will true-up up the iyeCrash and iyeCitation licenses annually each June beginning in June 2015. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on

June 24, 2014.

2. Add the services described in the attached Crash Location Improvement Project Statement of Work and contractor Quote Number 2014-710265. This portion of the contract amendment is a zero-dollar change, utilizing $11,500 of the original contract's Future Enhancements funding. After amendment, remaining Future Enhancements balance is $347,006.76. Per vendor and agency agreement, DTMB Procurement approval and original contract approval of the State Administrative Board on September 14, 2010.
3. Require henceforth that to use any portion of Future Enhancements funding, the State will submit a Statement of Work (SOW) to the Contractor for the additional goods or services requested. For each such SOW received from the State, the Contractor will provide a Written Proposal. Upon review and written approval of the Written Proposal by the DTMB Project Manager and Agency Project Manager, the Agency will submit a contract change request to DTMB-Procurement in accordance with Section 1.403 Change Management. Upon review and written approval by DTMB-Procurement, and the State Administrative Board if required, a Contract Change Notice will be executed. A fully executed Contract Change Notice is required prior to issuance of any Purchase Order release and prior to providing any Future Enhancements goods or services.
4. Change the Buyer and Contract Administrator to Jarrod Barron.

All other pricing, terms and conditions remain the same.

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

IT SERVICES

STATEMENT OF WORK

Project Title: **Crash Location Improvement Project (CLIP)**	**Period of Coverage:** 07/07/14-09/30/14
Requesting Department: Michigan State Police	Date: July 7, 2014
Agency Project Manager: Sydney Smith	Phone: 517-241-1750
DTMB Project Manager: Debbi Simon	Phone: 517-241-9524

Brief description of services to be provided.

BACKGROUND:

Project Description/Scope

Currently, the crash location information is placed on the UD-10 by a police officer, typically using his/her best estimate of the location of the crash from a nearby crossroad. Although, the officer may measure or pace-off a distance close to an intersection, reviews of crash data show that the officer many times will estimate a distance from an intersection, using an estimate of 500 feet, 1000 feet, etc. The accurate location of crashes, whether at/near an intersection or at a distance from an intersection, is extremely important in determining where a crash pattern is occurring, thereby enabling road agencies to review the crash locations and possibly fix the issue. Many crashes near an intersection may be intersection related or they may be driveway related. Depending on the intersection, there may be several driveways close to the intersection making the accurate location of the crash even more important.

The addition of a mapping system to the electronic UD-10 form would give the officer several advantages to correctly locate crashes. The proposed system would use the existing Michigan Geographic Framework (MGF) map as a base product with extra functionality added as options. If the map or any of the add-ons fails, the officer would then use the existing process of locating the crash.

- A MGF electronic map would allow the officer to see the nearby streets and better gauge the correct location of the crash.
- The map would allow the officer to click a point on the road where the crash occurred and automatically populate many (potentially 10-20) fields or bubbles increasing accuracy and reducing the officer's time to fill the UD-10.

Project Objectives

- Develop a comprehensive solution that will allow Law Enforcement Agencies to have a mapping tool displayed as part of the electronic UD-10 form display.
- Utilize the Michigan Geographic Framework (MGF) as the source for the displayed map and the road data reported through the UD-10 form.
- Support web based services access for Law Enforcement vehicles that are authorized to connect via the internet.
- Support local services for Law Enforcement vehicles that are not authorized to connect via the internet or for locations where the internet signal is not available.

Business Benefits

- Accurate crash location information for use by police and engineers.
- Save the officer time by electronically entering the crash location information.
- Reduce UD-10 processing time by having fewer location errors requiring manual correction.
- Save staff time by reducing the number of crashes that must be manually located.

Estimated Project Deliverables: Due by September 30, 2014

- Business /System Requirements and Design
- Compile a Specification Document and develop Wireframes
- Project Plan tying out remaining CLIP milestones, deliverables, dates and levels of effort
- Quote Breakdown by the above Project Plan milestones, deliverables, dates and levels of effort

Law Enforcement Software Solutions
A LexisNexis® Company

A Quotation for

Dept. Of Technology, Management and Budget
Procurement Services
320 S. Walnut, Lansing MI 48913
DTMB-Accounts-Payable@michigan.gov

A Quotation by

Name: Saira Malik
Email: Maliks@iyetek.com
Phone #: (888) 949-3835 x 711
Fax #: (248) 786-5349

Date Quoted 7/9/2014

Agency Name:	State of Michigan DTMB Contract #071B0200339
Quote Number:	2014-710265
Int. Number:	

Line Item	Part Number	Description	Quantity	Unit Price	Extended Price
1	Contractor	Consulting Services for the Crash Location Improvement Project (CLIP) (*May Require Additional Hours to complete Sepcification Document/Wireframes as identified during the JAD Sessions.)	100	$115.00	$11,500.00
Thank you for this opportunity to submit our quotation for your review. Please provide a copy of			**Total:**		**$11,500.00**

Pricing is guaranteed 15 days from date of proposal.

To accept this proposal, sign here and return :_____

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

9/12/2013

CHANGE NOTICE NO. 1
to
CONTRACT NO. 071B0200339
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
iyeTek LLC	Salman Anwar	salman.anwar@iyeTek.com
950 Trade Centre Way, Ste 115	TELEPHONE	CONTRACTOR #, MAIL CODE
Kalamazoo, MI 49002	(888) 949-3835 Extension 701	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Sandi Thorne	517-335-4070	ThorneS@michigan.gov
BUYER	DTMB	Steve Motz	(517) 241-3215	MotzS@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: iyeCrash and iyeCitation Software, Maintenance and Support

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
9/14/2010	9/13/2015	Five One-Year	9/13/2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☒ Yes ☐ No

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐	N/A	9/13/2015

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$249,895.00	$2,256,575.00

Effective immediately this contract is INCREASED by $249,895.00 per the attached. Per Administrative Board approval on 7/23/2013. Please Note: the Contract Compliance Inspector for the State is changed to Sandi Thorne.

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

iyeTek
Law Enforcement Software Solutions

950 Trade Centre Way, Ste. 115
Kalamazoo, MI 49002
Toll Free # (888) 9 IYETEK
www.iyeTek.com

June 3rd 2013

Lt.Steve Horwood
Michigan State Police Headquarters
333 S. Grand Avenue
Lansing, MI 48909

Lt. Horwood,

I am writing to confirm that iyeTek agrees to the addition of *CVED Officer Daily Module* to the existing Officer *Daily Contract* between SOM and iyeTek.

We look forward to working on this initiative with MSP and accept the estimated additional work (2173 hours) as well as the anticipated costs for programming services in the amount of $249,895 as discussed in the *Amend Officer Daily/eCrash/eCitation Integration Project Contract* for this project.

I will continue to be the Project Manager for this project. Please do not hesitate to contact me should you require any further clarification.

Regards,

Salman Anwar
Phone: 888-949-3835 x 701
Email: salman.anwar@iyeTek.com

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

Project Title: **Amend Officer Daily/eCrash/eCitation Integration**	**Period of Coverage:** **7/1/13-6/30/14**
Requesting Department: **MSP-SSB-CVED**	**Date:** **5 June 13**
Agency Project Manager: **LT Steven Horwood**	**Phone:** **517-241-1661**
DTMB Project Manager: **Steven Goodhall**	**Phone:** **248-505-5204**

Brief Description of Services to be provided:

BACKGROUND:

Amend current contract to include Commercial Vehicle Enforcement Division CVED specific tables and edits to Edaily per objectives.

A critical component of the CVED Officer Daily is its use of data for budget reporting. Standard activity analysis is just one component of the Officer Daily. The amendment must include CVED reporting specifications as a primary function and be fully available at time of project sign-off.

The State of Michigan (SOM), through the Michigan Department of State Police (MSP), and Department of Technology, Management and Budget (DTMB), seeks to amend the acquired customized Software for the Officer's Daily (OD) that is integrated with electronic citation (eCitation) and the electronic crash (eCrash) reporting system. Complete with a Officer Daily Query Builder (ODQB) framework for Commercial Vehicle Enforcement division. The ODQB will provide the functionality for trained MSP staff to build queries on all of the data being collected in the new Officer Daily application. The ODQB will also provide a means to store queries in a library. Lastly, The SOM is requesting the vendor iyeTek Host and Manage the Officer's Daily Software after completion and deployment of the software.

The automated Officer's Daily application is designed to track Officers Daily activity and equipment in a systematic and reportable and retrievable format. The Officer Daily (OD) application is designed to be used on desktop computers, as well as mobile data computers (MDC). When there is access to the network, Officer Daily's Data is sent directly to the central database. However, when there is no network available data is stored on the MDC for later transfer. When an officer returns to a location (i.e. Post), he simply closes the OD application on the MDC and downloads the Daily Logs. The stored data is then retrieved and the Officer transfers and stores the information on a USB flash drive. When data is at rest, it is encrypted using FIPS 140-2 algorithm. The officer inserts the flash drive into a desktop computer, where network connectivity is available, and logins into the OD application. The application asks for confirmation and then uploads the OD from the flash drive to the central database on the network.

Troopers and Motor Carrier Officers can submit his/her daily for approval by entering time accounting and patrol hours and mileage allocations. All completed records are reviewed by a designated supervisor at the Post or worksite. The supervisor approves/rejects them based on the accuracy of information entered by the trooper/MCO. If rejected, the daily is sent back to the trooper/MCO for modifications and is resubmitted. If required a hardcopy of the daily report can be printed from the application.

Supervisors have access to an administrative portal. A Daily Reporting component is available for review of a single daily or for summary review of information using different filters. Filters available for creating summary review include: date range selection, district, worksite, shift, assignment, project detail, PCA, Index, county, township or project number. Other supervisor and administrative functions of the application include, missing

daily review, time accounting reports, user maintenance, and table maintenance of Post specific lookup tables. Also available is a Sync Lookup Tables process for downloading lookup tables from the central database to a desktop or flash drive for updating the MDCs.

The application is required to run in three different network connectivity modes; namely Connected, Disconnected and Limited mode. When there is no network connection available, the software will autonomously store the Data on the local computer or USB flash drive and continuously attempts to locate a connection so that it may transmit the Data to the Central repository, it does this until it receives confirmation of receipt from the central repository.

Query Building Framework, will allow MSP employees the capability to build queries on all of the data being collected in the new Officer Daily application. The ODQB will also provide the means to store queries in a library so that less experienced MSP staff will be able to select a pre-built query and modify parameters prior to running to obtain the desired results.

PROJECT OBJECTIVE:

The objectives of the Officer Daily project are:

Amend current contract objectives 1 through 7 and add 8-12.

1. Program and integrate the Officer Daily Program with CVED Daily tables and eCrash and eCitation programs.
2. Facilitate the creation of CVED Daily Reports in the mobile environment
3. Streamline the process for supervisors who approve Officer Daily's, Traffic Accidents and Citation Reports
4. Enhance the user interface of the Officer Daily Software to enable Troopers/MCO's to quickly enter required data.
5. Provide detailed information using various filters. Example-Division, District, Post, Assignment, user
6. Implement user level security features
7. Create a Query Builder Component to enhance Reporting Capabilities ADDED

<u>Provide programing changes or allow data collection and distribution to MSP/DTMB to accommodate:</u>

8. Supervisor edit function for subordinate dailies district wide and not post location specific
9. Show all subordinate submitted, rejected and pending review in supervisor admin screen
10. Amend contract to incorporate CVED data into database for Dashboard reporting
11. Allow or provide detailed budget reporting from CVED activity and special project data
12. Admin Command user must be able to see all data under their command without logging in to specific Post ORI.

SCOPE OF WORK:
The following is in scope:

- Development of a CVED Officer's Daily or module
- Customizing Officer Daily Software to fulfill MSP's functional requirement
- Integration with iyeCitation {eCitation) and iyeCrash {eCrash)
- Train the Trainers
- Assist MSP with implementation and installation until project is underway
- Provide a help desk support during implementation
- Provide documentation on configuration to allow for MSP to continue with implementation
- Hosting and Maintenance for Officer Daily Application

TASKS:
Technical support is required to assist with the following tasks:

1. Include CVED requirements into the current E-Daily.
2. Integrate CVED Requirements into e-Crash and e-Citation
3. Develop, test and implement an Export from the SQL Database hosted by the vendor and import into the Oracle database in the SOM Hosting Center.

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

Milestone 1:

1. Conduct JAD Sessions with MSP CVED and DTMB to confirm all Business Requirements.
2. Obtain sign-off for final Business Requirements from MSP CVED and DTMB.

Milestone 2

3. Prepare Architectural Model of the solution.
4. Design Graphical User Interface

Milestone 3

5. Udpate/Alter Database tables for E-Daily
6. Add new tables, stored procedures and triggers for MSP CVED additions

Milestone 4

7. Detail Golding Phase
8. Write Unit Test
9. Develop Webservices

Milestone 5

10. Code Edits/Modifications to Daily to meet CVED Daily Business Requirements
11. Develop Administrative Functions in Admin Portal

Milestone 6:

12. Develop Export Interface to SOM Database
13. Provide Data to MSP/DTMB for Dashboard testing and validation

Milestone 7:

14. Testing and Validation/De buggin of CVED Daily and Administrative Functions.

Milestone 8:

15. Finish and Sign-off of Project.

ACCEPTANCE CRITERIA:

PROJECT CONTROL AND REPORTS:

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

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

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards. Vendor staff supporting this project will be required

to undergo and extensive background check to include a Federal Background Check.

PAYMENT SCHEDULE:

Payment will be made on a Satisfactory acceptance of each Milestone. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Katie Bower
MSP
CJIC
MSP HQ's 2nd Floor
333 S Grand Ave
Lansing, MI 48933
517-241-1661
bowerk@michigan.gov

The designated DTMB Project Manager is:

Steven Goodhall
DTMB
AS-DMVA/MSP
MSP HQ's, 4th Floor
333 S Grand Ave
Lansing, MI 48933
248-505-5204
GoodhallS1

AGENCY RESPONSIBILITIES:

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at MSP HQ's, 333 S Grand Ave, in Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **September 14, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B0200339

between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **iyeTek LLC** **4664 Campus Drive, Suite 100** **Kalamazoo, MI 49008** **Email: salman.anwar@iyeTek.com**	TELEPHONE **(888) 949-3835** **Extension 701** **Salman Anwar** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**
Contract Compliance Inspector: Barb Suska **iyeCrash and iyeCitation Software, Maintenance and Support**	
CONTRACT PERIOD From: **September 14, 2010** To: **September 13, 2015**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

ESTIMATED CONTRACT VALUE: $2,006,680.00.

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

CONTRACT NO. 071B0200339

between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE **(888) 949-3835 Extension 701** **Salman Anwar**
iyeTek LLC **4664 Campus Drive, Suite 100** **Kalamazoo, MI 49008** **Email: salman.anwar@iyeTek.com**	VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 **Steve Motz**

Contract Compliance Inspector: Barb Suska
iyeCrash and iyeCitation Software, Maintenance and Support

CONTRACT PERIOD	From: **September 14, 2010**	To: **September 13, 2015**
TERMS **N/A**	SHIPMENT **N/A**	
F.O.B. **N/A**	SHIPPED FROM **N/A**	

MINIMUM DELIVERY REQUIREMENTS
N/A

MISCELLANEOUS INFORMATION:
The terms and conditions of this Contract are enclosed. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: $2,006,680.00

THIS IS NOT AN ORDER the terms and conditions of this Contract are enclosed. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Original contract was awarded on the basis of our inquiry bearing the RFP No. 071I0200201.

FOR THE VENDOR:	**FOR THE STATE:**
iyeTek LLC Firm Name	Signature
Authorized Agent Signature	**Greg Faremouth, Director** Name
Authorized Agent (Print or Type)	**IT Division, Purchasing Operations** Title
Date	Date

STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

iyeCrash and iyeCitation Software, Maintenance and Support
Michigan State Police
Criminal Justice Information Center

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

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DEFINITIONS

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DTMB	Michigan Department of Technology, Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
RESERVED	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services
Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.

Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

1. The State of Michigan (State), through the Michigan Department of State Police (MSP) and Department of Technology, Management and Budget (DTMB), seek to acquire iyeCrash and iyeCitation licenses, the State standard, for electronic Traffic Crash and Citation mobile computing, to be used by MSP officers throughout the State. The additional software, and associated maintenance and support, will allow officers to capture required data fields from the patrol car and transmit data to the appropriate State level database and/or court.

1.002 Background

1. The MSP is responsible for enforcement and traffic safety throughout the State, operating largely out of its approximately 80 posts and satellite sites. Enforcement often entails the issuance of citations (commonly referred to as "tickets") that can be for multiple offenses on one citation. MSP issues approximately 200,000 citations per year. The Uniform Citation (UD-8) is a State standardized form used by all law enforcement agencies in the State. The Motor Carrier Uniform Citation (MC-08) is a slightly different State standardized form used by all law enforcement agencies to document commercial motor vehicle tickets. In addition, the MSP polices traffic crashes and, like citations, is required to use the standard State of Michigan Traffic Crash Report (UD-10) which captures data fields regarding crash information. The MSP polices approximately 52,000 crashes per year. Both the UD-8/MC-8 and UD-10 forms are currently completed almost exclusively on paper within MSP.

2. The MPS has been pursuing a mobile computing initiative and seeks 470 iyeCrash licenses and 570 iyeCitation software licenses toward this initiative. The State reserves the right to purchase additional licenses.

3. Currently, each agency or post usually forwards paper citation information to the respective court having jurisdiction for adjudication. In the new mobile environment, the MSP will need to be able to send electronic data to all courts within Michigan. Courts have many disparate records systems which can accept electronic submissions. This is done through separate interfaces between the law enforcement agency and the specific court or, in many cases, through an electronic submission to the State's Data Exchange Gateway (DEG). From there, court case management systems, like the one supported by the State Court Administrative Office's Judicial Information System (JIS), can download the citation data.

4. The Contractor must interface the iyeCrash and iyeCitation software with the MSP in-house developed and maintained Automated Incident Capture System (AICS) and Officer Daily System (OD) to eliminate duplicate entry of data and seamless reporting.

1.100 Scope of Work and Deliverables

1.101 In Scope

The following is in scope:

1. Software
2. Configuration / Installation Assistance
3. Training
4. Documentation
5. Maintenance and Support
6. Future Enhancements (includes additional services, software licenses, maintenance and support and training related to the iyeCrash and iyeCitation environment)

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

1.102 Out of Scope

The Contractor is not responsible for MSP mobile computing connectivity or configuration, other than to configure the iyeCrash and iyeCitation software to the connectivity configuration developed by MSP.

The provision of all hardware - mobile computers, bar code readers, scanners, printers, etc. is the responsibility of the MSP.

1.103 Environment

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

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 by the Contractor must comply with all applicable State IT policies and standards. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT processes. The State may deny the exception request or seek a policy or standards exception.

1 Enterprise IT Policies, Standards and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305---,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 State's Project Manager and DTMB 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, along with DTMB, before work may proceed based on the changed environment.

2 Enterprise IT Security Policy and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html

The State's security environment includes:

- Single Login.
- Encryption Standards
- Secured Socket Layers
- SecureID (State Security Standard for external network access and high risk Web systems)

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

4 IT eMichigan Web Development Standard Tools:
http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf

5 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

6 Agency Specific Technical Environment
In addition to the above generic State information, the following information regarding the MSP technical environment will be relevant to the Contractor:

MSP Mobile Computers
The current mobile computing environment (laptops and MDCs being used in MSP patrol vehicles) includes: Panasonics: CF-25, 27, CF28, CF29 Toughbooks; Motorola's MW520, ML910, MW800, MW810s and a few OEMs and TacNets. In some areas MSP posts have partnered with local agencies and use locally owned laptops and mobile networks. MSP mobile connectivity is established through AT&T air cards using BioKey. For desktop connectivity, posts use a combination of T1, 512 K circuits and gateway to gateway VPN over broadband. The State may upgrade hardware models due to life cycle replacement. The Contractors software shall perform on future hardware.

MSP Security Considerations
MSP security considerations include a single sign on. The MSP network requires use of firewalls and all ports required for application function must be well specified. All data communications must be encrypted using at least 128 bit encryption, per Public Act 566 of 2006.

7 Contractor Specific Technical Environment

The Contractor shall provide IP block assignment, redundant firewalls that restrict ping, notifications from cert, updates of all security patches as released, regular updates of firewall rules, intrusion detection systems, anomaly detection systems, wireless-free network, virus scanning on all incoming and outgoing traffic and regular review of network traffic logs and statistics. Specifically, the Contractor will use an Anomaly and Intrusion Detection system (next generation online security technology) that relies on the Snort technology. Firewall protection is provided by Cisco PIX/ASA devices.

Encryption:
The Contractor will use current encryption security standards. The current standards are listed below:

- FIPS 140-2 SSL
- FIPS 140-2 CSP (Microsoft Cryptographic Service Providers)
- 128 bit encryption, per Public Act 566 of 2006

Firewalling Technology:
All servers are placed behind firewall technology configured to provide minimum access and maximum protection. In addition, port scanning tools are in place to make sure that these measures are always operating at maximum efficiency.

Advanced Logging:
The logging system monitors and records every action taken within the Contractor. This system not only ensures that an activity is being logged, but it also helps make sure that Contractor's security perimeter is never breached. In addition to denying access to unauthorized visitors, Contractor security personnel are notified of any questionable activity.

Physical Security (Data Center) :
The Contractor will maintain 2 secure high availability Data Centers. These data centers sit across 2 different power grids with back – up power and redundant high bandwidth network providers to deliver a high availability, always – on computing infrastructure for our clients. The servers will be under constant supervision. Also, there is 24 hour video surveillance, secured equipment cabinets, climate control, fire suppression, and diesel generator backup systems mean that the Contractor's servers are not only secure, but will remain in operation, even in the worst conditions.

The Contractor shall notify the State immediately of any failures of either the primary or backup facility.

Session Timeouts:
Sessions will expire after a period of inactivity. This ensures that user sessions are not left idle for an unauthorized person to begin using.

Strict Password Rules:
Strict password conventions will be exercised, preventing users from choosing common or easy words to figure out.

Failed Login Attempts:
The Contractor will monitor login attempts and acts swiftly when consecutive login attempt failures occur. This may be a trooper who forgot their password, but it could also be a hacker trying to break in. When this occurs, the Contractor will shut down login ability to the user and the Contractor's security personnel will be notified.

IP Address Monitoring:
All activity within the Contractor's system is tracked by the originating IP address. This IP address information can be used to not only disable user access, but also track user activity within the system.

Two factor Authentication:
The Contractor will use two factor authentication to ensure that a user has been authorized to access secure systems.

Identity Management System:
If MSP requires, the Contractor will configure applications to use Novell iChain/Access Manager to achieve single sign on capabilities when used on a computer that is connected to access MSP's network.

8 General Data Requirements

The Contractor agrees to the following:

1. To transfer complete, accurate and timely crash data to the State. Definitions are as follows:
   a) Complete Data: All required data fields in each record type are populated with the most recent crash data submitted by the trooper.
   b) Accurate Data: Crash data submitted is accurate and true based on trooper input and data edit requirements.
   c) Timely Data: Crash data is submitted to the State within 72 hours from the date and time of the crash report being approved by the supervisor.

2. In the event of a breach of secure information the Contractor is required to contact the MSP-CJIC Director immediately and not to exceed more than 24 hours of said breach. For the purposes of this Requirement, a breach is defined as:
   a) Unencrypted personal identifying information is acquired by an unauthorized person.
   b) The Contractor reasonably believes that an unauthorized person has acquired personal identifying information.
   c) The Contractor is required to contact any persons affected by said breach via (1) written notice or (2) e-mail or (3) web site posting and public media release within 5 days of said breach.

3. To ensure wherever information is collected, stored or disseminated, the following security requirements are complied with:
   a) The Contractor will be responsible for ensuring the data is stored in a secure environment and submitted on a nightly basis from when the report is approved by a supervisor.
   b) Institute and document a policy to prevent unauthorized attempts by all parties (including any third party that The Contractor may rely on in delivering services to MSP) to penetrate the system and the Crash/Citation data information.

4. To retain iyeCitation and iyeCrash Report Data for 7 years from the date of issuance by troopers.

1.104 Work and Deliverable

1. Software
The MSP requires 470 iyeCrash licenses and 570 iyeCitation licenses, which are the current State Standard. The Contractor shall provide the most current version versions available. Although the number of licenses to be purchased has been stated, the State desires to be able to purchase additional licenses on an incremental basis as needed. The State desires to be able to purchase the iyeCrash software without the iyeCitation software and vice versa.

The software shall include a LEIN query, contain the fields currently on the paper UD-8 / MC-8 and UD-10 forms, the specified edits, create an output paper "form," and generate the required reports.

This table highlights some of the key features available within the Contractors solutions:

Functionality	Description
Client connections (wireless/wired)	Supports both options
Currently supports the state's UD10,UD8, & MC8	Supports legacy and new UD10E form
Methodology for troopers to fill out crash reports/citations	Data Entry with touch screen capabilities if available.
Automated data field population	From existing LEIN interface or swipe reader
Data exchange between crash and citation plugins	Data can be imported between forms.
Error validation	Based on TCRS requirements
Approval workflow	Multi-layer workflow process is available based on individual post's policies.
Notification service (fatal notifications)	In the event of fatal notification client can send message or information to other parties or systems
Report transfer (troopers and post)	Ownership of reports may be changed by supervisor
System supports officer safety	Swipe readers are used to automate driver license lookup. Text-to Speech engine is used to speak back critical responses for officer safety.
Driver history lookup	Based on driver license, the system performs a prior history lookup across all agencies.
Functionality to support the State required crash diagram	An existing integrated diagramming tool to create accurate diagrams easily.
Functionality to locate where the incident occurred (long/lat coordinates)	Ability to integrate with Microsoft Map point and Google mapping database via web services and API compatible GPS hardware devices to collect geo-codes
System upgrade process including bug fixes and patches	Hands-free upgrades via the network on login to the application.
Crash data transmittal to the state central repository	After a report is approved by a supervisor, crash data is submitted to MSP TCRS repository.
Administration of agency information	Available through web based administration portal
Adding/deleting agencies	Available through web based administration portal
Vehicle make/model/VIN/registration checks	From existing LEIN interface

The following are all the deliverable Software Components that will be provided to MSP through this Contract. At the time of delivery, the most current compatible version of each component will be provided to MSP. Furthermore, regular updates will be covered under the initial warranty and subsequently through the annual maintenance plan. State will not be required to purchase or use any additional software for proper functioning of any of the software listed below.

iyeCitation:

An electronic ticket writing solution that is highly scalable and flexible catering to the needs of a Michigan State Police, iyeCitation is way of writing civil infractions, and misdemeanors (UD-8). The Contractor also has a commercial motor carrier citation form (MC-8) that will be customized to meet all of MSP's business requirements. Troopers can write citations in a matter of minutes with a few clicks on their mobile computers or handheld devices and therefore may return to their service quicker. (See Figure 1 & Appendix A) iyeCitation is completely integrated with a State's Law Enforcement Information Network, allowing troopers to simply swipe

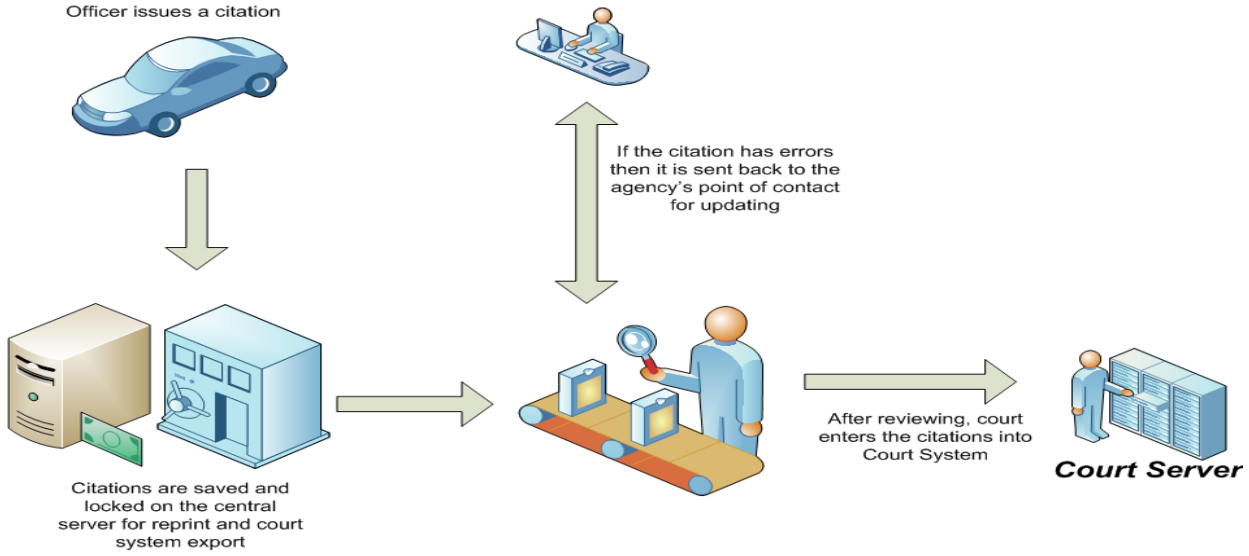
the license of the offender and automatically fill all offender fields. iyeCitation increases officer safety. The information obtained from the Secretary of State (SOS) / Department of Motor Vehicle (DMV) is read back to the officer allowing the officer to maintain visuals on the offender, vehicle and road while completing the citation. In addition, the Trooper will be immediately warned if there are any LEIN, NCIC or FBI warnings related to the vehicle or offender.

Important facts about the iyeCitation software:

- iyeCitation has a built-in *interface* to quickly reprint citations at a later time by the Records Division and or Courts.
- iyeCitation has a built-in *auto-numbering* application that manages and distributes Citation number/Crash report numbers using a smart server based database, each Post can formulate number ranges based on number of variety of criteria.
- iyeCitation has the built–in ability to provide audible *voice responses* using a state of the art text to speech engine provided by Microsoft which works in conjunction with industry leading mobile data software to analyze all of the data return from a mobile query and then can be read back to the trooper in a clear voice allowing the trooper to maintain visuals on the offender, the vehicle, and the road while completing the Citation/Crash Report.

This Contract includes licensing for applications to run in three different network connectivity modes; Connected, Disconnected and Limited mode. When there is no network connection available the software automatically stores Citation and Crash Report Data on the local computer or USB flash drive and continuously attempts to locate a connection so that it may transmit the Data to the Central repository. The system continues to monitor until it receives confirmation of receipt from the central repository. (Note: In the case of Posts above M-55, the application will be configured not to search for connectivity as application will be running on a disconnected mode through a USB flash drive). Furthermore, the last 30 days of data activity is archived on the Local Computer or USB Flash Drive before it is purged to ensure data delivery to all the required databases. This setting can be customized by the individual post, according to their specific requirements/standards. The Contractor only requires 200 MB of disk space on the USB flash drive to run the iyeTek applications, therefore the same flash drive can be used by other applications or as a data storage device if needed by the troopers. This Contractor will include interfaces to industry leading mobile software's which include but are not limited to; Motorola Premier MDC, Motorola Premier One, Core Talon, Bio-Key, New World System, Intergraph, Tritech, VisionAir, Tiburon and finally iyeTek message switch.

Figure 1

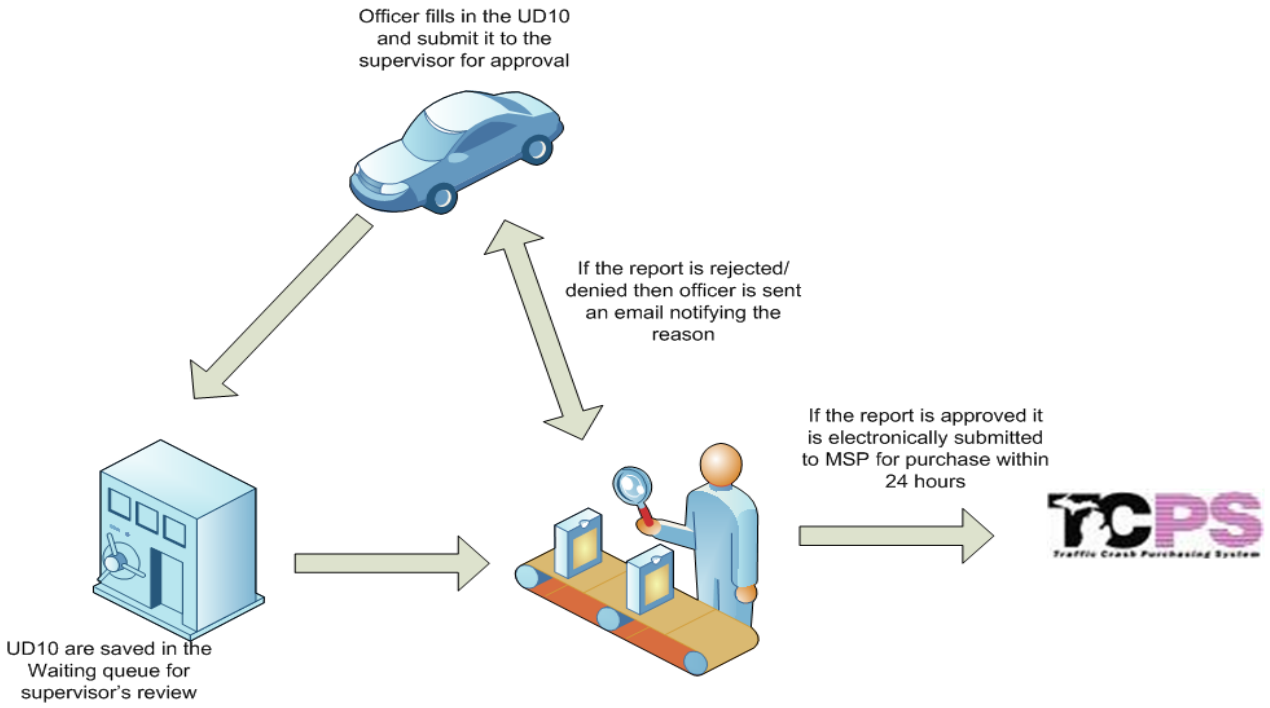


iyeCrash:

A State certified Crash Reporting System (UD-10) that captures crash data quickly and efficiently. With iyeCrash, electronic data is effortlessly exported to Traffic Crash Reporting Unit. iyeCrash is a complete package for capturing Traffic Crash Reporting data and submitting it to MSP central repository. (See Figure 2 &

Appendix B) The Contractor is in compliance with MSP's "Vendor/Agency Electronic Certification Guide, July 2010" and will transmit all crash data and edits as collected through this project to the TCRS central repository. Troopers have the ability to swipe or scan a driver's license of any involved party within the vehicle. The information stored on the magnetic strip or barcode of the driver's license can be imported into the relevant fields of the crash report. Troopers can also utilize LEIN application by running SOS inquiries in their preferred mobile application. The Contractor application can also import offender and vehicle information to fill appropriate fields on the crash report. As reports are being created on iyeCrash the application inherently validates the data entered according to the rules and guidelines set forth by Michigan's Traffic Crash Reporting Unit. This system comes with an integrated diagramming tool which is simple to use, and requires no additional software or licensing. Once the report is completed by the officer, the e-report becomes available to individual post's supervisors for their approval. These reports are then processed and submitted to central repository on a nightly basis.

Figure 2



iyeAPI:

iyeAPI provides middleware integration between various levels of applications installed on the device/laptop to suit these demands. iyeAPI allows RMS (e.g. AICS) vendors to receive parsed SOS/LEIN/UD-10/UD-8/MC-8 information and any other data element collected or processed through the Contractor's applications, which they can use to auto-populate their master name screens, through secured protocols that are pre-negotiated between trusted industry-leading vendors utilizing encryption keys. Furthermore iyeAPI will enable MSP developers to receive Crash Reports and Citation Forms data including rendered PDF into their host application. By using iyeAPI, Troopers will be able to quickly fill in Daily Activities/RMS screens.

Court /RMS Export Interface:

The product must utilize existing interfaces to multiple court systems within the State and be able to send electronic citations directly to the applicable court.

Export Interface enables posts to electronically transfer the data from the Electronic Citation/Crash Report to any back-end database system, including Court Case Management Systems and Records Management Systems (AICS). Once the citation/crash report is printed and saved, a data file is created (in any format requested, including XML, JXML, CSV, fixed length, etc.) with the information that needs to be entered into the back-end database system (or multiple files are created if the data needs to be transferred to multiple databases). This file is electronically transmitted to the appropriate RMS and/or Court system utilizing the

established network connection. The designated back-end vendor provides an upload script to import the data into their system. This further eliminates the need for data entry clerks to transcribe data from citation/crash reports.

(Note: The Contractor will transform data in the required format of the back-end vendor. However at times there is a cost by the back-end vendor to provide scripts to load this information, which the Contractor will not be held responsible for. In Michigan the most popular court interface JIS available in more than 75% of the District Courts) does not require any additional fee to import citation data. However, there are some courts that use a system like JMS, or Quad-Tran, etc…that have historically charged the Courts to import data if they want to create a streamlined efficient process. These fees are typically paid by the District Courts to realize the benefits of electronically importing into their Court Management System. In other words the Courts will always have access to Citations issued by the troopers, however if they want the ease of electronically importing this data into their systems they can acquire an interface to do such.)

Web Admin Portal & Reporting Software:

Web Admin Portal software provides a complete reporting and workflow system. Standard and Ad-hoc Reporting Capabilities are built- in, users can create unlimited customized reports, and establish standardized reports that are most often used by Post personnel. Post personnel can create customized reports by selecting the applicable time-frame and data elements, and will be given instant access to reports listing statistical trends, trooper activity etc. The post will also have the ability to change code tables utilized within their jurisdiction. Furthermore, any Citation or Crash report that is issued is sent electronically to a central repository for supervisors to process the data, and is easily transmitted to MSP's central databases. This option enables Post's Management, Court Administrators, and all back-office personnel to print clear, duplicate copies of tickets from any location on the post's network, saving time and increasing efficiency throughout the Posts. These printouts will replicate the exact Citation/Crash Report that was issued in the field.

LEIN Interfaces:

The Contractor has the ability to connect to LEIN through a variety of methods, some of the connection options that are currently in place in several agencies in the State at the moment are stated below;

a) Bio-Key API (e.g. If a trooper is using Bio-Key mobile application in the laptop, then the Contractor relies on Bio-Key to share information with the iyeTek application through their API)

b) PMDC API (e.g. If Motorola Premier MDC is being used then the Contractor receives LEIN information through a "message.log" file from within the laptop.)

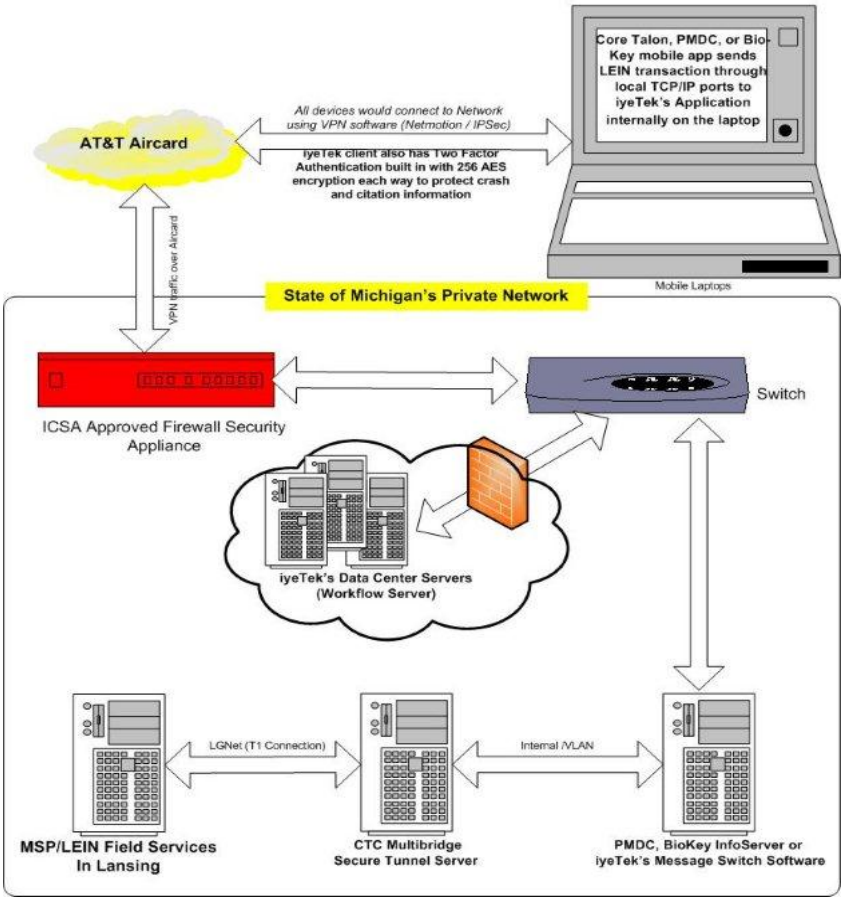
c) Core Talon Hooks API (Core provides LEIN responses using XML data through TCP/IP port on the local computer.)

d) New World Systems API (the Contractor subscribes to LEIN responses through their published API using local sockets on a computer.)

e) Direct connection from iyeTek's message switch to Core Multibridge Server (This option requires message switch software to be installed inside States private network that will communicate with CORE Multibridge tunnel which talks to LEIN Fields Services Server, at MSP.)

If an agency uses iyeTek's Message switch, LEIN data is received through communication between iyeTek Message switch and the LEIN Fields Services Server. In the case that an agency uses a third party software (e.g. Core Talon, Bio-Key, PMDC, etc.) then the Contractor receives data from the LEIN client installed on the computer/laptop. For example, as a trooper runs any LEIN transactions in his/her mobile client of choice the responses are automatically received by the Contractor's LEIN interface window through their API, and is used to auto populate the crash & citation forms.

Mobile Interface Details



2. Configuration / Installation Assistance

Upon purchase of the licenses, the Contractor will work with the MSP and DTMB to test the application's functionality within all mobile configurations that are being used by the MSP. The Contractor is responsible for configuring the application to perform within the identified configurations.

The Contractor will provide an efficient means to install the application which requires minimal hands on and technical expertise to install. The Contractor will provide assistance as needed so as to accomplish installation after the training described below has been performed.

The Contractor will provide three types of installer for LESS framework namely;

- Media based installer (Wizard based graphical user interface is displayed)
- Single exe file base installer (can be configured to do a silent install with minimum human intervention)
- Manual script based installer
- Software completely installed on a USB flash drive

3. Training

The Contractor shall provide hands on training for 15 subject matter expert users within the department. The Contractor will conduct "train the trainer" sessions for troopers- these sessions will be located at MSP District at times convenient for each of the Posts. Upon completion, troopers will be technically proficient and keenly aware of the new tactical implications of using this technology in their patrol vehicles. Location for these trainings will be determined based on number of attendees and computers available.

The Contractor provides each participating Student with a fully bound training manual that becomes property of MSP District Posts. Furthermore, The Contractor will continue to address any issues and concerns until the successful implementation is complete. Contractor will work with each Post, through interoperable communications. Each Post would assign a representative to interact with the Contractor's Project Manager from the time of deployment until the successful implementation of Electronic Citation/ Crash Reporting. This point of contact will discuss any issues that may arise in the deployment process for the betterment of submitting data electronically.

The State will utilize this training and capture screen shots to create a basic user on-line training program for both crash and citation licenses, to be posted on the MSP Mi-Train site.

The Contractor shall provide system administrator and technical training for up to 15 people sufficient enough so that at the conclusion DTMB staff shall be able to configure, load, and maintain the application, if necessary.

The Contractor shall provide updated training on upgrades and modifications of the application that affect end-user functionality at no additional cost to the State as part of the maintenance agreement. Such additional training shall comply with the initial training requirements.

Training modules shall become the property of the State.

4. Documentation

The Contractor shall submit a minimum of two copies of the following documentation in electronic and hard-copy formats:

a. user manuals,
b. technical manuals,
c. system-wide specifications
d. installation procedures,
e. user guide,
f. system administrator manual,
g. configuration documents and
h. network specification documentation

The Contractor shall provide documentation updates as additional capabilities, enhancements, or improvements are made to the application during the term of the Contract, software license, and maintenance agreement.

The documentation of features shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.

All documentation is to be organized in a format and approved by the State that facilitates updating and allows for revisions to the documentation to be clearly identified including the three previous versions.

The Contractor must notify the State of any discrepancies or errors outlined in the application, operations, and user documentation.

5. Maintenance and Support

The Contractor shall maintain the database that will be used for initial collection of data, routing, and generating reports.

The Contractor shall make maintenance of the application available on an annually renewable basis.

The Contractor shall provide one point of contact to report system malfunction.

The software maintenance agreement must include all future software updates, changes, modifications and repairs without further charge.

Support shall be available during business days from 8 a.m. to 5 p.m. The Contactor shall be available by telephone during these times and shall perform whatever travel or task is necessary to ensure the system regains operations not longer than 72 hours after operations were suspended due to application failure. The Contractor shall perform whatever travel and tasks necessary to ensure the system regains operations.

When additional investigation is required to resolve an issue, the Contractor support will work with the customer until the issue has been resolved and the customer is 100% satisfied. All maintenance described above shall be performed by qualified personnel who are familiar with the system.

Contractor will provide web-enabled troubleshooting and FAQ customer service support is available through an online help desk system which can be accessed at http://helpdesk.iyeTek.com.

For the first year and all subsequent contract years, the following services shall be provided for the current version and one previous version of any Software provided with the deliverables:

a. Material Defects. The State shall 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.
b. Updates. All new releases and bug fixes (collectively referred to as "Changes") for any software deliverable developed or published by the Contractor and made generally available to its other customers at no additional charge shall be provided to the State at no additional charge.
c. Error Correction. Upon notice by the State of a problem with the Software application (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem shall be made.

The Contractor agrees that any contract resulting from this procurement may be migrated to a centralized contract for software and associated services, without diminishing, altering or extinguishing any rights the State has under the terms and conditions of this contract.

Maintenance and support shall commence at the end of the warranty period. The warranty period shall run from the beginning of this contract until September 30, 2011. The warranty shall include:

a. A written warranty for all products and services resulting from this Contract.

b. All configurations covered by the manufacturer's standard warranty.

c. The Contractor shall assign all third party warranties for deliverables to the State.

d. Any upgrades of the software made during the warranty period supplied at no additional cost.

e. During the warranty period, the Contractor must correct any element of the system which fails to perform in accordance with the requirements of this Contract, at no cost to the State. Corrective action by the Contractor shall include, but is not limited to, redesigning, repairing or replacing the nonconforming element.

f. The software is free from imperfections in design and free from any and all defects and is able to perform continuously and satisfactorily under normal operating conditions.

g. The Contractor shall be responsible for all labor and travel expenses during the warranty period.

6. Future Enhancements

The State may purchase additional services, software licenses, maintenance and support and training related to the iyeCrash and iyeCitation environment from the Contractor for up to $575,000.00 over the life of the contract. The pricing for additional licenses, maintenance and support and services are provided in Attachment A.

Services will be dependent upon mutually agreed upon statement(s) of work between the Contractor and the State of Michigan. Once agreed to, the Contractor shall not be obliged or authorized to commence any work to implement a statement of work until authorized via a purchase order issued against this contract.

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

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, and Responsibilities

General Contractor Responsibilities

- Provide normal services Monday through Friday, 8:00 a.m. to 5:00 p.m. EST
- All personnel provided by the Contractor shall be subject to the rules, regulations, approval, and policies of MSP
- Replace all employees whose work was found to be unsatisfactory within five (5) business days of notification
- As required, attend and conduct program meetings using appropriate and most effective communication methods
- Provide responses to program-related questions and issues

Contractor Maintenance Responsibilities include the following

- Support the application in any technical capacity necessary to ensure proper functionality
- Provide help desk support for handling inquiries and problems
- Implement timely resolutions to problems, traveling to FSD facilities as needed

The Contractors Single Point of Contact (SPOC) shall perform the following duties:

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

Contractors Single Point of Contact
Name: Salman Anwar
Phone Number: 1(888)949-3835 ext. 701
Email: Salman.Anwar@iyeTek.com
Address: 4664 Campus Drive Suite 100, Kalamazoo MI 49004, U.S.A.

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.

B. On Site Work Requirements

1. Location of Work

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

- Maintenance and Support Activities: MSP Headquarters
333 South Grand Avenue
Lansing MI 48933

Or at Contractors Location at 4664 Campus Drive, Suite 100. Kalamazoo, MI 49008

- Future Services: To be mutually agreed upon and identified in future Statement of Work

2. Hours of Operation:

a. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.

b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
c. The State does not compensate for holiday pay.

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

4. Additional Security and Background Check Requirements:
At the request of the State, 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

DTMB Project Manager
Dave Roach
Michigan State Police
333 S. Grand Ave.
Lansing, Michigan 48933
Email: RoachD2@michigan.gov
Phone: 517-241-2254

The State will provide a Contract Administrator whose duties shall include, but not be limited to, supporting the management of the Contract.

Barb Suska
Contract Administrator
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
SuskaB2@michigan.gov
517-335-4067

State Maintenance Responsibilities
- Provide a technical production support team available for transition activities
- Provide a first level help to its users

1.203 Other Roles And Responsibilities - RESERVED

1.300 Project Plan

1.301 Project Plan Management

The Contractor shall develop a deployment schedule for installation / configuration that will be mutually agreed upon by the Contractor and the State.

A preliminary deployment schedule for installation/configuration has been provided below:

Timeline of implementation:
(Note: This timeline is an example of a typical deployment schedule, actual dates and times will vary, actual schedule/dates will be mutually agreed upon by MSP and the Contractor).

COTS (Commercial off the Shelf) Solutions:	Software Available for Operation by:
iyeCrash	30 days after Contract Approval *
iyeCitation	45 days after Contract Approval *
iyeAPI	30 days after Contract Approval
Web Admin Portal Software	14 days after Contract Approval
Court/RMS interfaces	30 days after Contract Approval

*Date on which Configuration and Implementation will be completed for all MSP Districts.

Deployment of the Contractor's software solutions will occur in two phases, the following are the details related to deployment:

PHASE 1: iyeCrash Software Configuration and Implementation

Task	Software Configuration*	Go Live Date**
All Posts in District 1	One Week	One Month after Software Configuration
All Posts in District 2	One Week	One Month after Software Configuration
All Posts in District 3	One Week	One Month after Software Configuration
All Posts in District 5	One Week	One Month after Software Configuration
All Posts in District 6	One Week	One Month after Software Configuration
All Posts in District 7	One Week	One Month after Software Configuration
All Posts in District 8	One Week	One Month after Software Configuration

*Note: Software configuration is the process of translating and mapping of post specific available drop down values which include Hospital, and Ambulances codes, pre-drawn diagrams of intersections that have high crash rates.

** Dependent on Department of IT's ability to distribute and install software on Post's Computers and available laptops in the field. The Contractor will be available to provide support during the installation process, if required. (See section on Support)

PHASE 2: iyeCitation Software Configuration and Implementation

Task	Software Configuration*	Go Live Date**
All Posts in District 1	One Week	45 days after Software Configuration
All Posts in District 2	One Week	45 days after Software Configuration
All Posts in District 3	One Week	45 days after Software Configuration
All Posts in District 5	One Week	45 days after Software Configuration
All Posts in District 6	One Week	45 days after Software Configuration
All Posts in District 7	One Week	45 days after Software Configuration
All Posts in District 8	One Week	45 days after Software Configuration

*Note: Software configuration is the process of translating, mapping and routing of offense codes for the citations to be able to be exported to the District Courts.

** Go live date is dependent on MSP's ability to install printers in the Vehicles

1.302 Reports

The Contractor shall provide monthly updates on the status of deployment of the software.

The Contractor has incorporated communications management planning within the project initiation phase of our project management methodology. During the project initiation phase, the Contractor's project manager works with the project team and client to begin developing the communications plan. The primary objective of the communications plan is to determine the information and communication needs of the project stakeholders. The plan defines who needs what information, when it's needed, and how it will be provided. Communication is not a single event, but an on-going process leading to, during, and after implementation. Therefore, the communications plan and matrix is reviewed regularly throughout the project's lifecycle, and updated when necessary to ensure accuracy in project communications. Therefore, the Contractor shall provide monthly updates on the status of deployment of the project outlining the progress of the project to the Project manager.

1.400 Project Management

1.401 Issue Management

The Contractor will be responsible for adhering to the State's Issue Management processes for issues related to the Contractor's solution and staff. The Contractor responsibilities may include but not limited to the following:

a. Identify, document and communicate project issues to the CJIC Project Manager.
b. Analyze the impact of project issues.
c. Provide resolution of project issues.

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

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

1.402 Risk Management

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project. The Contractor will be responsible for adhering to the State's Risk Management processes for issues related to the Contractor's solution and staff. The Contractor responsibilities may include but not limited to the following:

a. Identify, document and communicate project risks to the MSP Project Manager.
b. Analyze the impact and develop action and contingency plans of project risks.
c. Monitor and control project risks, including documentation and communication.

1.403 Change Management

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

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

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

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

1.500 Acceptance

1.501 Criteria

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

The State will work with the Contractor to confirm that all deliverables have been completed in accordance with agreed upon plans and contractual terms.

1.502 Final Acceptance – See Attachment A for payment schedule.

1.600 Compensation and Payment

1.601 Compensation and Payment

Attachment A - Pricing

For authorized Product, Services and Price List, see Attachment A.

Price Term: All prices provided in Attachment A are firm for the entire length of the contract.

Tax Excluded from Price

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

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

Method of Payment

Maintenance and support charges will be paid annually and in arrears, following the warranty period. 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.

If additional software licenses including Maintenance and Support are purchased, the vendor will pro-rate the maintenance to co-terminate with the current maintenance schedule end date.

Travel

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

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

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

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

Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of five (5) years beginning on **September 14, 2010** through **September 13, 2015**. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to five (5) additional one (1) year renewal periods.

2.003 Legal Effect

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

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

2.004 Attachments & Exhibits

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

2.005 Ordering

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

2.006 Order of Precedence

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

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

2.007 Headings

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

2.008 Form, Function & Utility

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

2.009 Reformation and Severability

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

2.010 Consents and Approvals

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

2.011 No Waiver of Default

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

2.012 Survival

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

2.020 Contract Administration

2.021 Issuing Office

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

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

2.022 Contract Compliance Inspector

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

2.023 Project Manager

The following individual will oversee the project:

DTMB Project Manager
Dave Roach
Michigan State Police
333 S. Grand Ave.
Lansing, Michigan 48933
Email: RoachD2@michigan.gov
Phone: 517-241-2254

MSP Project Manager
F/Lt. Joel Allen
Michigan State Police
333 S. Grand Ave.
Lansing, Michigan 48933
Email: allenj@michigan.gov
Phone: 517-241-2160
Fax: 517-241-1644

The State Project Manager's will be responsible for the State's infrastructure and coordinate with the Contractor.

The DTMB and MSP Project Manager's will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various Post commanders
- Facilitate communication between different State departments/divisions
- 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
- Appoint Point of Contact at each District

2.024 Change Requests

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

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

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

service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

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

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

(2) Contractor Recommendation for Change Requests:
Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

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

(4) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(5) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.

(6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

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

State:
State of Michigan
Purchasing Operations
Attention: Steve Motz
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:
iyeTek LLC
Attention: Salman Anwar
4664 Campus Drive
Suite 100
Kalamazoo, MI 49008

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

2.026 Binding Commitments

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

2.027 Relationship of the Parties

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

2.028 Covenant of Good Faith

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

2.029 Assignments

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

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

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

2.030 General Provisions

2.031 Media Releases

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

2.032 Contract Distribution

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

2.033 Permits

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

2.034 Website Incorporation

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

2.035 Future Bidding Preclusion

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

2.036 Freedom of Information

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

2.037 Disaster Recovery

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

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

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

2.042 Adjustments for Reductions in Scope of Services/Deliverables

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

2.043 Services/Deliverables Covered

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

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

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

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

2.045 Pro-ration

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

2.046 Antitrust Assignment

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

2.047 Final Payment

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

2.048 Electronic Payment Requirement

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

2.050 Taxes

2.051 Employment Taxes

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

2.052 Sales and Use Taxes

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

applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

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

2.062 Contractor Key Personnel

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

(b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

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

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

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

2.065 Contractor Identification

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

2.066 Cooperation with Third Parties

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

2.067 Contract Management Responsibilities

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

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

2.068 Contractor Return of State Equipment/Resources

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

2.070 Subcontracting by Contractor

2.071 Contractor full Responsibility

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

2.072 State Consent to delegation

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall

be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor bound to Contract

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

2.074 Flow Down

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

2.075 Competitive Selection

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

2.080 State Responsibilities

2.081 Equipment

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

2.082 Facilities

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

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete

and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

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

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 24 hours of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA Security Requirements

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

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

The Contractor will contact the Department of Management and Budget, Financial Services immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.
Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor will continue to treat cardholder data as confidential upon contract termination.

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

2.100 Confidentiality

2.101 Confidentiality

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

2.102 Protection and Destruction of Confidential Information

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

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

2.103 Exclusions

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

2.104 No Implied Rights

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

2.105 Respective Obligations

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

2.110 Records and Inspections

2.111 Inspection of Work Performed

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

2.112 Examination of Records

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing

Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

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

2.114 Audit Resolution

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

2.115 Errors

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

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

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

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

2.122 Warranty of Merchantability

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

2.123 Warranty of Fitness for a Particular Purpose

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

2.124 Warranty of Title

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

2.125 Equipment Warranty

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

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

Within five (5) business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

2.126 Equipment to be New

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

2.127 Prohibited Products

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

2.128 Consequences for Breach

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

2.130 Insurance

2.131 Liability Insurance

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

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

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

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

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

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

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

☑ 1. Commercial General Liability with the following minimum coverage:

$2,000,000 General Aggregate Limit other than Products/Completed Operations
$2,000,000 Products/Completed Operations Aggregate Limit
$1,000,000 Personal & Advertising Injury Limit
$1,000,000 Each Occurrence Limit

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

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

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

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

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

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

☑ 4. Employers liability insurance with the following minimum limits:

$100,000 each accident
$100,000 each employee by disease
$500,000 aggregate disease

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

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

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

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

2.132 Subcontractor Insurance Coverage

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

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed; to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to

any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

2.143 Employee Indemnification

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

2.144 Patent/Copyright Infringement Indemnification

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

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

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

2.145 Continuation of Indemnification Obligations

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

2.146 Indemnification Procedures

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

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense

and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

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

2.152 Termination for Cause

(a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.

(c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

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

2.156 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement

costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 Termination by Contractor

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 180 days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145.**

2.172 Contractor Personnel Transition

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

2.173 Contractor Information Transition

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

2.174 Contractor Software Transition

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

2.175 Transition Payments

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

2.176 State Transition Responsibilities

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

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

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.150**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.180**.

2.182 Cancellation or Expiration of Stop Work Order

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

2.183 Allowance of Contractor Costs

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

2.190 Dispute Resolution

2.191 In General

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

2.192 Informal Dispute Resolution

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

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

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

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

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

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

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

2.193 Injunctive Relief

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

2.194 Continued Performance

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

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

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

height, weight, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

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

2.204 Prevailing Wage

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

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

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

2.210 Governing Law

2.211 Governing Law

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

2.212 Compliance with Laws

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

2.213 Jurisdiction

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

2.220 Limitation of Liability

2.221 Limitation of Liability

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

The Contractor's liability for damages to the State is limited to two times the value of the Contract or $500,000 which ever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

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

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

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

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

(a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or

(b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:

(1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and

(2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications 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 Purchasing Operations.

(2) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor must also notify DTMB Purchase Operations 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 must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

2.233 Bankruptcy

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

(a) the Contractor files for protection under the bankruptcy laws;

(b) an involuntary petition is filed against the Contractor and not removed within 30 days;

(c the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;

(d) the Contractor makes a general assignment for the benefit of creditors; or

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

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

2.240 Performance

2.241 Time of Performance

(a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.241,** Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreement (SLA)

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

(1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.

(2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.

(3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.

(4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
   (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
   (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.

(c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.

(d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 Liquidated Damages - RESERVED

2.244 Excusable Failure

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

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

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

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

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

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

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

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

2.252 Contractor System Testing

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

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

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

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

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

2.253 Approval of Deliverables, In General

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

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

Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with this Section.

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

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

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

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

2.254 Process for Approval of Written Deliverables

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

2.255 Process for Approval of Custom Software Deliverables

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

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

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

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

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

2.256 Final Acceptance

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

2.260 Ownership

2.261 Ownership of Work Product by State

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

2.262 Vesting of Rights

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

2.263 Rights in Data

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

The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

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

2.270 State Standards

2.271 Existing Technology Standards

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

2.272 Acceptable Use Policy

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

2.273 Systems Changes

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

2.280 Extended Purchasing

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally)

THIS CONTRACT WILL BE MADE AVAILABLE TO ALL STATE OF MICHIGAN AGENCIES AND AUTHORIZED MIDEAL PURCHASING PROGRAM MEMBERS.

Act Number 431 of the Public Acts of 1984 permits the State of Michigan, Department of Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. As a result of the enactment of this legislation, the MIDEAL Program has been developed. This program extends the use of state contracts to program members. The governmental agency must enter into an agreement with the State of

Michigan to become authorized to participate, thus ensuring that local units of government secure a greater return for the expenditure of public funds.

In those cases, contract vendors supply merchandise at the established State of Michigan contract prices and terms. The Contractor must submit invoices and pay the authorized MIDEAL member on a direct and individual basis according to contract terms.

Please Visit Mi DEAL at www.michigan.gov/buymichiganfirst under MiDeal.

Estimated requirements for authorized local units of government are not included in the quantities shown in this Contract.

2.282 State Employee Purchases

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

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

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

2.290 Environmental Provision

2.291 Environmental Provision

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

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

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

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to

the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

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

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

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

2.300 Deliverables

2.301 Software

A list of the items of software the State is required to purchase for execution the Contract is provided in Attachment A. 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 - RESERVED

2.310 Software Warranties

2.311 Performance Warranty

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

2.312 No Surreptitious Code Warranty

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

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

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

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

2.313 Calendar Warranty

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

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

2.314 Third-party Software Warranty

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

2.315 Physical Media Warranty

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than (30) thirty days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.320 Software Licensing

2.321 Cross-License, Deliverables Only, License to Contractor

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

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

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

2.323 License Back to the State

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

2.324 License Retained by Contractor

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

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

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

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

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

2.325 Pre-existing Materials for Custom Software Deliverables

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

2.330 Source Code Escrow

2.331 Definition

"Source Code Escrow Package" shall mean:

(a) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;

(b) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or

(c) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

2.332 Delivery of Source Code into Escrow

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

2.333 Delivery of New Source Code into Escrow

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

2.334 Verification

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

2.335 Escrow Fees

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

2.336 Release Events

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

(a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;

(b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;

(c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

2.337 Release Event Procedures

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

(a) The State shall comply with all procedures in the Escrow Contract;

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

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

2.338 License

Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support,

update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

2.339 Derivative Works

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

2.400 Other Provisions

2.411 Forced Labor, Convict Labor, or Indentured Servitude Made Materials

Bidder represents and certifies that, to the best of its knowledge and belief no foreign (outside of the U.S.) made equipment, materials, or supplies, will be furnished to the State under any resulting Contract, that have been produced in whole or in part by forced labor, convict labor, or indentured servitude.

2.421 Knowledge of Child Labor for Listed End Products

(a) "Forced or indentured child labor" means all work or service:

(i) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(ii) Performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

(b) *Listed end products*. The following end product(s) being acquired under this solicitation is (are) included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, identified by their country of origin. There is a reasonable basis to believe that listed end products from the listed countries of origin may have been mined, produced, or manufactured by forced or indentured child labor.

Listed End Product	Listed Country of Origin
N/A	N/A
N/A	N/A
N/A	N/A

(c) The Contractor will not supply any end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in a corresponding country as listed for that end product.

ATTACHMENT A: PRICING

TOTAL PROJECT COST SUMMARY

Description	Total Price
iyeCrash and **iyeCitation** software licenses (Table 1)	$826,800.00
iyeCrash and iyeCitation maintenance costs (5 years) (Table 2)	$594,880.00
Escrow Fees as described in Section 2.330 of Contract (5 years) (Table 3)	$10,000.00
Future Enhancements (includes additional services, software licenses, maintenance and support and training related to the iyeCrash and iyeCitation environment) ***** (Table 4)	$575,000.00
TOTAL PROJECT COST	**$2,006,680.00**

Table 1: iyeCrash and iyeCitation Software Costs

Description	Quantity	Unit Price	Total Price
iyeCrash software licenses *	470	$795/license **	$373,650.00
iyeCitation software licenses *	570	$795/license **	$453,150.00
			$826,800.00

Note:

* This category includes all licenses, iyeVoice, Auto-Numbering feature, Web Administration Portal, Court interfaces, implementation, configuration, training, the API, documentation, and warranty until September 30, 2011.

** The State can purchase any number of additional licenses at the above discounted rate. Also iyeCrash and iyeCitation can be purchased independently.

Payment Schedule for Table 1

The Contractor acknowledges and agrees to the following payment schedule, separately for iyeCrash software licenses and for iyeCitation software licenses from finalization of this contract and issuance of the purchase order until September 30, 2011 (or upon earlier installation as mutually agreed upon by MSP and the Contractor):

$74,730.00 for iyeCrash and $90,630.00 for iyeCitation licenses upon finalization of contract and issuance of purchase order.
$37,365.00 for iyeCrash and $45,315.00 for iyeCitation licenses upon installation and configuration of licenses for MSP District 1.
$37,365.00 for iyeCrash and $45,315.00 for iyeCitation licenses upon installation and configuration of licenses for MSP District 2.
$37,365.00 for iyeCrash and $45,315.00 for iyeCitation licenses upon installation and configuration of licenses for MSP District 3.
$37,365.00 for iyeCrash and $45,315.00 for iyeCitation licenses upon installation and configuration of licenses for MSP District 5.
$37,365.00 for iyeCrash and $45,315.00 for iyeCitation licenses upon installation and configuration of licenses for MSP District 6.
$37,365.00 for iyeCrash and $45,315.00 for iyeCitation licenses upon installation and configuration of licenses for MSP District 7.
$37,365.00 for iyeCrash and $45,315.00 for iyeCitation licenses upon installation and configuration of licenses for MSP District 8.
$37,365.00 for iyeCrash and $45,315.00 for iyeCitation licenses upon final installation and install.

Table 2: Five Year Maintenance Costs for iyeCrash and iyeCitation

Description	Quantity	Unit Price	Year 1	Year 2	Year 3	Year 4	Year 5	Total Price 5 year cost
			10/1/10–9/30/11	10/1/11–9/30/12	10/1/12–9/30/13	10/1/13–9/30/14	10/1/14–9/30/15	
iyeCrash Maintenance*** Annual Maintenance beginning after 1 year warranty period has expired	470	$143/ year per license ***	No charge	$67210.00	$67210.00	$67210.00	$67210.00	$268,840.00
iyeCitation Maintenance*** Annual Maintenance beginning after 1 year warranty period has expired	570	$143 / year per license ***	No charge	$81510.00	$81510.00	$81510.00	$81510.00	$326,040.00
								$594,880.00

Note:

*** Maintenance is calculated at 18% of the software license cost (see Table 1).

Table 3: Five Year Escrow Costs for All Software

Description	Quantity	Unit Price	Year 1	Year 2	Year 3	Year 4	Year 5	Total Price 5 year cost
			10/1/10–9/30/11	10/1/11–9/30/12	10/1/12–9/30/13	10/1/13–9/30/14	10/1/14–9/30/15	
Escrow Software as described in Section 2.330 of Contract	1	$2,000/year ****	$2,000	$2,000	$2,000	$2,000	$2,000	$10,000.00
								$10,000.00

Note:

**** Annual Escrow payments will be made at the same time as annual maintenance beginning on October 1, 2010.

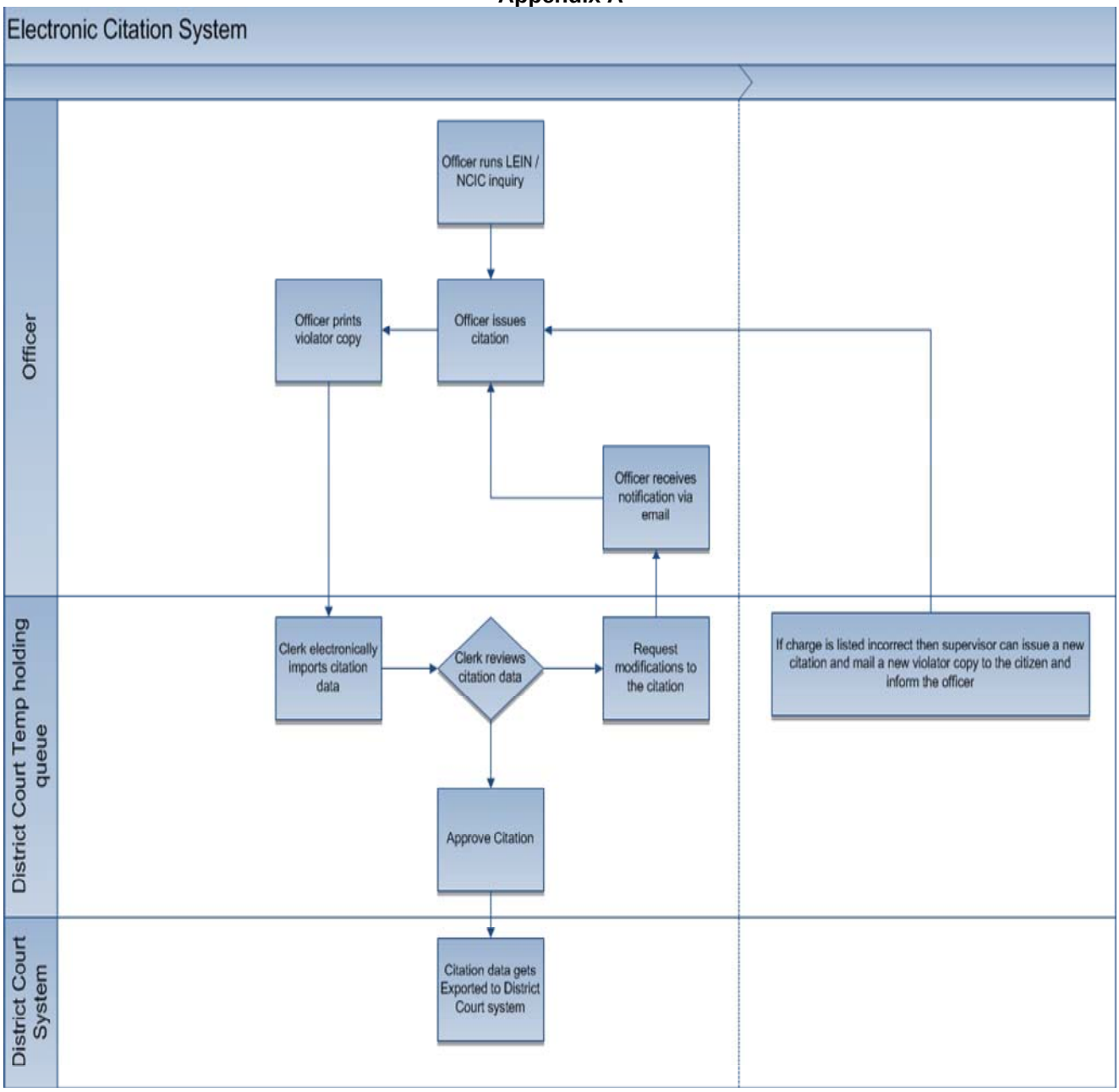
Table 4: Future Enhancements (includes additional services, software licenses, maintenance and support and training related to the iyeCrash and iyeCitation environment)

Hourly rates quoted are firm fixed rates for the duration of the Contract. Travel and other expenses will not be reimbursed. Services will be dependent upon mutually agreed upon statement(s) of work between the Contractor and the State of Michigan. Once agreed, the Contractor shall not be obliged or authorized to commence any work to implement a statement of work until authorized via a purchase order issued against this contract.

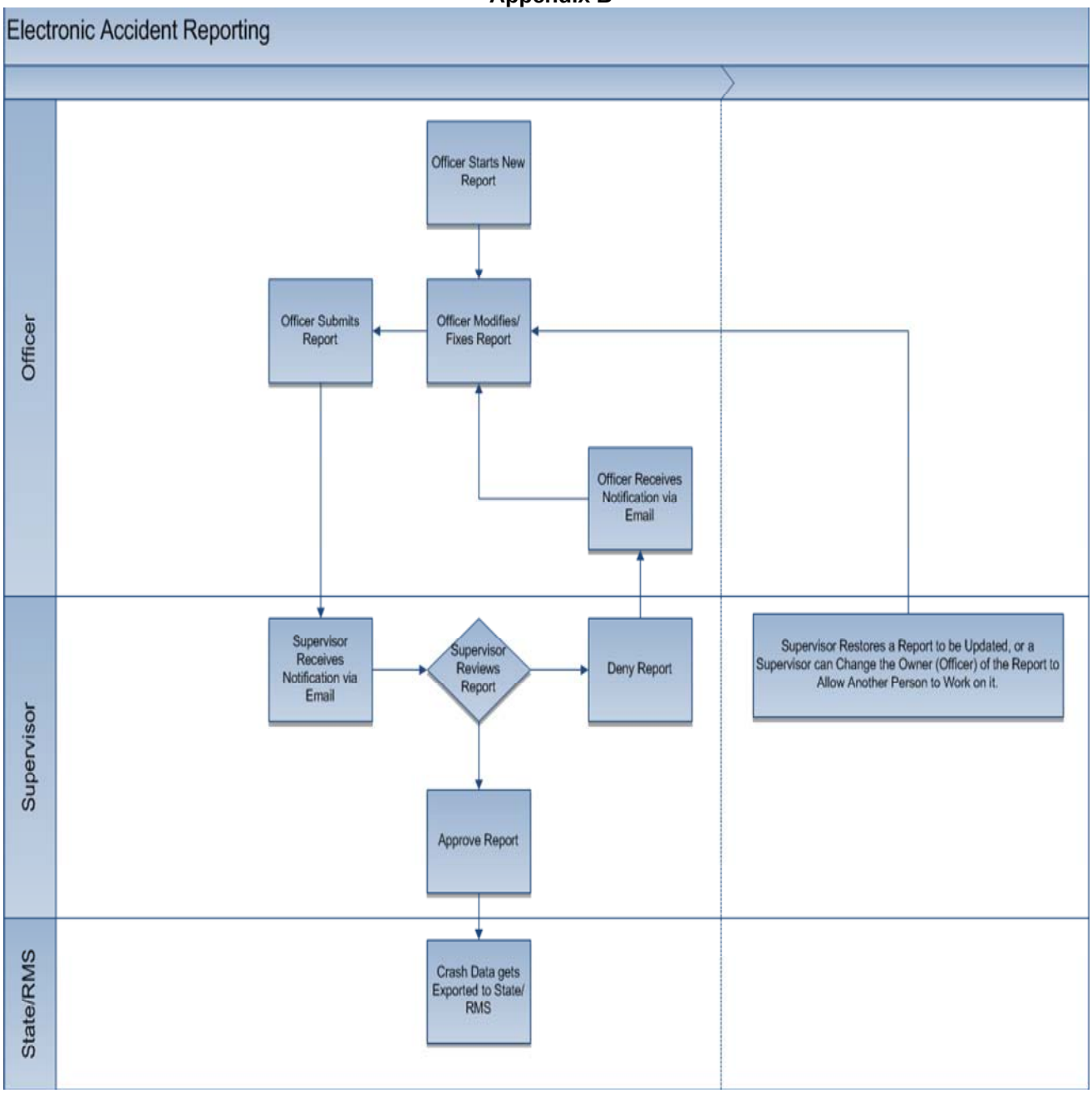
Fixed Hourly Rate for Optional Future Enhancements	$115.00/hour

Total funding for future enhancements (includes additional services, software licenses, maintenance and support and training related to the iyeCrash and iyeCitation environment) (Table 4)	$575,000.00

Appendix A


Electronic Citation System
Officer
District Court Temp holding queue
District Court System
Officer runs LEIN / NCIC inquiry
Officer issues citation
Officer prints violator copy
Officer receives notification via email
Clerk electronically imports citation data
Clerk reviews citation data
Request modifications to the citation
If charge is listed incorrect then supervisor can issue a new citation and mail a new violator copy to the citizen and inform the officer
Approve Citation
Citation data gets Exported to District Court system

Appendix B


Electronic Accident Reporting
Officer
Supervisor
State/RMS
Officer Starts New Report
Officer Submits Report
Officer Modifies/ Fixes Report
Officer Receives Notification via Email
Supervisor Receives Notification via Email
Supervisor Reviews Report
Deny Report
Supervisor Restores a Report to be Updated, or a Supervisor can Change the Owner (Officer) of the Report to Allow Another Person to Work on it.
Approve Report
Crash Data gets Exported to State/ RMS