

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

February 12, 2009

**CHANGE NOTICE NO. 4**  
**TO**  
**CONTRACT NO. 071B6200255**  
 (Supercedes 071B3001401)  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|                                                                                                                                                                                                                 |                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| NAME & ADDRESS OF VENDOR<br><b>Saber Software, Inc.</b><br><b>Dbasaber Government Solutions, an EDS Company</b><br><b>930 W. Holmes MS 1014</b><br><b>Lansing, MI 48910</b><br><br><b>Barbara.garry@eds.com</b> | TELEPHONE Barbara J. Garry<br><b>(517) 272-5701</b> |
|                                                                                                                                                                                                                 | VENDOR NUMBER/MAIL CODE                             |
|                                                                                                                                                                                                                 | BUYER/CA (517) 373-3993<br><b>Dale Reif</b>         |
| Contract Compliance Inspector:<br><b>Prequalified IT Devices for Business Requirements/Needs Assessment/System Design/Quality Assurance – Department of Information Technology</b>                              |                                                     |
| CONTRACT PERIOD: From: <b>May 1, 2006</b> To: <b>June 1, 2009</b>                                                                                                                                               |                                                     |
| TERMS<br><b>Net 45 Days</b>                                                                                                                                                                                     | SHIPMENT<br><b>N/A</b>                              |
| F.O.B.<br><b>Destination</b>                                                                                                                                                                                    | SHIPPED FROM<br><b>N/A</b>                          |
| MINIMUM DELIVERY REQUIREMENTS<br><b>N/A</b>                                                                                                                                                                     |                                                     |
| MISCELLANEOUS INFORMATION:                                                                                                                                                                                      |                                                     |

**NATURE OF CHANGE (S):**

Effective immediately, this Contract is available to MiDEAL members. MiDEAL extends this Contract to municipalities, colleges and universities, school districts, and non-profit hospitals.

The Contractor's hourly rates for any projects resulting from the receipt of federal stimulus dollars under the American Recovery and Reinvestment Act of 2009 must not exceed the project management hourly rates for the MiJump Start program.

All other terms, conditions, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per request of DMB/Purchasing Operations and approval by Barbara J. Garry, EDS via email dated 2/4/09.

**CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$1,617,768.00**

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

December 16, 2008

**CHANGE NOTICE NO. 3**  
**TO**  
**CONTRACT NO. 071B6200255**  
**(Supercedes 071B3001401)**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|                                                                                                                                                                                                                          |                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| NAME & ADDRESS OF VENDOR<br><b>Saber Software, Inc.</b><br><b>Db a Saber Government Solutions, an EDS Company</b><br><b>930 W. Holmes MS 1014</b><br><b>Lansing, MI 48910</b><br><br><b>Email: Barbara.garry@eds.com</b> | TELEPHONE Barbara Garry<br><b>(517) 272-5701</b> |
|                                                                                                                                                                                                                          | VENDOR NUMBER/MAIL CODE                          |
|                                                                                                                                                                                                                          | BUYER/CA (517) 373-3993<br><b>Dale Reif</b>      |
| Contract Compliance Inspector:<br><b>Prequalified IT Devices for Business Requirements/Needs Assessment/System Design/Quality Assurance – Department of Information Technology</b>                                       |                                                  |
| CONTRACT PERIOD: From: <b>May 1, 2006</b> To: <b>June 1, 2009</b>                                                                                                                                                        |                                                  |
| TERMS<br><b>Net 45 Days</b>                                                                                                                                                                                              | SHIPMENT<br><b>N/A</b>                           |
| F.O.B.<br><b>Destination</b>                                                                                                                                                                                             | SHIPPED FROM<br><b>N/A</b>                       |
| MINIMUM DELIVERY REQUIREMENTS<br><b>N/A</b>                                                                                                                                                                              |                                                  |
| MISCELLANEOUS INFORMATION:                                                                                                                                                                                               |                                                  |

**NATURE OF CHANGE(S):**

**Effective immediately, this contract is hereby EXTENDED to June 1, 2009. All other terms and conditions remain the same.**

**AUTHORITY/REASON(S):**

**Per vendor agreement and approval from DMB Purchasing Operations and the Ad Board on December 12, 2008.**

**ESTIMATED CONTRACT VALUE REMAINS: \$1,617,768.00**

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

November 19, 2008

**CHANGE NOTICE NO. 2**  
**TO**  
**CONTRACT NO. 071B6200255**  
 (Supercedes 071B3001401)  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|                                                                                                                                                                                                                          |                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| NAME & ADDRESS OF VENDOR<br><b>Saber Software, Inc.</b><br><b>Db a Saber Government Solutions, an EDS Company</b><br><b>930 W. Holmes MS 1014</b><br><b>Lansing, MI 48910</b><br><br><b>Email: Barbara.garry@eds.com</b> | TELEPHONE Barbara Garry<br><b>(517) 272-5701</b>              |
|                                                                                                                                                                                                                          | VENDOR NUMBER/MAIL CODE                                       |
|                                                                                                                                                                                                                          | BUYER/CA (517) 373-3993<br><b>Dale Reif</b>                   |
| Contract Compliance Inspector:<br><b>Prequalified IT Devices for Business Requirements/Needs Assessment/System Design/Quality Assurance – Department of Information Technology</b>                                       |                                                               |
| CONTRACT PERIOD: From: <b>May 1, 2006</b> To: <b>March 1, 2009</b>                                                                                                                                                       |                                                               |
| TERMS<br><p style="text-align: center;"><b>Net 45 Days</b></p>                                                                                                                                                           | SHIPMENT<br><p style="text-align: center;"><b>N/A</b></p>     |
| F.O.B.<br><p style="text-align: center;"><b>Destination</b></p>                                                                                                                                                          | SHIPPED FROM<br><p style="text-align: center;"><b>N/A</b></p> |
| MINIMUM DELIVERY REQUIREMENTS<br><p style="text-align: center;"><b>N/A</b></p>                                                                                                                                           |                                                               |
| MISCELLANEOUS INFORMATION:                                                                                                                                                                                               |                                                               |

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby EXTENDED to March 1, 2009. The address is updated to the new Saber Software location and the vendor contact person is changed to Barbara Garry. All other terms and conditions remain the same.

**AUTHORITY/REASON(S):**

Per vendor and agency agreement and approval from DMB Purchasing Operations and the Ad Board on November 5, 2008.

**ESTIMATED CONTRACT VALUE REMAINS: \$1,617,768.00**

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

September 5, 2007

**CHANGE NOTICE NO. 1**  
**TO**  
**CONTRACT NO. 071B6200255**  
 (Supercedes 071B3001401)  
**between**  
**THE STATE OF MICHIGAN**  
**and**

|                                                                                                                                                                                         |                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| NAME & ADDRESS OF VENDOR<br><b>Saber Solutions</b><br><b>3995 Hagers Grove Road</b><br><b>Salem, OR 97301</b><br><br><a href="mailto:jjbones2@sabercorp.com">jjbones2@sabercorp.com</a> | TELEPHONE Jeffery B. Jones<br><b>(614) 220-4485</b>    |
|                                                                                                                                                                                         | VENDOR NUMBER/MAIL CODE<br><b>(2) 20-4427118 (001)</b> |
|                                                                                                                                                                                         | BUYER/CA (517) 373-3993<br><b>Dale Reif</b>            |
| Contract Compliance Inspector:<br><b>Prequalified IT Devices for Business Requirements/Needs Assessment/System Design/Quality Assurance – Department of Information Technology</b>      |                                                        |
| CONTRACT PERIOD: From: <b>May 1, 2006</b> To: <b>September 1, 2008</b>                                                                                                                  |                                                        |
| TERMS<br><b>Net 45 Days</b>                                                                                                                                                             | SHIPMENT<br><b>N/A</b>                                 |
| F.O.B.<br><b>Destination</b>                                                                                                                                                            | SHIPPED FROM<br><b>N/A</b>                             |
| MINIMUM DELIVERY REQUIREMENTS<br><b>N/A</b>                                                                                                                                             |                                                        |
| MISCELLANEOUS INFORMATION:                                                                                                                                                              |                                                        |

**NATURE OF CHANGE(S):**

Effective September 1, 2007, the remaining option on this contract is hereby exercised to extend the contract period to September 1, 2008. All other terms and conditions remain the same.

**AUTHORITY/REASON(S):**

Per vendor and agency agreement and approval from DMB Purchasing Operations.

Estimated Contract Value Remains: \$1,617,768.00

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

July 14, 2006

**NOTICE  
 OF  
 CONTRACT NO. 071B6200255**  
 (Supercedes 071B3001401)  
**between  
 THE STATE OF MICHIGAN  
 and**

|                                                                                                                                                                                                     |                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| NAME & ADDRESS OF VENDOR<br><b>Saber Solutions</b><br><b>3995 Hagers Grove Road</b><br><b>Salem, OR 97301</b><br><br><a href="mailto:smarquez@saberconsulting.com">smarquez@saberconsulting.com</a> | TELEPHONE Michael Freese<br><b>(503) 566-7041</b>      |
|                                                                                                                                                                                                     | VENDOR NUMBER/MAIL CODE<br><b>(2) 20-4427118 (001)</b> |
|                                                                                                                                                                                                     | BUYER/CA (517) 373-3993<br><b>Dale Reif</b>            |
| Contract Compliance Inspector:<br><b>Prequalified IT Devices for Business Requirements/Needs Assessment/System<br/>         Design/Quality Assurance – Department of Information Technology</b>     |                                                        |
| CONTRACT PERIOD: From: <b>May 1, 2006</b> To: <b>September 1, 2007</b>                                                                                                                              |                                                        |
| TERMS<br><b>Net 45 Days</b>                                                                                                                                                                         | SHIPMENT<br><b>N/A</b>                                 |
| F.O.B.<br><b>Destination</b>                                                                                                                                                                        | SHIPPED FROM<br><b>N/A</b>                             |
| MINIMUM DELIVERY REQUIREMENTS<br><b>N/A</b>                                                                                                                                                         |                                                        |
| MISCELLANEOUS INFORMATION:                                                                                                                                                                          |                                                        |

**Estimated Contract Value: \$1,617,768.00**



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

April 26, 2006

**CHANGE NOTICE NO. 2  
 TO  
 CONTRACT NO. 071B3001401  
 between  
 THE STATE OF MICHIGAN  
 and**

|                                                                                                                                                                                        |                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| NAME & ADDRESS OF VENDOR<br><br><b>Covansys<br/>         2193 Association Drive, Suite 500<br/>         Okemos, MI 48864<br/>         dadrion@covansys.com</b>                         | TELEPHONE Denise Adrion<br><b>(517) 381-2437</b>       |
|                                                                                                                                                                                        | VENDOR NUMBER/MAIL CODE<br><b>(2) 38-2606945 (006)</b> |
|                                                                                                                                                                                        | BUYER/CA (517) 373-3393<br><b>Dale Reif</b>            |
| Contract Administrator<br><b>Prequalified IT Devices for Business Requirements/Needs Assessment/System<br/>         Design/Quality Assurance– Department of Information Technology</b> |                                                        |
| CONTRACT PERIOD: From: <b>September 1, 2003</b> To: <b>May 1, 2006</b>                                                                                                                 |                                                        |
| TERMS<br><b>Net 45 Days</b>                                                                                                                                                            | SHIPMENT<br><b>N/A</b>                                 |
| F.O.B.<br><b>Destination</b>                                                                                                                                                           | SHIPPED FROM<br><b>N/A</b>                             |
| MINIMUM DELIVERY REQUIREMENTS<br><b>N/A</b>                                                                                                                                            |                                                        |

**NATURE OF CHANGE (S):**

**Effective May 1, 2006, this contract is hereby CANCELLED and replaced by  
 Contract 071B6200255, due to vendor name and FEIN number change.**

**AUTHORITY/REASON:**

**Per vendor notification letter dated March 28, 2006 and agreement by  
 DMB/Purchasing Operations.**

**TOTAL ESTIMATED CONTRACT VALUE : \$0.00**

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

August 1, 2005

CHANGE NOTICE NO. 1  
TO  
CONTRACT NO. 071B3001401  
between  
THE STATE OF MICHIGAN  
and

|                                                                                                                                                                           |                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| NAME & ADDRESS OF VENDOR<br><br><b>Covansys</b><br><b>2193 Association Drive, Suite 500</b><br><b>Okemos, MI 48864</b><br><b>dadrion@covansys.com</b>                     | TELEPHONE Denise Adrion<br><b>(517) 381-2437</b>       |
|                                                                                                                                                                           | VENDOR NUMBER/MAIL CODE<br><b>(2) 38-2606945 (006)</b> |
|                                                                                                                                                                           | BUYER/CA (517) 373-3393<br><b>Dale Reif</b>            |
| Contract Administrator<br><b>Prequalified IT Devices for Business Requirements/Needs Assessment/System Design/Quality Assurance– Department of Information Technology</b> |                                                        |
| CONTRACT PERIOD: From: <b>September 1, 2003</b> To: <b>September 1, 2007</b>                                                                                              |                                                        |
| TERMS<br><b>Net 45 Days</b>                                                                                                                                               | SHIPMENT<br><b>N/A</b>                                 |
| F.O.B.<br><b>Destination</b>                                                                                                                                              | SHIPPED FROM<br><b>N/A</b>                             |
| MINIMUM DELIVERY REQUIREMENTS<br><b>N/A</b>                                                                                                                               |                                                        |

**NATURE OF CHANGE (S):**

Effective immediately, this contract is hereby EXTENDED through September 1, 2007. All other terms and conditions remain the same.

PLEASE NOTE: The buyer has been CHANGED to Dale Reif.

**AUTHORITY/REASON:**

Per DMB/Acquisition Services.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$2,000,000.00



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**ATTACHMENTS**

- A. Technical Proposal (Excerpts)
- B. Examples of Poor Performance
- C. Pricing

EXHIBIT A - Tier 2 Work Request Process



**Definitions and Acronym Glossary**

- A. **Acquisition Services:** Department of Management & Budget, Acquisition Services; the procurement authority for the Executive Branch Department in State government.
- B. **Normal Business Days and Hours:** Monday through Friday, 7:00 a.m. to 6:00 p.m., Eastern Standard Time, except for holidays observed by the State of Michigan.
- C. **CUSTOMER:** Michigan Department of Information Technology (DIT) and individual State departments that have received the prior approval of DIT or member of the State of Michigan Extended Purchasing Program (EPP) on whose behalf Primary Contracts are eventually procured as a result of this RFP.
- D. **DIT:** State of Michigan, Department of Information Technology
- E. **DMB:** State of Michigan, Department of Management & Budget
- F. **EPP:** Extended Purchasing Program; Acquisition Services extends its services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community or junior college. This program is called the Extended Purchasing Program.
- G. **JEC:** Joint Evaluation Committee; the team of individuals charged with evaluating the proposals submitted.
- H. **OFM:** State of Michigan, Office of Financial Management
- I. **PCVL:** Primary Contract Vendor Listing
- J. **Pre-Qualified Vendor:** Vendors who have been selected through this RFP and who have signed Contracts to potentially provide DIT with IT Services.
- K. **RFP:** The Request for Proposal as well as all addenda used as a solicitation document in this procurement, as well as all amendments and modifications thereto.
- L. **Software:** the object code version of computer programs and any related documentation, excluding maintenance diagnostics. Software also means the source code version, where provided by Vendor.
- M. **Contractor: A. J. Boggs & Company**, its employees and agents. “Contractor” also includes any firm, provider, organization, individual, or other entity performing services under this Contract. It shall also include any Subcontractor retained by Contractor as permitted under the terms of this Contract.
- N. **Work Contract:** a contractual document (supplemental to the Primary Contract) issued by DIT or an EPP participant and signed with a pre-qualified vendor as a result of the second tier work request process. A Work Contract generally contains a specific description of work/tasks to be performed by the vendor staff, period of performance, costs or hourly rate(s), deliverables, etc.
- O. **Work Request:** a solicitation document developed and issued by the DIT or an EPP participant to pre-qualified vendors to request proposals. The document identifies the statement of work, period of performance, and any special terms and conditions, etc.
- P. **Primary Contract:** the main contractual agreement that identifies the Terms and Conditions that both parties are in agreement on.



**SECTION I—TERMS AND CONDITIONS**

**I-A PURPOSE**

The goal of this contract is to establish a pool of vendors to bid on second tier work requests in the information technology (IT) service category listed on the cover page of this contract. To be included in the pool, pre-qualified vendors will be required to sign this Primary Contract with Acquisition Services. After the signing of the Primary Contracts and the creation of the qualified vendor pool, Acquisition Services and DIT will conduct mandatory training for all qualified vendors on the streamlined, second tier, competitive contract selection process under which future Work Contracts may be awarded.

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

The second tier work request process will be initiated by DIT as specific needs arise. DIT after formalizing a comprehensive work statement will facilitate the second tier selection process for each contracting effort. The Work Request Template (see Exhibit B) will identify the statement of work, period of performance, deliverables, specific response information required, and any special terms and conditions. DIT will identify the category of service and Acquisition Services will send out the solicitation to all pre-qualified vendors in that specific category. These vendors will respond directly to Acquisition Services within the timeframe specified in the Work Request. DIT will evaluate the responses and determine the vendor that will provide the best overall value for their work request.

**I-B TERM OF CONTRACT**

The State of Michigan is not liable for any cost incurred by any bidder prior to signing of a Contract by all parties. The activities to be provided through **Pre-Qualified IT Services Contract Vendors** in the proposed Contract cover the period **September 1, 2003** through **September 1, 2005**. Acquisition Services, after consultation with DIT, may offer to extend the contracts for up to three (3) additional one-year periods or other portions thereof as is deemed in the best interest of DIT. Any extension will be subject to mutual agreement between Acquisition Services and the Contractor. The State fiscal year is October 1st through September 30th. The prospective Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

Acquisition Services, upon request of DIT, reserves the right, at its sole discretion, to expand the pre-qualified vendor pool in any or all categories of service if it is deemed to be in the best interest of the State. Acquisition Services and DIT intend to review and assess this need at least annually.

**I-C ISSUING OFFICE**

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Acquisition Services, hereafter known as Acquisition Services, for the State of Michigan, **Department of Information Technology (DIT)**. Where actions are a combination of those of Acquisition Services and **DIT**, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all contractual matters relating to the services described herein. Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Contract. Acquisition Services will remain the **SOLE POINT OF CONTACT** throughout the contractual process, until such time as the Director of acquisitions shall direct otherwise in writing. All communications concerning prices, specifications, terms and conditions must be addressed to:

**Doug Collier, Buyer CPPB**  
Strategic Purchasing



DMB, Acquisition Services  
 2nd Floor, Mason Building  
 P.O. Box 30026  
 Lansing, MI 48909  
 E-mail: collierd1@michigan.gov

**I-D CONTRACT ADMINISTRATOR**

The person listed below will administer the Contract on a day-to-day basis during the term of the Contract. However, administration of this Contract implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by Acquisition Services. The Contract Administrator for this project is:

**Norm Buckwalter**  
 Department of Information Technology  
 105 West Allegan  
 Lansing, MI 48913  
 E-mail: [BuckwalterN@michigan.gov](mailto:BuckwalterN@michigan.gov)

**I-E PURCHASE ORDERS**

Orders for delivery of Services may be issued directly by the DIT through the issuance of a Purchase Order Form along with a Work Contract signed by DIT and Vendor referencing this Contract (Blanket Purchase Order) and the terms and conditions contained herein. Contractor shall reference the Purchase Order Number and BPO on all invoices for payment.

**I-F COST LIABILITY**

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of the Contract. Total liability of the State is limited to the terms and conditions of the Contract.

**I-G CONTRACTOR RESPONSIBILITIES**

The Contractor will assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State considers the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the anticipated Contract. If any part of the work is to be subcontracted, the contractor must notify the state and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

**I-H NEWS RELEASES**

News releases pertaining to this Contract or the services, study, data, or project to which it relates will 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 program are to be released without prior approval of the State and then only to persons designated. See <http://www.michigan.gov/doingbusiness> for the policy on news releases.

**I-I DISCLOSURE**

All information in a bidder's proposal and this Contract is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

**I-J ACCOUNTING RECORDS**



The Contractor is required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

**I-K INDEMNIFICATION**

**1. PATENT/COPYRIGHT INFRINGEMENT INDEMNITY**

To the extent permitted by law, the Contractor shall 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 such 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 such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any existing 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 shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (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 such 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.

The foregoing shall be the State's sole and exclusive remedy for any infringement covered under this provision. Contractor will not indemnify State, however, if the claim of infringement is caused by (1) State's misuse or modification of the Deliverable; (2) State's failure to use corrections or enhancements made available by Contractor; (3) State's distribution, marketing or use of the Deliverables outside of it's organization for the benefit of third parties; or (4) information, direction, specification, or materials provided to Contractor by State or any third party except for third party subcontractors and vendors of Contractor.

**2. OTHER INDEMNITIES**

**a. General Indemnification**

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability of any kind, 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 tortuous acts of the Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable provided that the Contractor is notified in writing within thirty (30) days from the time that the State has knowledge of such claims. The Contractor shall not be liable to the State for consequential damages arising out of claims brought by third parties except for claims for infringement of any United States patent, copyright, trademark or trade secret.

**b. 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.

**3. INDEMNIFICATION NOT LIMITED**

In any and all claims against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor any of its Subcontractors, the indemnification obligation under the Contract shall 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 sub clauses, 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 sub clauses.

**4. CONTINUATION OF INDEMNIFICATION OBLIGATIONS**

The Contractor's duty to indemnify 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 prior to expiration or cancellation.

**5. INDEMNIFICATION PROCEDURES**

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

- a. After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such 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 so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall 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 prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
  
- b. If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State 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 pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to 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.

- 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 shall have the right to defend the claim in such 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 shall promptly reimburse the State for all such reasonable costs and expenses.

**I-L NON INFRINGEMENT/COMPLIANCE WITH LAWS**

The Contractor warrants that in performing the services called for by this Contract it will not violate any applicable law, rule, or regulation, any contracts with third parties, or any intellectual rights of any third party, including but not limited to, any existing United States patent, trademark, copyright, or trade secret.

**I-M WARRANTIES AND REPRESENTATIONS**

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the State;
9. The Contractor will maintain all equipment and software for which it has maintenance responsibilities in good operating condition and will undertake all repairs and preventive maintenance in accordance with applicable manufacturer's recommendations;
10. When developing any software the Contractor will use its best efforts to ensure that no viruses or similar items are coded or introduced into the systems used to provide the services;
11. The Contractor will not insert or activate any disabling code into the systems used to provide the services without the State's prior written approval;
12. A ninety (90) day warranty on all purchased and developed software, data conversion programs, and data and customization to the product performed by the contractor.



13. 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.”
  
14. THE PRECEDING STATEMENTS ARE CONTRACTOR’S ONLY WARRANTIES CONCERNING THE SERVICES AND ANY WORK PRODUCT, AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, INFORMATIONAL CONTENT, SYSTEMS INTEGRATION, NON-INFRINGEMENT, INTERFERENCE WITH ENJOYMENT OR OTHERWISE.

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 (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.

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

**I-N STAFFING OBLIGATIONS**

The State reserves the right to approve the Contractor’s assignment of personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State’s prior written approval, any of the personnel until such time as the personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor’s obligations under this Contract. The Contractor agrees that the continuity of all personnel is critical and agrees to the continuity of all personnel. Removal of any personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the personnel’s employment.

**I-O WORK PRODUCT AND OWNERSHIP**

Unless otherwise specifically designated in the Work Contract, Work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State. Work Products do not include third party software. If by operation of law any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.



Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the “Development Tools”) created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein

The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

**I-P CONFIDENTIALITY OF DATA AND INFORMATION**

All financial, statistical, personnel, technical and other data and information relating to the State’s operation which are designated confidential by the State and made available to the Contractor in order to carry out the Work Contract, or which become available to the Contractor in carrying out the Work Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State’s procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor’s data and information are deemed by the State to be adequate for the protection of the State’s confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.

The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

To the extent permissible under the law, the State agrees to protect the confidentiality of the Confidential Information of Contractor in the same manner that it protects the confidentiality of its own proprietary and confidential information of like kind, but in no event shall either party exercise less than reasonable care in protecting such Confidential Information.

**I-Q REMEDIES FOR BREACH OF CONFIDENTIALITY**

The Contractor acknowledges that a breach of its confidentiality obligations, shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.



**I-R CONTRACTOR'S LIABILITY INSURANCE**

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such 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 pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies must be approved by the State.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES OR BEFORE THE PURCHASE ORDER IS ISSUED BY THE STATE, THE CONTRACTOR MUST FURNISH TO THE DIRECTOR OF ACQUISITION SERVICES, CERTIFICATE (S) OF INSURANCE VERIFYING INSURANCE COVERAGE. THE CERTIFICATE MUST BE ON THE STANDARD "ACCORD" FORM.

THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor.

All such Certificate(s) shall contain a provision indicating that coverage's afforded under the policies WILL NOT BE CANCELLED OR MATERIALLY CHANGED without THIRTY (30) days prior written notice having been given to the Director of Acquisition Services. Such NOTICE must include the CONTRACT NUMBER affected.

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

- 1. Commercial General Liability with the following minimum coverage's:
  - \$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
  - \$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED(S) on the Commercial General Liability policy. All insurance coverage provided relative to this Contract/Purchase Order is PRIMARY to any comparable liability insurance (including self-insurances) carried by the State.

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance for bodily injury and property damage as required by law. The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED(S) on the vehicle liability policy.



- ☑ 3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers' rights of subrogation are waived. This provision shall 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

**I-S NOTICE AND RIGHT TO CURE**

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature 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.

**I-T CANCELLATION**

The State may cancel this Contract or any Work Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.
  - a. In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.
  - b. In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.
  - c. In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to



have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall 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 Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
  
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The 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 project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
  
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes;
 

or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
  
5. Approvals Rescinded. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of services pursuant to Article 11, Section 5 of the Michigan Constitution of 1963, and Chapter 7 of the Civil Service Rules. Notwithstanding any other provision of this Contract to the contrary, the State Personnel Director is authorized to disapprove contractual disbursements for services if the Director determines that the Contract of the disbursements under the Contract violate Article 11, Section 5 of the Constitution or violate applicable Civil Service rules or regulations. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

**I-U RIGHTS AND OBLIGATIONS UPON CANCELLATION**

1. If the Contract is canceled by the State for any reason, the Contractor shall, (a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d)



transfer title and deliver to the State, unless otherwise directed by the Contract Administrator or his or her designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.

2. In the event the State cancels this Contract prior to its expiration for its own convenience, the State shall pay the Contractor for all charges due for services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, for partially completed Work Product, on a percentage of completion basis. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed Work Products, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
3. If any such cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for which the Contractor is liable to the State under this Contract or pursuant to law and equity.
4. Upon a good faith cancellation, the State shall have the right to assume, at its option, any and all subcontracts and Contracts for services and materials provided under this Contract, and may further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

**I-V    EXCUSABLE FAILURE**

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); 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 such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such 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. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive 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 from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. 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 as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the 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.

**I-W ASSIGNMENT**

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Director of Acquisition Services.

**I-X DELEGATION**

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the Director of Acquisition Services has given written consent to the delegation.

**I-Y NON-DISCRIMINATION CLAUSE**

In the performance of any Contract or purchase order resulting here from, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their 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, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The bidder further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting here from will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor.

This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

**I-Z WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at <http://www.michigan.gov/mdcs>.

**I-AA MODIFICATION OF SERVICE**

The Director of Acquisition Services reserves the right to modify services during the course of this Contract. Such modification may include adding or deleting tasks that these services shall encompass and/or any other modifications deemed necessary.



The State reserves the right to request from time to time, any changes to the requirements and specifications of the Work Contract and the work to be performed by the Contractor under the Work Contract. The Contractor shall provide a change order process and all requisite forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within five (5) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request. The Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the change request.
2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.
3. If the State does not accept the Contractor's proposal, the State may:
  - a. Withdraw its change request; or
  - b. Modify its change request, in which case the procedures set forth above will apply to the modified change request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Work 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 so notify the State prior to commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an "Additional Service" 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 such services or functions. If the Contractor does so notify the State, then such a service or function shall be governed by the change request procedure set forth in the preceding paragraph.

**IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS.**

**I-BB NOTICES**

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such 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 (3rd) 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.

For the Contractor: **Clarke Anderson**  
A. J. Boggs & Company (Covansys)  
4265 Okemos Road, Suite D  
Okemos, MI 48864  
jca@ajboggs.com

For the State:  
**Doug Collier, Buyer CPPB**  
DMB, Acquisition Services  
P O Box 30026  
Lansing, MI 48909  
Email: collierd1@michigan.gov

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

**I-CC ENTIRE AGREEMENT**

This Contract shall represent the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

**I-DD NO WAIVER OF DEFAULT**

The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

**I-EE SEVERABILITY**

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

**I-FF 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 this Contract.

**I-GG RELATIONSHIP OF THE PARTIES**

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

**I-HH UNFAIR LABOR PRACTICES**

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.



A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

**I-II SURVIVOR**

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

**I-JJ GOVERNING LAW**

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

**I-KK YEAR 2000 SOFTWARE COMPLIANCE**

The vendor warrants that all software for which the vendor 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 year 2000 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.

**I-LL CONTRACT DISTRIBUTION**

Acquisition Services shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Acquisition Services.

**I-MM STATEWIDE CONTRACTS**

If the contract is for the use of more than one agency and if the goods or services provided under the contract do not meet the form, function and utility required by an agency, that agency may, subject to state purchasing policies, procure the goods or services from another source.

**I-NN STATE STANDARDS**

1. **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 [www.state.mi.us/cio/oits](http://www.state.mi.us/cio/oits).
2. **PM METHODOLOGY STANDARDS.** The State has adopted a standard, documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. This policy is referenced in the document titled "Project Management Methodology" – DMB Administrative Guide Procedure 1380.02 issued June 2000. Vendors may obtain a copy of this procedure by contacting the DIT, Research and Policy. The State of Michigan Project Management Methodology can be obtained from the DIT's website at <http://www.michigan.gov/dit>.



The contractor shall use the State's PMM to manage State of Michigan Information Technology (IT) based projects. The requesting agency will provide the applicable documentation and internal agency processes for the methodology. If the vendor requires training on the methodology, those costs shall be the responsibility of the vendor, unless otherwise stated.

- 3. ADHERANCE TO PORTAL TECHNOLOGY TOOLS.** For all projects involving e-Government, all bidders are expected to read, understand and support compliance with the provisions of Executive Order No. 2000-6 and Executive Directive 2001-1, issued by the State of Michigan, Office of the Governor.

The State of Michigan, e-Michigan Office has adopted the following tools as its Portal Technology development efforts:

- \* Vignette Content Management and personalization Tool
- \* Inktomi Search Engine
- \* Tivoli Directory Services (Presentation Layer)
- \* WebSphere Application Server
- \* WebSphere e-Pay Payment Processing Module

Vendors must use the Portal Technology Tools to implement web content management and deployment efforts for agencies. Tools used for web based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be coordinated with the Department of Information technology.

Under special circumstances vendors that are compelled to use alternate tools must submit an exception request to the Department of Information Technology for evaluation and approval of each alternate tool prior to proposal evaluation by the State.

**I-OO ELECTRONIC FUNDS TRANSFER**

Electronic transfer of funds is available to State contractors. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically (<http://www.cpexpress.state.mi.us/>).

**I-PP TRANSITION ASSISTANCE**

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to 180 days after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.

**I-QQ STOP WORK**

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract or a Work Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop



work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of 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 shall either:

- a. Cancel the stop work order; or
  - b. Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
    - a. The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
    - b. The Contractor asserts its right to an equitable adjustment within 30 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 proposal submitted at any time before final payment under this Contract.
  3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
  4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.
  5. An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.

**I-RR PERFORMANCE AND RELIABILITY EVALUATION (PARE)**

When the State requires that a performance and reliability evaluation (PARE) is to be performed, the standard of performance for the PARE will be closely monitored during the acceptance period.

In the event that the PARE is for components only, all references to systems (processors) should be changed to components.

The Performance and Reliability Evaluation will consist of two phases.

**1. PHASE I**

The first phase shall be comprised of a specification compliance review of the equipment listed on the ordering documents. Such equipment shall be checked for total compliance with all required specifications of the RFQ. In the event that the State determines that any component or feature of the delivered equipment or software does not comply with the mandatory specifications of the RFQ, the State shall so notify the Contractor, allowing 14 calendar days for rectification by the Contractor. Should the Contractor be unable to rectify the deficiency, the State reserves the right to cancel the ordering document. Should the equipment and software pass the specification conformance review, the equipment shall enter Phase II of the PARE.



2. PHASE II

a. Determination of System Readiness

- 1) Prior to the PARE, a committee of three persons will be formed to evaluate the system's performance on a daily basis. The committee will consist of one Contractor representative and two State personnel.
- 2) The PARE will begin on the installation dates when the Contractor certifies that the equipment is ready for use by the State.

b. During the PARE:

All rerun times resulting from equipment failure and preventive maintenance shall be excluded from the performance hours.

- 1) All reconfiguration and reload time shall be excluded from the performance hours.
- 2) If files are destroyed as a result of a problem with Contractor equipment and must be rebuilt, the time required to rebuild the files will be considered "down-time" for the system.
- 3) If the Contractor requests access to failed equipment and the State refuses, then such maintenance will be deferred to a mutually agreeable time and the intervening time will not count against the PARE.
- 4) A functional benchmark demonstration will be run for the PARE Committee to confirm that the installed system is capable of performing the same functions that were demonstrated. This run must be completed to the satisfaction of the PARE Committee.

3. STANDARD OF PERFORMANCE

- a. The performance period (a period of thirty consecutive calendar days) shall commence on the installation date, at which time the operational control becomes the responsibility of the State. It is not required that one thirty day period expire in order for another performance period to begin.
- b. If each component operates at an average level of effectiveness of 95 percent or more for a period of 30 consecutive days from the commencement date of the performance period, it shall be deemed to have met the State's standard of performance period. The State shall notify the Contractor in writing of the successful completion of the performance period. The average effectiveness level is a percentage figure determined by dividing the total operational use time by the total operational use time plus associated down-time. In addition, the equipment shall operate in substantial conformance with the Contractor's published specifications applicable to such equipment on the date of this Contract. Equipment added by amendment to this contract shall operate in conformance with the Contractor's published specifications applicable to such equipment at the time of such amendment.
- c. During the successful performance period, all rerun time resulting from equipment failure and preventive maintenance time shall be excluded from the performance period hours. All reconfigurations and reload time shall be excluded from the performance hours. Equipment failure down-time shall be measured by those intervals during the performance period between the time that the Contractor is notified of equipment failure and the time that the equipment is returned to the State in operating condition.
- d. During the successful performance period, a minimum of 80 hours of operational use time on each component will be required as a basis for computation of the average effectiveness level.



However, in computing the effectiveness level, the actual number of operational use hours shall be used when in excess of the minimum stated above.

- e. No more than one hour will accrue to the performance hours during any one-wall clock hour.
- f. Equipment shall not be accepted by the State and no charges will be paid by the State until the standard of performance is met.
- g. When a system involves on-line machines, which are remote to the basic installation, the required effectiveness level shall apply separately to each component in the system.
- h. Promptly upon successful completion of the performance period, the State shall notify the Contractor in writing of acceptance of the equipment and authorize the monthly payments to begin on the first day of the successful performance period.
- i. If successful completion of the performance period is not attained within 90 days of the installation date, the State shall have the option of terminating the Contract, or continuing the performance tests. The State's option to terminate the contract shall remain in effect until such time as a successful completion of the performance period is attained. The Contractor shall be liable for all outbound preparation and shipping costs for contracted items returned under this clause.
- j. The PARE will be complete when the equipment has met the required effectiveness level for the prescribed time period.

**I-SS LIQUIDATED DAMAGES**

The State and the Contractor hereby agree that liquidated damages may be negotiated in individual Work Contracts and as such both parties negotiate to the specific standards set forth in those Work Contracts. It is agreed between the Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide promised services would be difficult or impossible to determine with accuracy. The State and the Contractor therefore agree that liquidated damages as set out in the Work Contract shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, at the written direction of the State, the Contractor shall pay the State the indicated amount as liquidated damages, and not as a penalty. Amounts due the State as liquidated damages, if not paid by the Contractor within fifteen (15) days of notification of assessment, may be deducted by the State from any money payable to the Contractor pursuant to this Contract. The State will notify the Contractor in writing of any claim for liquidated damages pursuant to this paragraph and the Work Contract on or before the date the State deducts such sums from money payable to the Contractor. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such rights.

The Contractor shall not be liable for liquidated damages when, in the opinion of the State, incidents or delays result directly from causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God, fires, floods, epidemics, and labor unrest; but in every case the delays must be beyond the control and without the fault or negligence of the Contractor.

Liquidated damages will be assessed as follows: Damage amounts will be determined during Contract negotiations in the Second Tier.

**I-TT PERFORMANCE**



Performance by Pre-Qualified Vendors will be continually evaluated by the State. Performance will be a factor in the award of any Work Contract and continued poor performance will be grounds for not awarding a Work Contract. (Please refer to Exhibit D for examples of poor performance)

**I-UU PROTESTS**

In order to streamline the second tier contracting process, Contractors agree not to file any protests concerning the award of any Work Contract.

**I-VV LIMITATION OF LIABILITY**

Except as set forth herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages, and either party's maximum aggregate liability shall be limited to \$2,000,000.00. Such limitation as to in direct or consequential damages, and as to a party's maximum liability shall not be applicable for claims arising out of gross negligence, willful misconduct, or the Contractor's indemnification responsibilities to the State as set forth in section I-J with respect to third party claims, actions and proceedings brought against the State.



**SECTION II - REQUIREMENTS**

**II - A PURPOSE AND QUALIFICATIONS BY CATEGORY: TIER 1**

**PURPOSE**

Acquisitions Services in partnership with the Department of Information Technology has established “Professional Services Ordering” Contracts with information technology providers to assist the State of Michigan in delivering business solutions and maximizing for the organization the value obtained from its information technology investment. As a result of this contract, the State will have access to a pool of pre-qualified providers available to provide high-quality information technology services. Seven (7) vendors have been competitively selected in the below mentioned category.

**Business Requirements/Needs Assessment/Sys. Design/Quality Assurance**

It is the intent of this process to reduce the redundancy and efforts expanded by customers and the vendor community to secure contractors for services. This streamlining will serve the best interests of the State, reduce contracting costs, and simplify the process for customers to secure a contract for specific IT services.

As part of their response the pre-approved contractors have provided maximum rate structures and acceptance of the State’s terms and conditions. The first three (3) categories and Project Management and Quality Assurance in Category 5 of this program will be available to DIT for onetime purchases of up to \$1,000,000.00 with a project duration of 18 months or less. The Last Category (Project Development Services less Project Management and Quality Assurance) will be available to DIT for purchases that exceed \$250,000.00 or 12 months in duration. The entire program will not focus on those proposals that (a) exceed \$1,000,000.00 or 18 month contract duration (b) include services that support the processing infrastructure, data cabling, or any aspects of telecommunications (c) Involve the Pre-Qualified START (formerly RAPHITS) program for Developers, System Analysts, and Database Administrator services under \$250,000.00 or less than 12 months in project duration. Those work statements that are estimated to exceed \$1,000,000.00 or 18-month duration would be required to be bid out through the current formal RFP process.

When the State establishes a need for services per the requirements mentioned above, they may utilize the pre-qualified program by formalizing a work statement and having DIT solicit proposals from the pre-qualified pool of vendors.

All vendors would be evaluated on hours, personnel and experience in providing a particular project; with the pre-qualification process taking only two (2) weeks to complete. This process would allow State agencies the greatest flexibility while still providing a mechanism to control costs for the using agencies.

**II-B BUSINESS REQUIREMENTS/NEEDS ASSESSMENT/ SYSTEM DESIGN/QUALITY ASSURANCE**

Tasks and activities that are:

- Assist in the development of a work statement or full RFP.
- Assist in the selection process
- Provide quality assurance (Q/A) during the resulting project.

Vendors in the category will not be allowed to bid on both the 2<sup>nd</sup> tier work statements and on a full RFP, but will be expected to supply Q/A services. The purpose of the analysis is to determine the specific requirements,



deliverables, products and the high level plan, including required deadline dates, needed to fill the business partner's requirements. Examples of the associated tasks/skills are:

Needs Assessment

- Identification of all business requirements
- Analytical skills
- Organizational skills
- Communication skills at the executive level
- Interviewing skills
- Depth of knowledge of current and emerging information technologies, including e-commerce, their strengths and weaknesses, and appropriate application to business needs

Requirements Analysis

- Structured techniques
- Professional discipline
- Use of analytical software tools
- Ability to reduce volumes of detail to concise and easy to read form

Feasibility Studies

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

Cost Benefit Analysis

- Determining tangible and intangible costs and benefits
- Ability to apply DMB/DIT IT portfolio management standards
- Comparative analysis of in-house versus outsource costs
- Knowledge of present value analysis
- Understanding of the state budgets cycle and state accounting methods

Coordination of Stakeholders

- Organizational requirements
- Communication and facilitation
- Principles of information technology, business principles, and negotiation strategies
- Facilitation of stakeholders of e-commerce projects

Project Management and Reporting

- Preparation of project plans
- Monitor status and initiate corrective action when needed
- Perform status reporting, and plan amendments
- Define and track issues through resolution
- Skill in working with all levels of technical and management staff.
- Ability to get work done though others in a matrix organization
- Ability to deal successfully with large amounts of detailed data and information
- Be capable of giving attention to detail while still understanding and dealing with the global aspects of the project
- Objectively assess the appropriateness and accuracy of system plans
- Provide a concise assessment
- Make objective recommendations to the Project Manager, agency executives oversight agencies, and Vendors



- Establishing and maintaining a system of project records
- Gathering data needed to create project reports and documentation
- Use of various software tools to report project progress and document project results

Quality Assurance and Testing

- Provide quality assurance on a major project.
- Development and implementation of quality assurance measures for all aspects of project planning and execution.
- Development and execution of program and system test and acceptance processes.
- Assists project manager in monitoring business related activities
- Assists in resolution of key project issues
- Assists in monitoring and ensuring project scope is controlled
- Assists in identification of project risks, and risk mitigation strategies
- Assists in development of strategies for system development, verification, and implementation
- Ensures that application programs have been thoroughly tested

User Change Management

- Development and implementation of change management processes dealing with user needs and expectations
- Skill in working with all levels of management and line staff.
- Ability to get work done through others in a matrix organization
- Individuals must have skills and personal characteristics that enable them
- Be able to deal successfully with a large variety of management personnel and users
- Capability of giving attention to detail while still understanding and dealing with the global aspects of the project

**ATTACHMENT A – Technical Proposal (Excerpts)**



**Section B – Required Vendor Information**

- 1.1.1.1.1.1 Section B – Required Vendor Information
- 1.1.1.1.1.2 Vendor: Covansys

**B.1 - Vendor Identifying Information**

**(a) – Vendor Name and Address**

**1.1.1.1.2**                    **Name:**                    **Covansys**  
**Corporate Address:**        32605 West 12 Mile Road  
Farmington Hills, MI 48334

**Local Address:**            2193 Association Drive  
Suite 500  
Okemos, MI 48864

**(b) - Principle Officers**

Raj Vattikuti  
Founder – Chairman of the Board  
32605 West 12 Mile Road  
Farmington Hills, MI 48334

Martin Clague  
President and CEO  
32605 West 12 Mile Road  
Farmington Hills, MI 48334

Michael Duffey  
Executive Vice President – CFO  
32605 West 12 Mile Road  
Farmington Hills, MI 48334

**(c) - Organization and Year**

Year Founded -                1985  
Business Structure -        Corporation  
State Incorporated in -      Michigan

Minority Status -    Affiliate member of MMBDC and qualified as a minority owned and controlled company.

**(d) - Employer Identification**

Federal I.D. Number - 38-2606945  
Michigan Vendor ID - 2382606945

**(e) - Vendor Contact**

**Name:**                    Christopher M. Reaume  
**Address:**                2193 Association Drive  
Suite 500  
Okemos, MI 48864  
**Phone:**                 (517) 381-2450 – Office  
                                  (248) 890-1693 – Cell  
**Fax:**                     (517) 381-2452  
**E-Mail:**                 [creaume@covansys.com](mailto:creaume@covansys.com)

**B.2 – Contract Performance**





## Section B – Required Vendor Information

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Covansys has not had a contract terminated for default in the last three years, nor has it received a notice to stop performance on a contract for any reason.

Termination:

- (a) Not litigated due to inaction on the part of the vendor
- (b) Litigated and determined that the vendor was in default
- (c) **No such terminations exist**

### B.3 – Vendor Staff Geographic Service Areas

Covansys is ready and able to provide services to the State of Michigan in all counties of the State.



**Section B – Required Vendor Information**

1.1.1.1.2.1

1.1.1.1.2.2 Vendor: A.J. Boggs & Company

**B.1 - Vendor Identifying Information**

**(a) – Vendor Name and Address**

**1.1.1.1.3**                    **Name:**                    **A. J. Boggs & Company**  
**Corporate Address:**    4265 Okemos Road, Suite D  
Okemos, MI 48864

**Local Address:**                    Same

**(b) - Principle Officers**

Clarke Anderson  
Founder – Managing Director and CEO  
4265 Okemos Road, Suite D  
Farmington Hills, MI 48864

James D. Anderson  
President  
900 Victors Way, Suite 340  
Ann Arbor, MI 48108

**(c) - Organization and Year**

Year Founded -                    1989  
Business Structure -            Corporation  
State Incorporated in -        Michigan  
Minority Status -                None

**(d) - Employer Identification**

Federal I.D. Number - 38-3036544  
Michigan Vendor ID - 2383036544

**(e) - Vendor Contact**

**Name:**                    Clarke Anderson  
**Address:**                4265 Okemos Road  
Suite D  
Okemos, MI 48864  
**Phone:**                (517) 347-1100 – Office  
**Fax:**                    (517) 347-1106  
**E-Mail:**                [ica@ajboggs.com](mailto:ica@ajboggs.com)

**B.2 – Contract Performance**

A.J. Boggs has not had a contract terminated for default in the last three years, nor has it received a notice to stop performance on a contract for any reason.

Termination:

- (a) Not litigated due to inaction on the part of the vendor
- (b) Litigated and determined that the vendor was in default





**Section B – Required Vendor Information**

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**(c) No such terminations exist**

**B.3 – Vendor Staff Geographic Service Areas**

A.J. Boggs is ready and able to provide services to the State of Michigan in all counties of the State.

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## Section C – Vendor Management Performance

Vendor Name: Covansys

### C.1 – Ability, Capacity and Skills

Covansys is a global corporation with a network of 23 US branch offices, 8 global delivery centers and 10 international offices, which are linked by a state-of-the-art communication infrastructure. Our 4,400 employees offer a professional heritage spanning Old World legacy systems and the New Economy's leading-edge technologies. Covansys offers one of the largest offshore capabilities among U.S.-based technology services providers, and two of the company's three wholly owned development centers in India are SEI CMM® Level 5 certified. Covansys was named one of the top 500 solution providers in North America in 2001 by VARBusiness magazine.

Our US branch offices each include 20 – 400 employees that provide application development, maintenance support, project management and other services to clients across the country. This is a virtual workforce in that any one branch can draw upon the resources of any other branch. Often times, depending on the size of a development project, the project team has consisted of members from the local branch, specialists from one of our Development Centers, and additional staffing from another branch.

In the event a Statement of Work requires work to be performed off site due to space or other factors, our delivery centers give us the capability of providing the State application development and maintenance support across any platform, requiring any size staff. Covansys is executing multiple projects for various clients at these delivery centers. Each of these centers is fully equipped with all the necessary infrastructure and staff to deliver projects of any size and complexity with the highest levels of quality.

#### Development Centers

| Location                   | Seats |
|----------------------------|-------|
| Basking Ridge, New Jersey  | 70    |
| Chicago, Illinois          | 150   |
| Columbus, Ohio             | 100   |
| Farmington Hills, Michigan | 200   |
| Milpitas, California       | 50    |
| Bangalore, India           | 200   |
| Chennai (Madras), India    | 1,200 |
| Montreal, Canada           | 50    |

The chart above depicts approximately 2,020 Development Center employees from which we can draw resources. Not included in those numbers are the over 1,500 employees assigned to branches throughout the country. These resources are also resource candidates for SOWs that will be forthcoming.

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## Public Sector Expertise

An important consideration when evaluating a vendor's capability to support the State throughout the PAVL program is the experience and history that vendor has in providing services within State government. Covansys has been providing consulting services to the public sector since 1985, working with state and local governments to improve service delivery to their constituents through strategic information technology. With over 350 consultants dedicated to the public sector practice, Covansys has distinguished itself as one of the largest national providers of IT services to the public sector, and as a result is considered one of the top ten System Integration firms in this segment. From information strategy plans to custom developed solutions to packaged solutions, Covansys has acted as a catalyst for change in the Public Sector Industry.

Currently, the public sector practice accounts for 30 percent of our business, with work in this practice encompassing activities in 32 states.

|             |               |                |               |
|-------------|---------------|----------------|---------------|
| Alaska      | Idaho         | Mississippi    | Oregon        |
| Arkansas    | Illinois      | Missouri       | Pennsylvania  |
| Alabama     | Indiana       | Nebraska       | Rhode Island  |
| California  | Kansas        | Nevada         | Texas         |
| Connecticut | Kentucky      | New Hampshire  | Tennessee     |
| Florida     | Maryland      | New York       | West Virginia |
| Georgia     | Massachusetts | North Carolina | Wisconsin     |
| Hawaii      | Michigan      | Ohio           | Vermont       |

Through our growth, Covansys has gained technology and application expertise with the following public sector agencies and departments:

### Courts

Criminal Justice  
Computer Aided Dispatch  
County & District Court Automation System

### Health and Human Services

Child Support Enforcement  
FAMIS  
Child Welfare  
Child Care  
Woman Infant Children

### Transportation

Agreements Management System  
Project Information System  
Financial Obligation System  
Railroads Management System  
Local Agency Payments System  
Construction Management System  
Real Estate System  
Traffic Safety System

### Natural Resources

Real Estate Information System  
Mineral Lease Management System  
Title III System  
Forest Management System  
Air Quality Management System

### Treasury/Revenue

Tax system (Collections)  
Statewide Accounting System  
Individual Income Tax  
Abandoned Property  
Personnel and Payroll

### Other State Agencies/Departments

Retirement  
Mental Health  
Civil Services  
Labor  
Law Enforcement

Specific to this RFP, Covansys currently is or has provided similar type of pre-qualified services to the following States:

|            |               |                |
|------------|---------------|----------------|
| California | Massachusetts | North Carolina |
| Indiana    | Michigan      | Ohio           |
| Kansas     | Nevada        | Pennsylvania   |
| Kentucky   | New York      | Rhode Island   |
| Maryland   | New Hampshire | Tennessee      |

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## C.1.1 - Local Presence

We believe that having a local presence is an advantage for the State. A local presence allows for instantaneous reaction and response to requests from the State, allows for initiating and sustaining face-to-face relationships with State/DIT personnel., and helps us to better understand the needs of DIT and the State on a long-term, strategic basis.

Covansys is a Michigan-based company, and has been working with the State of Michigan for over 15 years (previously known as CBSI until our renaming in 02/01). For the past four years we have located a branch office in Okemos, with the sole purpose of supporting our efforts with the State of Michigan.

1.1.2 Covansys has been working with the State of Michigan for over fifteen years, and in that time has proven to be a key vendor and willing partner on many critical projects. Covansys is one of few companies that have been awarded preferred vendor status in all of the following pre-qualified vendor lists: Business Process Engineering, Project Management, Technical Acquisitions, RAPHits and Services.

### 1.1.3 **Department of Management and Budget – Office of Retirement Services**

We are currently engaged in a three-year project to design, construct and deploy a fully integrated retirement system to replace the entire legacy retirement system currently in place. The scope of the project includes the State Employees, State Teachers, State Police and Judges retirement systems. The resulting systems will be fully WEB-based, thin client, and will include Siebel CRM, FileNET document management and workflow.

### **eMichigan**

We were engaged to define and develop the IT and security architecture needed to implement e-Michigan, the State's single portal WEB interface. Architecture included hardware, software, business rules, performance, and presentation format for the Internet/WEB layer, legacy mainframe layer, and the middle layer that will act as the "traffic cop" for all access. We were brought in to work on eMichigan in November 1999, at the very earliest stages of its inception. The work performed during that engagement was used to set the standards for moving forward into eMichigan's implementation.

### 1.1.4 **State of Michigan's Year 2000 Software Factory**

We were engaged to design, implement and manage the Y2K Software Factory. The Factory, which was the first on-site factory of its kind in the country, was staffed with over 50 individuals, some of whom worked onsite, and others worked within the Factory facility at MIPC. The purpose of the Factory was to provide a central focus on the Impact Assessment of over 20 million lines of program code for all Unisys and Bull applications. A common set of tools, procedures, deliverables and analyses were implemented to assist the Agencies in determining the extent of remediation necessary.

The results of the project were excellent. The Impact Assessment of over 20 million lines of code was completed under budget and on time. PC Week Magazine and the Technology Managers Forum International gave the State its *Best Practices Award* in 1998, in part, because of the success of the Y2K Software Factory. Covansys also received a *Certificate of Achievement* from Janet Phipps, Director, Department of Management and Budget at that time, and George Boersma, Chief Information Officer, Department of Management and Budget at that time.

### 1.1.5 **Miscellaneous State of Michigan Assignments**

We currently have consultants assigned to various State Agencies including: Treasury, Transportation, Department of State, FIA, Community Health and DMB. These consultants are performing a variety of assignments including quality assurance, application programming, business process reengineering, and project management on platforms including client/server, mainframe, WEB/Internet. Technology used includes: COBOL, Oracle, Sybase, DMS II, Visual Basic, MS-Access, MS SQL Server, HTML, Java, C++, Visual C++, PowerBuilder, Active Server.

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## C.2 – Maintaining Staff Qualifications and Capabilities

We believe it is important to note that over 95% of our staff positions that support our clients, whether for client site staff augmentation, offsite application development and maintenance, or business consulting and project management, are Covansys employees, not subcontractors. This allows us to better meet the requirements of our clients. We know whom we are assigning to a project, we can ensure that each individual is fully capable and trained to fulfill the engagement, and can guarantee that the individuals will remain assigned for the duration of the assignment.

It also gives us the unique advantage of being able to re-deploy our workforce to meet the dynamic needs of our clients. We can cross-train our employees to meet the changes in technology. As an example, with the proliferation of clients moving to WebSphere, we felt it important to position Covansys quickly to respond. Earlier this year Covansys was selected by IBM as one of only six business partners nationally to be allowed to open a WebSphere Innovation Center (WIC). One of the important components of the WIC is the Skill Transfer Workshop. We have been able to cross-train Covansys employees that have a proven aptitude in this technology, and they are now supporting clients throughout the country.

The keys to maintaining staff qualifications to provide quality support to the State center are:

- Bringing the right people on board right from the start
- Ensuring that they get proper and ongoing training to add to and enhance the skills they brought to the company
- Making sure that there is a commitment to retention

Or in more simple terms:

- Find Them
- Train Them
- Keep Them

Because Covansys is not a “product” company, our people and their intellectual assets are our products. We place great emphasis on selection, empowerment and motivation of our employees. In order to remain an industry leader in Information Technology consulting, we recognize the need for our staff to receive ongoing training and skill development. To ensure that our staff is knowledgeable and fully competent in the latest technological advances, our consultants are given ongoing training through our Professional Training Program. From learning cutting-edge technology, to managing diverse work teams, to identifying and solving complex technical solutions, Covansys’ training is designed to provide our consultants with the necessary tools to deliver complex IT solutions.

### Find Them

Covansys has a large full-time staff dedicated to recruiting IT professionals and managing its human resources. Our recruiting activities draw on an international pool of IT talent, and we have full-time personnel dedicated to handling visa application and compliance issues for international recruits. Our constant recruitment assures clients of a pipeline of qualified candidates at all times, and gives us the ability to ramp up rapidly for our clients.

Covansys actively recruits in the United States, India, United Kingdom, Germany, Belgium, Australia, New Zealand, the Philippines, Mexico and Singapore. Recruiting methods include advertisement in leading newspapers and trade magazines, Covansys’ web site, and participation in career fairs.

We also participate in on-campus recruiting for recent college graduates and we have hired from various universities, including the University of Michigan, the University of Alabama, Michigan State University, the University of Notre Dame, University of Florida A&M, California State University and Central Michigan University. In addition, current employees receive bonuses for referring individuals and screening candidates for new positions. Covansys’ IT professionals typically have Bachelor’s or Master’s degrees in Computer Science, engineering or business.

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#### 1.1.1.6 Train Them

As part of our ongoing commitment to employee growth and career development, Covansys has established several employee training centers worldwide. These training centers employ full-time instructors and are equipped with state-of-the-art hardware, software and development tools. New college graduates receive intensive, hands-on technical training. Employees receive full salary and benefits during this training period. Between projects and after business hours, all IT professionals receive ongoing business and technical training in a variety of areas including Project Management, Account Management and various technical certifications, e.g., Sun Certified Java Developer, Cisco's CCNA, Microsoft's MCSE, etc. Additionally, Covansys provides extensive training in quality processes and cross-cultural communication skills.

Covansys also sponsors a Master of Science in Software Administration degree jointly with Central Michigan University. In India, Covansys has established training programs with leading technical and business institutions, to ensure a constant source of qualified personnel.

#### Keep Them

##### **Recognizing the value of a stable workforce, Covansys has formulated a strategy for minimizing turnover, which emphasizes:**

- Career counseling, mentoring and performance reviews
- Competitive salaries
- Incentive compensation
- Comprehensive benefits
- Employee stock options (with multi-year vesting periods) and stock purchase programs
- Deferred compensation (401K)
- Tuition reimbursement

Underlying all of the above is a commitment to providing our employees with outstanding opportunity for career and personal growth. We place a high priority on the career development process and offer employees a wide range of options in terms of assignments, locations, skills growth and responsibility. Wherever possible, we promote from within. Our turnover rate is well below the industry average.

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## C.3 – Project Delivery Methodology

### C.3.1 - Introduction

There are two distinct, yet dependant, methodologies typically employed for successful project execution:

- *Project Management Methodologies* – the umbrella under which all administrative, cost, scope and issue tracking aspects of all projects are managed, and
- *Technical Development Methodologies* – the specific step-by-step and day-to-day activities upon which the project success is dependent.

These are two distinct methodologies because their intent and purpose differ from each other. Yet they are dependant because one can't ensure a successful project without the other.

We believe that there are two very important qualifications to consider when evaluating our commitment to effective project management: our Corporate Project Management Office and our commitment to the Software Engineering Institute's (SEI) Capability Maturity Model (CMM) which is the industry's worldwide standard for evaluating an organizations project methodologies. The following is a short summary of these two qualifications.

#### **Corporate Project Management Office**

Since its inception, Covansys has relied upon industry standard development methodologies to ensure successful project delivery. This is not a static process for us, and it requires ongoing assessment, evaluation and upgrading to ensure that we remain on the leading edge of the methodology bandwagon. One of the groups within Covansys has been chartered with this responsibility: the Corporate Project Management Office.

The Covansys Corporate Project Management Office (PMO) has been chartered as a centralized organization that enables effective project management processes and delivery oversight, company-wide. They are involved in all phases of the engagement lifecycle, and share the same goals as all other delivery units of the organization - the successful provision of project deliverables and services to our client.

The PMO is a collaborator and resource for the champions of disciplined project management practices in the company. Their charter includes:

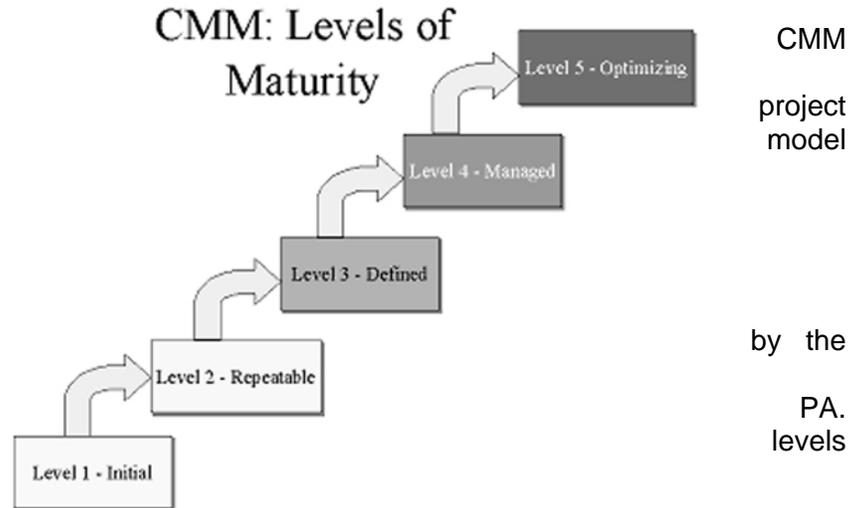
- Build a centralized focus to enable effective project management processes and delivery oversight, company-wide
- Provide executive visibility of project issues and status
- Support the Regions as a resource for project management tools, processes and methodologies
- Ensure that there is a regular and consistent application of the project management and technical delivery methodologies across all projects and through all project managers.

There is a very detailed and comprehensive set of procedures contained within the corporate PMO to ensure that their objectives are met across the company. These procedures can be reviewed with DIT if so desired.

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## Capability Maturity Model Rating

As we stated above, an organization's rating is an indication of that organization's commitment to quality management. The CMM for software is a for judging the maturity of the software processes of an organization and for identifying the key practices that are required to increase the maturity of these processes. The software community has developed the SW-CMM with stewardship Software Engineering Institute (SEI), Carnegie Mellon University, Pittsburgh, The CMM is organized into five maturity as depicted in this diagram:



Our CMM performance has been extraordinary. In 1999, Covansys became one of the first known U.S.-based IT services companies to achieve the highest possible maturity rating for its three international development centers on its first audit. Since then our Milpitas, CA development center has received a CMM Level 4 rating, and our Public Sector Columbus, OH development center is rated at CMM Level 3. It is important to note that the evaluations that produced these ratings were across all platforms and development cycles. The processes that were evaluated are those that would be brought to bear on any SOW that is awarded to Covansys regardless of the location the work would actually be accomplished.

## A Typical Project Approach

Our overall approach is divided into Start-Up, Execution and Closure phases. Project tasks will depend upon the nature of each assignment. Generally, we will create a project charter that defines the roles, responsibilities, stakeholders, and goals of the effort. Then we develop a project schedule that defines tasks, assignments, and deliverables. Then a project kickoff meeting is held to review the plans, approach and other topics relevant to the project. Once the project is underway, the team will execute its tasks with project, change, and issue management processes in place as needed. Project execution is the meat of the project, when staff perform the core tasks such as needs analysis, functional requirements gathering, project management, or quality assurance. Weekly status meetings may be required as well as other project features, such as communication plans, contingency plans, and reporting. At the end of the project, a final report is prepared, any required paperwork processed, and an evaluation completed to assess the next steps and areas for improvement.

## C.3.4 - Business Process Re-engineering (BPR)

Covansys and AJBoggs will follow a four-step process in designing business process re-engineering projects:

| Step                      | Description                                                                                            |
|---------------------------|--------------------------------------------------------------------------------------------------------|
| 1. Create Foundation      | Establishing a foundation for success within the organization.                                         |
| 2. As-Is Assessment       | Assessing the current state.                                                                           |
| 3. Best-in-Class Research | Benchmarking against other service providers and discovery of best practices.                          |
| 4. To-Be Design           | Design of the business processes that have the biggest impact on an organization's mission and vision. |

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Implementation of the BPR would likely involve IT related detailed designs and development that could be managed by our team and implemented through category #5 work requests.

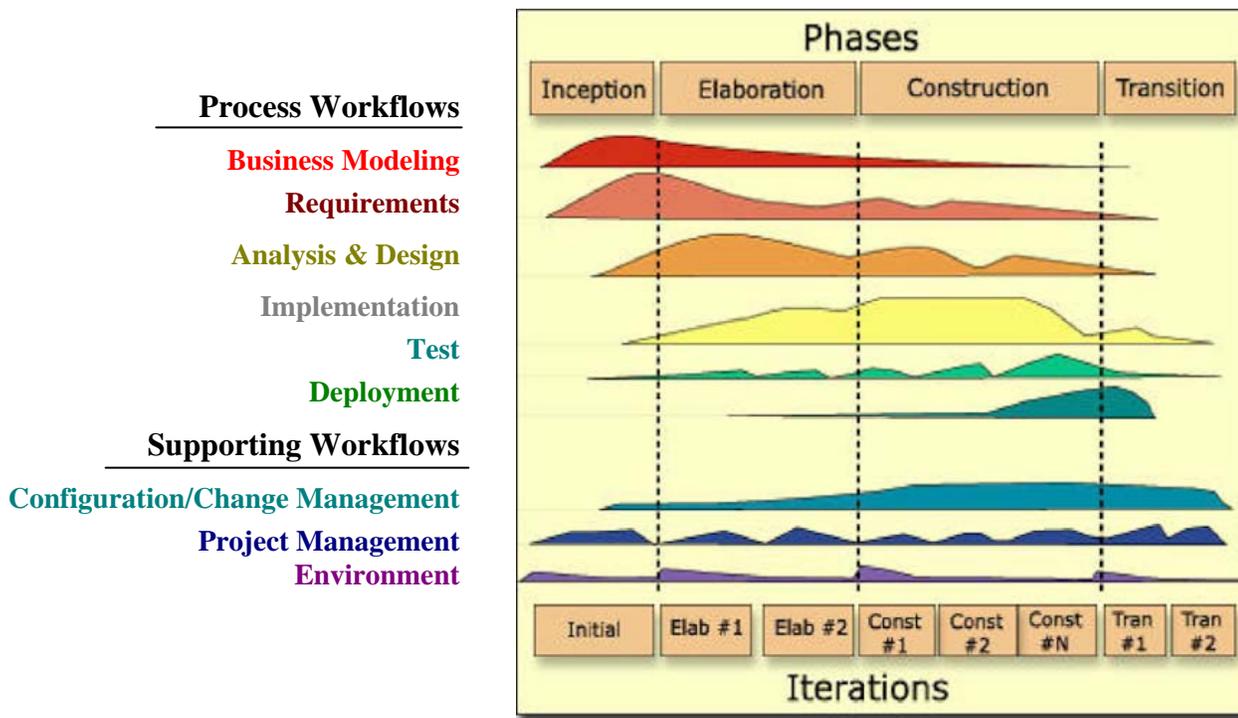
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## C.3.2 - System Development Methodology

Covansys bases its system development methodologies on the Rational Unified Process (RUP). This process is divided into 4 Phases:

- Inception
- Elaboration
- Construction
- Transition

Each of these phases addresses a different part of the system lifecycle as depicted in this diagram:



Defined in parallel with these Phases is a set of 9 Workflows, which are a collection of processes, carried out by various actors during the 4 phases. These Workflows are as follows:

- Business Modeling
- Requirements
- Analysis and Design
- Implementation
- Testing
- Deployment
- Configuration & Change Management
- Project Management
- Environment

The following sections provide an introduction to each of the 4 Phases and the 9 Workflows in our development methodology. **Though category (#3) of the DIT IT Pre-Qualification program does not involve actual programming and development, this methodology is important for the requirements gathering, project management, software development methodologies, and QA support that will be required by State agencies.**

### Inception Phase

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## Objectives

The overriding goal of the inception phase is to achieve concurrence among all stakeholders on the lifecycle objectives for the project. The inception phase is of significance primarily for new development efforts, in which there are significant business and requirements risks that must be addressed before the project can proceed. For projects focused on enhancements to an existing system, the inception phase is more brief, but is still focused on ensuring that the project is both worth doing and possible to do.

The primary objectives of the inception phase include:

- Establishing the project's software scope and boundary conditions, including an operational vision, acceptance criteria and what is intended to be in the product and what is not.
- Discriminating the critical use cases of the system, the primary scenarios of operation that will drive the major design trade-offs.
- Exhibiting, and maybe demonstrating, at least one candidate architecture against some of the primary scenarios
- Estimating the overall cost and schedule for the entire project (and more detailed estimates for the elaboration phase that will immediately follow)
- Estimating potential risks (the sources of unpredictability) (See Concepts: Risk)
- Preparing the supporting environment for the project.

## Essential Activities

- Formulating the scope of the project. This involves capturing the context and the most important requirements and constraints to such an extent that you can derive acceptance criteria for the end product.
- Planning and preparing a business case. Evaluating alternatives for risk management, staffing, project plan, and cost/schedule/profitability trade-offs.
- Synthesizing a candidate architecture, evaluating trade-offs in design, and in make/buy/reuse, so that cost, schedule and resources can be estimated. The aim here is to demonstrate feasibility through some kind of proof of concept. This may take the form of a model which simulates what is required, or an initial prototype which explores what are considered to be the areas of high risk. The prototyping effort during inception should be limited to gaining confidence that a solution is possible - the solution is realized during elaboration and construction.
- Preparing the environment for the project, assessing the project and the organization, selecting tools, and deciding which parts of the process to improve.

## Elaboration Phase

### Objectives

The goal of the elaboration phase is to baseline the architecture of the system to provide a stable basis for the bulk of the design and implementation effort in the construction phase. The architecture evolves out of a consideration of the most significant requirements (those that have a great impact on the architecture of the system) and an assessment of risk. The stability of the architecture is evaluated through one or more architectural prototypes.

The primary objectives of the elaboration phase include:

- To ensure that the architecture, requirements and plans are stable enough, and the risks sufficiently mitigated to be able to predictably determine the cost and schedule for the completion of the development. For most projects, passing this milestone also corresponds to the transition from a light-and-fast, low-risk operation to a high cost, high-risk operation with substantial organizational inertia.
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- To address all architecturally significant risks of the project
  - To establish a baselined architecture derived from addressing the architecturally significant scenarios, which typically expose the top technical risks of the project.
  - To produce an evolutionary prototype of production-quality components, as well as possibly one or more exploratory, throw-away prototypes to mitigate specific risks such as:
    - design/requirements trade-offs
    - component reuse
    - product feasibility or demonstrations to investors, customers, and end-users.
  - To demonstrate that the baselined architecture will support the requirements of the system at a reasonable cost and in a reasonable time.
  - To establish a supporting environment

In order to achieve this primary objective, it is equally important to set up the supporting environment for the project. This includes creating a development case, create templates, guidelines, and setting up tools.

### Essential Activities

- Defining, validating and baselining the architecture as rapidly as practical.
- Refining the Vision, based on new information obtained during the phase, establishing a solid understanding of the most critical use cases that drive the architectural and planning decisions.
- Creating and baselining detailed iteration plans for the construction phase.
- Refining the development case and putting in place the development environment, including the process, tools and automation support required to support the construction team.
- Refining the architecture and selecting components. Potential components are evaluated and the make/buy/reuse decisions sufficiently understood to determine the construction phase cost and schedule with confidence. The selected architectural components are integrated and assessed against the primary scenarios. Lessons learned from these activities may well result in a redesign of the architecture, taking into consideration alternative designs or reconsideration of the requirements.

### Construction Phase

#### Objectives

The goal of the construction phase is to clarify the remaining requirements and completing the development of the system based upon the baselined architecture. The construction phase is in some sense a manufacturing process, where emphasis is placed on managing resources and controlling operations to optimize costs, schedules, and quality. In this sense the management mindset undergoes a transition from the development of intellectual property during inception and elaboration, to the development of deployable products during construction and transition.

The primary objectives of the construction phase include:

- Minimizing development costs by optimizing resources and avoiding unnecessary scrap and rework.
  - Achieving adequate quality as rapidly as practical
  - Achieving useful versions (alpha, beta, and other test releases) as rapidly as practical
  - Completing the analysis, design, development and testing of all required functionality.
-

- 
- Developing, iteratively and incrementally, a complete product that is ready to transition to its user community. This implies describing the remaining use cases and other requirements, fleshing out the design, completing the implementation, and testing the software.
  - Deciding if the software, the sites, and the users are all ready for the application to be deployed.
  - Achieving some degree of parallelism in the work of development teams. Even on smaller projects, there are typically components that can be developed independently of one another, allowing for natural parallelism between teams (resources permitting). This parallelism can accelerate the development activities significantly; but it also increases the complexity of resource management and workflow synchronization. A robust architecture is essential if any significant parallelism is to be achieved.

### Essential Activities

- Resource management, control and process optimization
- Complete component development and testing against the defined evaluation criteria
- Assessment of product releases against acceptance criteria for the vision.

### Transition Phase

#### Objectives

The focus of the Transition Phase is to ensure that software is available for its end users. The Transition Phase can span several iterations, and includes testing the product in preparation for release, and making minor adjustments based on user feedback. At this point in the lifecycle, user feedback should focus mainly on fine-tuning the product, configuring, installing and usability issues. All the major structural issues should have been worked out much earlier in the project lifecycle.

By the end of the Transition Phase lifecycle objectives should have been met and the project should be in a position to be closed out. In some cases, the end of the current life cycle may coincide with the start of another lifecycle on the same product, leading to the next generation or version of the product. For other projects, the end of Transition may coincide with a complete delivery of the artifacts to a third party who may be responsible for operations, maintenance and enhancements of the delivered system.

This Transition Phase ranges from being very straightforward to extremely complex, depending on the kind of product. A new release of an existing desktop product may be very simple, whereas the replacement of a nation's air-traffic control system may be exceedingly complex.

Activities performed during an iteration in the Transition Phase depend on the goal. For example, when fixing bugs, implementation and test are usually enough. If, however, new features have to be added, the iteration is similar to one in the construction phase requiring analysis & design, etc.

The Transition Phase is entered when a baseline is mature enough to be deployed in the end-user domain. This typically requires that some usable subset of the system has been completed with acceptable quality level and user documentation so that transitioning to the user provides positive results for all parties.

The primary objectives of the Transition Phase are:

- Beta testing to validate the new system against user expectations
  - Beta testing and parallel operation relative to a legacy system that it's replacing
  - Converting operational databases
  - Training of users and maintainers
  - Roll-out to the users
-

- 
- Deployment-specific engineering such as cutover, commercial packaging and production, Roll-out, field personnel training
  - Tuning activities such as bug fixing, enhancement for performance and usability
  - Assessment of the deployment baselines against the complete vision and the acceptance criteria for the product
  - Achieving user self-supportability
  - Achieving stakeholder concurrence that deployment baselines are complete
  - Achieving stakeholder concurrence that deployment baselines are consistent with the evaluation criteria of the vision

#### Essential Activities

- Executing deployment plans
  - Finalizing end-user support material
  - Testing the deliverable product at the development site
  - Creating a product release
  - Getting user feedback
  - Fine-tuning the product based on feedback
  - Making the product available to end-users
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## C.4 – Project Team Structure, Project Management Methodology

### C.4.1 – Introduction

It is important for DIT to understand the methods and approach Covansys will employ in executing the various Statements of Work that would be awarded to us. In the previous section we describe the System Development Methodology that Covansys will employ on projects that are beyond staff augmentation. This section will describe the staffing methodology typically used to staff our projects, as well as the Project Management Methodology that allows us to effectively, efficiently and financially bring a project to a successful conclusion.

### C.4.2 – Project Team Structure

Covansys expects to use a variety of personnel to fulfill the service requirements defined in each Statement of Work (SOW). These individuals will serve in the roles and responsibilities as required for each SOW. For example, in addition to the Covansys (or AJBoggs) Project Manager, we anticipate the following types of personnel may be required for SOWs:

- Senior Project Manager
- Project Manager
- Functional Requirements Manager
- Subject Matter Expert
- Senior Integrator
- Application Data Analyst
- Web Application Designer
- Software Engineer
- Database Administrator
- Testing Manager
- Test Personnel
- Training Manager
- Documentation Specialist
- Administrative Support

Of course, each SOW will be staffed according to the specific needs associated with the order itself. This may include additional types of personnel not listed above.

Our staffing model will be structured to allow our team to respond to analysis, maintenance, project management, and quality assurance needs and will be staffed with qualified, experienced professionals that possess the skills required for each SOW. The overall size of the staff will be determined as part of each SOW. Covansys will work with DIT to determine the appropriate staffing levels required.

However, the one constant in most of our staffing models is our belief in a partnership with our client. The likelihood of a successful project is improved if there is a commitment from both the client and Covansys. One way to enhance this commitment is through a leveraged team structure: that is, a team that leverages the expertise of both the client and of Covansys. Further, a leveraged team structure assists in the knowledge transfer that must occur once the project is complete and Covansys moves on to other projects.

Depending on the size of the project, the client contribution to the project may just include a client project manager and one subject matter expert. A recent project structure proposed by Covansys to the State for a large project on which we are currently working consisted of 22 team members, of which 10 were State personnel. Over the course of the multi-year project, as State team members become fully capable of supporting their component of the project, Covansys team members will transition off the project. Eventually, the system would be totally supported by State IT personnel.

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## C.4.2 – Project Management Methodology

The ITB asks responding vendors to: “describe what internal controls and/or communication methods you will use to track, monitor and report progress during the project.” This request falls directly into our Project Management Methodology – PM/Tech.

We have adapted the Project Management Institute (PMI) framework as the foundation for the Covansys Program and Project Management Methodology (PMM). This methodology incorporates proven techniques adopted from the Project Management Institute as well as our own “best practices” developed through years of experience in managing large, mission-critical projects. Covansys-PM provides Covansys with the guiding principles for successful execution of projects including the establishment of a robust process of management reporting.

The goals of Covansys’ program and project management approach are to ensure that:

- Processes are consistent and predictable across all Covansys projects within the program
- The discipline of project management is communicated to and internalized by all project team members and stakeholders
- Projects are managed and controlled by a cadre of trained project management professionals
- Planning and estimating activities create components that are reusable on similar projects in the future
- Project processes such as risk management, change control, quality assurance, and cost/schedule control are implemented in effective ways
- Status and progress reports occur at regular intervals to both Covansys and client project management offices (as appropriate)

The following are key *guiding principles* of our program and project management approach:

- Customized, standards-based, structured approach, specifically designed around a client’s requirements and needs. We work with our clients to ensure that we understand their business needs and goals before prescribing a specific approach. We also incorporate a client’s skills, competencies, personnel and management practices into the overall project approach
- Incorporates best practices based on extensive field experience
- Open, timely communication at all levels
- Built-in feedback and continuous improvement
- Flexibility to accommodate changing requirements with appropriate change controls
- Continuous mentoring and knowledge transfer

It has been our experience that successful programs/projects must manage all of these components simultaneously.

Covansys’ view of Program and Project Management involves the following components:

- Governance (Program Level)
- Communication Management
- Scope Management
- Issue Management
- Risk Management
- Program and Project Planning
- Human Resource Management
- Cost Management
- Quality Management
- Knowledge Management

Program/Project management is the application of knowledge, skills, tools and techniques to project activities in order to meet or exceed stakeholder needs and expectations from a project. Meeting or exceeding stakeholder needs and expectations invariably involves balancing competing demands among:

- Scope, time, cost, and quality
- Stakeholders with differing needs and expectations
- Identified requirements (needs) and unidentified requirements (expectations)

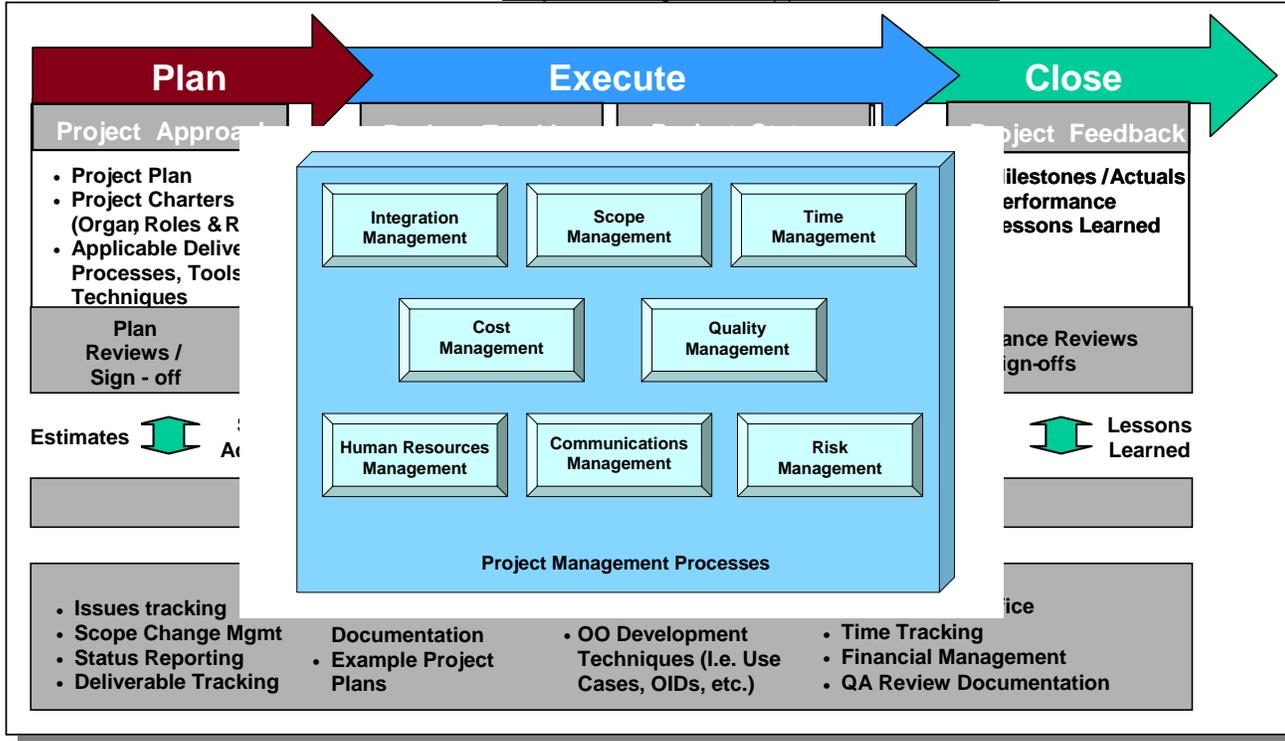
One of the most important aspects of sound program/project management is control of the project activities and tasks throughout the project life cycle of plan/execute/close. Control is necessary at various levels to ensure that the stakeholder needs and project objectives are being met. The project management concerns

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and information needs for effective monitoring of project activities at each level will vary and a comprehensive, yet flexible methodology is necessary to maintain effective control, communicate project status, assure issue resolution, and minimize risk.

The diagram below depicts the project management process and key metrics.

1.1.1.6.1.1  
1.1.1.6.1.2 Project Management Approach Schematic



The various aspects of our program/project management methodology are further categorized below

We have presented here just a very high level summary of our Project Management Methodology. We believe you will find that it closely resembles the State's recently enacted PMM standards because both have been built upon the principles of the Project Management Institute's (PMI) Project Management Book of Knowledge (PMBOK). Upon request we would be pleased to provide the State a description of our methodology in much greater detail.



**Section C – Vendor Management Performance**

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**Vendor Name: A.J. Boggs & Company**

**C.1 – Ability, Capacity and Skills**

AJBoggs & Company brings proven skills and recent experience working with the State of Michigan performing tasks of the types defined in Category 3: business requirements, needs assessment, system design, and quality assurance. AJBoggs' partner in this venture, Covansys, brings large capacity in a wide array of technical skills. AJBoggs complements those capacities by bringing critical skills needed for category 3 tasks, including the following:

- eliciting needs of stakeholders, using analytical, organizational, communication and interviewing skills;
- deriving requirements, using disciplined techniques and approaches to work with stakeholders;
- managing projects with a disciplined methodology, including serving as the State's Project Manager with other development contractors; and,
- driving results, providing change management and quality assurance assistance to achieve planned benefits.

Our project management methodology and the Rational Unified Process are described elsewhere in this proposal.

Relevant projects demonstrating these abilities and skills include the following:

- Project management and requirements documentation for Michigan Department of Education's (MDE) Michigan electronic grants system (MEGS)
- Needs assessment, requirements analysis and project management for MDE's Child Nutrition Application Project (CNAP)
- Support to develop MDE's Information Technology Strategic Plan
- Development support for the MichWorks! Talent Bank and Job Bank systems
- Development of the Pesticide Tracking Registration System for the Michigan Department of Agriculture (MDA)

In each of these projects, AJBoggs has been able to leverage extensive experience team members have gained from other IT projects in public and private sectors.

The AJBoggs main office in Okemos enables frequent and easy interaction with State of Michigan clients. Combined with an Ann Arbor office, staff can readily serve clients in all Michigan counties.

Exemplary support to the State of Michigan results. For more details about AJBoggs' capabilities, see <http://www.ajboggs.com>.

**C.2 – Maintaining Staff Qualifications and Capabilities**

Attracting, training, and retaining staff are key concerns of IT firms. AJBoggs has implements the following programs, policies, and strategies to ensure a vital, talented, trained, experienced, and committed team of IT professionals:

Recruiting

- Bonuses for New Hire Referrals
- Web Recruiting (Michigan Talent Bank, America's Talent Bank, Monster, and at [www.ajboggs.com](http://www.ajboggs.com))
- Relationships with Michigan State University and the University of Michigan





## Section C – Vendor Management Performance

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A. J. BOGGS

- Employment Verification, Reference Checking and Background Screening to Select the Best Candidate.

### Training

- Rational University is our Preferred Trainer for RUP
- Microsoft Tech Ed Conferences for .Net and other Microsoft Technologies
- BeeFreeway.com Courses for eLearning Opportunities
- Tuition Reimbursement

### Retaining Staff

- Performance Bonus Program
- Employee Stock Option Plan
- Employee Stock Purchase Plan
- Selected Tuition Reimbursement
- Morale Boosters (employee family events and staff activities)
- IRA Retirement Matching
- Flexible Benefits Programs and Charitable Contribution Matching
- Flexible Hours and Compensation Programs
- Rewards for Employee Performance
- Staff Performance Evaluations and Training Plan Development

## C.3 – Project Delivery Methodology

### C.3.1 - Introduction

AJBoggs will adopt and use the Covansys methodologies described in their section Vendor Management Performance response above:

- *Technical Development Methodologies: the Rational Unified Process © (RUP)*
- *The Project Management Institute (PMI) Framework and PMBOK*

### C.3.2 - System Development Methodology

AJBoggs work closely with its clients to select techniques appropriate to their organization, practices, tools, and preferences. Though we have adopted RUP as our preferred methodology, we utilize the tools and methodologies most appropriate to use with each client.

#### C.3.2.1 RUP

A.J. Boggs follows the Rational Unified Process (RUP) for system development. (See the detailed description of RUP in the Covansys description above).

We use the following ten principles to implement RUP effectively:

- Vision: Develop a vision
- Process: Choose one that fits
- Plan: Manage to the plan
- Risks: Identify and mitigate
- Business Case: Have one & revisit it



**Section C –Vendor Management Performance**

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Use component architectures

- Implement and test iteratively
- Evaluate and assess regularly
- Manage and control changes
- Deploy a usable product



## Section C –Vendor Management Performance

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For more information about RUP, visit [www.probank.biz/rational.pdf](http://www.probank.biz/rational.pdf).

### **C.3.3 - Project Management Methodology**

As described in Covansys' section on Project Management Methodology, AJBoggs' PM approach will follow the Project Management Institute (PMI) framework, which is consistent with the State of Michigan's PMM. AJBoggs will work closely with Covansys to assure effective coordination of communication, management, staffing, and other project issues.



**Section E – Qualified Personnel**

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**Section E – Qualified Personnel**

Included in this section are resumes for individuals that are representative of the individuals that would be provided to the State in response to Statements of Work. We certify that each of these individuals exists and are employees of either Covansys or A.J. Boggs, the subcontractor we have identified as a partner within this proposal.

The following chart depicts the number of staff resident within Covansys and AJBoggs that are in each of the skill levels.

| Skill Level | Junior | Journey | Senior | Expert | Proj Manager |
|-------------|--------|---------|--------|--------|--------------|
| # of Staff  | 60     | 45      | 30     | 15     | 17           |



**Section E – Qualified Personnel**

**William A. Maas  
Senior Project Manager**

**Total Years of Experience: 32**

| AREAS OF EXPERTISE            |   |
|-------------------------------|---|
| Business Strategic Leadership | ✓ |
| Full Life Cycle Systems Mgmt  | ✓ |
| Team Building / Coaching      | ✓ |
| Project Management            | ✓ |

**PROFESSIONAL SUMMARY**

Mr. Maas offers extensive information technology, project, and business management and leadership experience in public and private sectors. He provides project management for development of a web-based services tracking system for the Michigan Department of Community Health, and he is developing requirements for a web-based application process for the Michigan Department of Education. Previously, Mr. Maas helped lead organizational change and rapid growth of a manufacturer, from \$20 million to a \$2.5 billion global operation, in information technology and project leadership roles. He has built, facilitated and led productive teams and projects with varied objectives and environments.

**EXPERIENCE**

*1.1.1.6.1.2.1.1 Project Leadership and Consulting (1997 – 2002)*

- Developed requirements for an Internet-based system for applications for school meals and child care reimbursement for the Michigan Department of Education
- Led development of web-based system for Michigan Department of Community Health to track delivery of HIV/AIDS Prevention and Intervention services
- Developed project plan, risk analysis, project tracking, change and issue management processes for a state-wide federally funded employment and training project run by Hope Network
- Evaluated potential business acquisitions; developed business plans
- Developed plan for knowledge management, to capture and share knowledge to drive innovation and operational excellence in a global enterprise
- Designed and led review of the product development and launch process to improve the project management methodology (projects to \$250 million), based partly upon PMI PMBOK
- Facilitated broad scale cultural and organizational change
- Led the Year 2000 transition (\$2 million project plus remediation costs) collaborating with customers and other Tier I suppliers to develop common methodologies for supply chain risk management, coordinating internal planning and remediation, and coaching 24 business unit project managers, with no business disruption encountered
- Directed use of Internet-based e-Commerce systems, redesigned corporate intranet
- Designed and implemented a long-range business unit planning process for a decentralized enterprise
- Negotiated and outsourced travel management resulting in \$850,000 annual savings



**Section E – Qualified Personnel**

**William A. Maas  
Senior Project Manager (Continued)**

*1.1.1.6.1.2.1.2 Information Technology Leadership (1982-1997)*

- Led information technology in manufacturing for 14 years, supporting up to 5 business units and headquarters with budget responsibility, a lean direct staff and matrixed IT support in business units
- Planned information technology strategy to deliver business results aligned to business goals
- Experienced in full life cycle systems design and implementation, including Electronic Document Interchange (EDI)/e-Commerce and ERP
- Conducted business process improvement and integration projects, including EDI with customers and suppliers, bar coding, human resources, quality and financial applications
- Extensive internal “hands on” requirements analysis, design and development of applications to achieve business results
- Utilized relational data base design, entity relationship modeling, and structured design
- Reconciled diverse systems and approaches from business acquisitions, selecting standards for Enterprise Resource Planning (ERP), WAN/LAN architecture and shared service approach for information technology organization and management

*1.1.1.6.1.2.1.3 Public Sector Administration and Research (1970-1982)*

- Built and implemented autonomous organizational infrastructure for a \$30 million five-county intergovernmental consortium, leading information technology, finance and administration
- Consulted on projects ranging from evaluating effectiveness of social programs to advising state and federal governmental units on health care regulation to computer simulation of housing markets

**EDUCATION**

M. S., Systems Science, Michigan State University (MSU), East Lansing, Michigan, 1971

B. S. with High Honors, Systems Science, MSU, East Lansing, Michigan, 1971

Continuing Education: Braintrust International (knowledge management), Leadership, Developing Change Competencies, Value Stream Mapping , ERP Systems, IBM / James Martin Conferences

**WORK HISTORY**

|              |                                                                                                                                                                                             |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2002–Present | <i>Senior Consultant, A. J. Boggs &amp; Company, Okemos, Michigan (IT Consulting)</i>                                                                                                       |
| 2001-2002    | <i>Entrepreneur (Self-employed)</i>                                                                                                                                                         |
| 1997-2001    | <i>Corporate Projects Leader, Tower Automotive, Grand Rapids, Michigan (automotive industry manufacturer)</i>                                                                               |
| 1993-1997    | <i>Director of Information Services, Tower Automotive, Grand Rapids, Michigan</i>                                                                                                           |
| 1986-1993    | <i>Information Systems Manager, R. J. Tower Corporation, Greenville, Michigan (automotive industry manufacturer)</i>                                                                        |
| 1982-1986    | <i>Data Processing Manager, R. J. Tower Corporation, Greenville, Michigan</i>                                                                                                               |
| 1977-1982    | <i>Administrative Services Administrator, Grand Rapids Area Employment and Training Council, Grand Rapids, Michigan (administrator of publicly funded employment and training programs)</i> |
| 1974-1977    | <i>Information Systems Analyst, Grand Rapids Area Employment and Training Council, Grand Rapids, Michigan</i>                                                                               |
| 1970-1974    | <i>Research Associate, Systems Research Incorporated, Lansing, Michigan (public sector research and consulting)</i>                                                                         |



**Section E – Qualified Personnel**

**Clarke Anderson  
Senior Project Manager**

**Total Years of Experience: 16**

| Areas of Expertise    |   |
|-----------------------|---|
| IT Project Management | ✓ |
| Internet Technology   | ✓ |
| Software Engineering  | ✓ |

**PROFESSIONAL SUMMARY**

Mr. Anderson offers sixteen years of experience in systems development and integration for clients in manufacturing, government, and health care. He has managed consulting engagements involving web site development, requirements planning, Internet standards development, technical architecture design, systems design and development, implementation, conversion, training, and support. His experience includes projects involving the Michigan Department of Education and includes experience with IT Strategic Planning, Rational Unified Process (RUP), Internet service development, search engines, product development, databases applications, process re-engineering, and transaction processing systems. Mr. Anderson has been a member of the Internet Engineering Task Force (IETF) working groups involving schema management, application standards, and distributed directory services.

**EXPERIENCE**

- Project manager for the Children’s Nutrition Application Project for the Michigan Department of Education (MDE). Developed a system vision document and use case analyses to define the system requirements. Developed a statement of work and functional requirements documents for existing contractors. Managed contractors and document delivery. (March 2002 – Present)
- Project manager for the MDE IT Strategic Planning Project. Facilitated the development of the mission and vision statements for the IT office. Interviewed MDE Directors and prepared worked with focus groups to develop objectives and strategies. Primary author of the plan. (Feb. - August 2001)
- Project manager for the MDE Contact Database project (April 2002 – Present)
- Project manager for the HIV/AIDS Prevention and Intervention System (HAPIS) for the Michigan Department of Community Health. Managed a team to deliver a system to track the delivery of public outreach services to improve services provided to Michigan residents. (March 2002 – Present)
- Supervised the development of the AJBoggs data center in Fremont, CA. (June 2002)
- 911.net service manager. Led the development of the 911.net firewall and certificate authority. (2002)
- Senior manager for a project to develop an electronic grants application and approval system for the Michigan Department of Education (MDE). Led a team that interviewed users and stakeholders, conducted Use-Case analysis, identified risks, scope issues, and tradeoffs between user requirements. Prepared project plans in MS Project 2000. Led to the development of a project to develop an IT Strategic Plan for the MDE. (August, 2000 – August, 2001)
- Project manager for a project to build eBusiness services for a large insurance company. Led the development of an Internet-based claims system submission system that processed claims from providers over the Internet. Involved Java Server Pages (JSP), HTML, Rational Unified Process (RUP) methodologies, NT/SQL Server, gateway systems to mainframe database systems, and COBOL batch legacy programs on a mainframe. (February – June, 2000)
- Manager for the development of several small web site projects, including the the Michigan Sheriff’s Association web site ([www.michigansheriff.com](http://www.michigansheriff.com)) and ([www.geecomm.com](http://www.geecomm.com)). (2001)
- Manager for a project to develop the Pesticide Registration Tracking System (PRTS) for the State of Michigan. Led a team of 4 developers. Used Visual Basic, Oracle 8i, RoboHelp, and Crystal Reports. Production support and maintenance currently on-going. (February, 1999 – February, 2001)
- Led the development of a prototype web site to publish information about instruments of health-related quality of life (HRQOL) for the Agency for Healthcare Research and Quality (AHRQ.gov). Directed developers of the search engine and web site. (May 1999–June 2000)





## Section E – Qualified Personnel

- Managed a project to develop distance learning systems for Intelligent Transportation Systems (ITS) programs at the U.S. Dept. of Transportation. Led the development of a web-based prototype that included multi-media components and several Java applets that were used for instructional assessment and navigation on the website. (Sept., 1998 – July, 1999)
- Project Manager for establishing and developing a Children’s Literature web site for hosting and authentication (<http://www.childrenslit.com>). (May, 1999 – August, 1999)
- Principal Investigator of a Department of Defense project, *Unifying Widely Distributed Heterogeneous Databases*, which explored distributed directory services for Internet applications. Led a team of five developers and six partner organizations. Interviewed defense personnel and military contractors to define requirements for a logistics broadcast service, LogCast. Involved Internet based search engines, Oracle databases, and C/C++ and Java program development. (1994 –1998)
- Manager of the development team for the startup and first year of the Internet-based Talent Bank project for the Michigan Employment Security Agency (See <http://www.atb.org>). This effort involved meeting with agency personnel to define system requirements, evaluating search and Internet technology, designing, testing, and developing the production system. (1995 – 1997)
- Developed systems for manufacturing clients. Managed the development of an Intranet-based (TCP/IP) Radio-Frequency Subsystem of a Shop Floor Control System for a major synthetic fiber manufacturer. Developed customer requirements and the software architecture for the system, integrating an Oracle inventory system with a factory control system running Unix. (1992 – 1994)
- Developed and implemented an information systems plan for a healthcare network, the Preferred Rehabilitation Network. Worked with business managers to define system requirements, select, and implement a managed care system. Completed system training. (1990 – 1992)
- Direct technical experience includes Netware, AIX, UNIX, MVS, MS-DOS, OS/2, MS Windows and its SDK, C, COBOL, SQL, JCL, Oracle DMBS, MS Access, MS SQL Server, Visual Basic, Visual C++, dBASE, and Unisys' DMS II. Managed projects using Java, JSP, Visual Studio, OAS, Cold Fusion, and the Rational suite of products (Rose and RUP).

## EDUCATION

B.S., Mechanical Engineering, the University of Michigan, Ann Arbor, Michigan, 1986  
A.B., Economics with Honors, the University of Michigan, Ann Arbor, Michigan, 1986.

Numerous Management Information Consulting Courses and Seminars, Andersen Consulting, 1986-1989.  
American Management Association (AMA) Management Training Course, Chicago, Ill.

## WORK HISTORY

1989-Present *Managing Director*, A. J. Boggs & Company, Okemos, Michigan (IT Consulting)  
1986-1989 *Senior Consultant*, Andersen Consulting, Detroit, Michigan (IT Consulting)  
1982-1983 *Assistant Economist*, Economic Research Service, US Dept. of Agriculture, Washington, DC

## AWARDS

Michigan Strategic Fund Innovation Research Grant Recipient. 1995  
Outstanding Performance Award. Economic Research Service. USDA. 1983



**Section E – Qualified Personnel**

**Kathleen Manning  
Process Management Principle**

**PROFESSIONAL SUMMARY**

Ms. Manning has over twenty-five years of collective business leadership experience with specialty expertise in the areas of Process Management, Project Management, Training Development and Delivery, Quality Assurance, Total Quality Management Practices, Business Process Reengineering, Credit and Collections and General Business Administrative Processes. Her experience covers the planning, development and deployment of strategic core business processes for Computer Products and Services Companies and Professional Service Organizations; as well as providing strategic management consulting services to business clients.

Analogous with her Management Consulting experience, Ms. Manning was Director of the Process Management Group for a Professional Services Organization where she was responsible for the design, development, implementation and support of the company's core delivery processes. Preceding experiences include management of a Computer Services Company' Quality System and seventeen years of functional business practice in areas ranging from inventory control to credit and collections. This broad range of business experience has provided Kathy with a unique knowledge of business consolidation techniques as well as business expansion approaches which manifests itself in the development or redesign of "real life executable" business processes.

**EXPERIENCE**

**State Retirement System – State of Michigan**

Responsible for the delivery of Change Management consulting services.

- Conducted interviews with other state organizations and subject matter experts to ascertain their change management approaches used during the design and implementation of new Employer Reporting Systems. Developed a set of strategic recommendations for ORS to use as their guidelines for the Employer Reporting System Change Management project.
- Designed templates for ORS to use for both internal and external efforts regarding Employer Reporting System Change Management. These templates included a Project Charter Document, Change Definition and Impact Analysis, Landscape Analysis, Resistance to Change Analysis, Communication Plan and Change Integration Plan.
- Executed change management program initiatives to support the Michigan Retirement System Vision ORS project. These initiatives included detailed communications, impact analysis, change integration, staff allocation planning and training programs for both internal ORS staff and external ORS suppliers and customers affected by the new systems.

**State Retirement System – Wisconsin Employee Trust Fund**

Responsible for the delivery of Business Process Engineering consulting services.

- Managed the schedule and creation of deliverables for a Process Flow Analysis project, during which those processes relating to the development of a new annuity payment system were evaluated.
- Conducted 24 facilitated sessions during which the "As-Is" baseline and "To-Be" conceptual design was created for 19 separate processes. Fifteen members of the state retirement department, representing both the Business User and IT teams, participated in these sessions.

**State Retirement System – State of Michigan**

Responsible for the delivery of Business Process Engineering consulting services.

- Facilitated the user-group mapping sessions for creating a base-line understanding of the "As-Is" processes for four separate retirement system types. Identified performance gap associated with those processes.
- Facilitated the user-group mapping sessions for creating the To Be conceptual process designs, defining the conceptual design requirements that would eliminate performance gaps and developing high-level process maps for the "To-Be" processes.
- Provided direction to the client project team on the use, design and implementation of key project management tools and techniques.



## Section E – Qualified Personnel

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### Internet Company - Lynxus

Responsible for the delivery of Business Process Engineering consulting services.

- Facilitated the development of enterprise-level process maps, which defined the company's functional inter-operational relationships, as well company-to-customer interactions. Performed "As-Is" Analysis focused on three main business areas of Customer Implementation, Billing Services and Call Center Activity. The client accepted all recommendations. "To-Be" process design is currently under development.
- Managed the re-design effort of three core process areas. The redesign initiatives included process reengineering as well as the subsequent organizational and technology planning required for the implementation of the newly designed processes.

### State Teacher's Retirement System – OHIO STRS

Responsible for the delivery of strategic management consulting services.

- Helped the STRS define and clarify inter-operational functional relationships and customer interactions and relate these exchanges to process requirements. These process requirements were then translated to IT requirements. This activity was part of a study the STRS had commissioned for development of an internal IT Strategy Plan.

### Professional Services Organization – Impact Innovation Group

- Responsible for the design, development, deployment and support of core company processes.
- Directed the development and deployment of the delivery methodology used company-wide by the 500 member Professional Services Organization. This methodology included project management and customer relationship management components, as well as all the base-line elements associated with the solution life cycle. In addition to the base-line delivery methodology, supplementary *routes* were defined for the unique delivery components for the following services offerings: *DCM Strategic Consulting, Customer Contact Centers, eBusiness, Information Warehousing and Document Management.*
- Designed the step-by-step sales process for a Sales Force Automation project.
- Designed and implemented a management review process for order acceptance. This order review and approval process operated in conjunction with the sales process.
- Established and implemented quality assurance and risk management processes for customer projects. Conducted project quality assurance reviews.
- Designed and implemented a management reporting system designed to forecast revenue and profit margin. System was also used to evaluate project management skills and the project management process itself.
- Participated in the selection of an "Organizational Change" vendor, and facilitated in the development and co-instruction of "Organizational Change" directed learning courses.
- Developed and delivered employee orientation, new manager development, and methodology delivery training.

**ATTACHMENT B**  
**EXAMPLES OF POOR PERFORMANCE**



## **EXAMPLES OF POOR PERFORMANCE**

The examples given apply to contract awarded on a time and materials or fixed price basis unless otherwise indicated. Poor Performance includes but is not limited to the following examples. Poor Performance may raise to the level of a material breach that may result in cancellation of the Primary Contract and/or any Work Contract.

1. Failure to meet a due date and/or an acceptable deliverable:
  - a. Missed due date but deliverable satisfactory when delivered;
  - b. Made the due date but the deliverable was unacceptable; or
  - c. Both missed due date and deliverable when submitted was unacceptable.
2. Failure to provide staff qualified to perform the work.
3. Failure to be responsive to Second Tier RFPs:
  - a. Cumulative failure to submit responsive proposals.
  - b. Cumulative failure to be awarded contracts.
4. Failure by firm's management to be responsive to identified performance issues. (As identified by a Letter to Cure)
5. Failure to perform as specified by contractual terms agreed to by signing original contract, e.g. breach of confidentiality of data.
6. Failure to promptly correct (as detailed in a letter to Cure) deficiencies identified by the State in a deliverable or in the performance of a task.



**ATTACHMENT C**  
**PRICING**



**Category 3: Business Requirements/Needs Assessment  
Section III -F – Cost Proposal**

The State of Michigan Department of Information Technology will receive immediate access to competitive pricing on the Information Technology services as requested in the RFP. The following not-to-exceed rates are proposed to the State of Michigan Department of Information Technology in support of its effort to prequalify vendors to provide high quality information technology services. In preparing our response and pricing, A. J. Boggs & Company carefully considered the breadth of the skills requested in each of the categories, and offers not-to-exceed rates that encompass the large spectrum of skills requested per category. A. J. Boggs & Company looks forward to offering the State of Michigan market competitive pricing for specific skill sets as defined during the Tier II Work Statement Process.

| Service Categories    | Junior     | Journey    | Senior      | Expert      | Project Manager |
|-----------------------|------------|------------|-------------|-------------|-----------------|
| Business Requirements | \$70.00/hr | \$90.00/hr | \$118.00/hr | \$130.00/hr | \$145.00/hr     |



**EXHIBIT A**

**TIER 2 WORK REQUEST PROCESS  
(Sample Format Attached)**

## **EXHIBIT "A" - SECOND TIER WORK REQUEST PROCESS**

Once the IT Services Contract Program Primary Contract Vendor List (PAVL) has been established, DIT will use the PAVL to administer the second phase of the process, referred to as the Second Tier **Work Request** Process, on behalf of DIT. DIT Personnel in need of IT Services will have access to information on qualified vendors, by category, via Primary Contracts. DIT will identify their requirements using the WORK REQUEST TEMPLATE found in this Exhibit for one of the five service categories.

All vendors (within the appropriate service category) will be notified of the WORK REQUEST. The WORK REQUEST will contain a Statement of Work, proposed method of compensation (fixed price or time and materials), the period of performance and any special terms to the work contract. The vendors' responses to the WORK REQUEST will be evaluated based upon a set of criteria pre-established by the user agency specifications.

### **Second Tier Work Request Process**

1. DIT receives Second Tier Work Request Process procedural training.
2. DIT accesses Acquisition Services Second Tier information, including category information, information on qualified vendors and the contracting process.
3. DIT ensures that WORK REQUEST contains measurable minimum qualifications based deliverables.
4. DIT performs Portfolio Risk/Severity assessment to determine appropriate approval levels
5. DIT emails WORK REQUEST to all vendors.
6. Vendors submit WORK REQUEST responses (response to statement of work, resume(s) and proposal) to DIT within specified time.
7. DIT conducts evaluation/checks references/interviews, negotiates and executes IT Work Contract with Contractor.
8. Vendor bills DIT for services that have been provided according to terms of Primary Contract and Work Contract.
9. DIT tracks Work Contract purchases against each Primary Contract and provides (quarterly) usage report to Acquisition Services.
10. DIT completes vendor performance "report card" and forwards copy to Acquisition Services.
11. Acquisition Services records and tracks vendor performance.

### **Method of Compensation**

In each WORK REQUEST, DIT will select or propose a method of compensation that it believes to be in the agency's best interests and /or most reasonable and feasible based on the circumstances under which the services are to be provided. Generally, contracts/work contracts, time and material factors such as the nature of the tasks to be performed, the duration of the project, the expected work products/deliverables, etc., will be taken into consideration in proposing and determining the appropriate method of compensation. In addition, in certain cases, use of performance measures and/or incentives to improve work performance and ensure timely completion of projects may be included.

### Information Technology Services Work Request

This Work Request is issued under your Contract with the Department of Management & Budget, Acquisition Services (DMB), as established as a result of Request For Proposals # 0711200xxxx.

**Project Name:**

**Date Issued:**

**Respond By:**

#### Category of Service Requested

- Data Warehouse
- Security
- Business requirements/needs assessment/system design/quality assurance
- Strategic and Architectural Technology advice
- Project Development Services

#### Required Skill Category Requested

- Junior** – a minimum of one (1) year of recent experience and demonstrated knowledge, skills and abilities
- Journey** – a minimum of three (3) years of recent experience and demonstrated journey level knowledge skills, and abilities
- Senior** – a minimum of five (5) years of recent experience, and demonstrated superior knowledge, skills, and abilities
- Expert** – a minimum of ten (10) years of increasing levels of responsibilities, and supervisory or management responsibility
- Project Manager** – Expect skills plus a minimum of three (3) years of recent experience in managing projects

**Expected Work Period**

*(start date) through (end date)*

#### Project Background/History

#### Project Scope of Work

#### Project Deliverables

#### Other Factors for this Work Request

|                                           |  |               |  |
|-------------------------------------------|--|---------------|--|
|                                           |  |               |  |
| <b>AGENCY Project Manager Information</b> |  |               |  |
| <b>AGENCY Project Manager:</b>            |  |               |  |
| <b>Title:</b>                             |  |               |  |
| <b>Phone:</b>                             |  | <b>Email:</b> |  |
|                                           |  | <b>Fax:</b>   |  |

*SAMPLE FORMAT*