Form No. DTMB-3522 (Rev. 10/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

PROCUREMENT

525 W. ALLEGAN STREET
LANSING, MI 48933

P.O. BOX 30026
LANSING, MI 48909

NOTICE OF CONTRACT NO. **071B6600113**

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
SHI International Corp.	Jericca Rys	Jericca_rys@shi.com
290 Davidson Ave.	**PHONE**	**VENDOR TAX ID # (LAST FOUR DIGITS ONLY)**
Somerset, NJ 08873	248-561-0747	9648

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Chad Hardin	517-241-7114	Hardinc1@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Lorri White	517-284-7088	WhiteL13@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:
Michigan Master Computing Program Contract – To purchase standardized and as-needed IT commodities and services.

INITIAL TERM	EFFECTIVE DATE	INITIAL **EXPIRATION DATE**	AVAILABLE **OPTIONS**
10 years	07/15/2016	07/31/2026	1, 3, or 5 year options.
PAYMENT TERMS	**F.O.B.**	**SHIPPED TO**	
Net 45	Delivered	Per Contract	

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

MINIMUM DELIVERY REQUIREMENTS

Per Contract

MISCELLANEOUS INFORMATION

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION	$40,000,000.00

For the Contractor:

_____ _____

Natalie Slowik,
Senior Manager – Contracts & RFP's
SHI International Corp.

Date

For the State:

_____ _____

William Pemble,
Director, IT Procurement
State of Michigan

Date

STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT ("**Contract**") is agreed to between the State of Michigan (the "**State**") and SHI International Corp. ("**Contractor**"), a New Jersey Corporation. This Contract is effective on July 15, 2016 ("**Effective Date**"), and unless terminated, expires on July 31, 2026 (the "**Term**").

This Contract may be renewed at the discretion of the State, in one-year, three-year, or five-year periods. Renewal must be by written notice from the State and will automatically extend the Term of this Contract.

The parties agree as follows:

1. **Definitions**. For the purposes of this Contract, the following terms have the following meanings:

"Agency Business Owner" is the individual appointed by the end-user agency procuring Services or Deliverables under an Engagement SOW to (a) act as such agency's representative in all matters relating to such Engagement SOW, and (b) co-sign off on the State's notice of acceptance for all Services and Deliverables. The Agency Business Owner will be identified in the Engagement SOW.

"**Authorized Users**" means all Persons authorized by the State to access and use the Products, Services and Deliverables under this Contract, subject to the maximum number of users specified in an applicable Purchaser Order or Engagement SOW.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which the State is authorized or required by Law to be closed for business.

"**Confidential Information**" has the meaning set forth in **Section 30.a**.

"**Contract**" has the meaning set forth in the preamble.

"**Contract Administrator**" is the individual appointed by each party to (a) administer the terms of this Contract, and (b) approve any Change Notices under this Contract. Each party's Contract Administrator will be identified in **Section 9**.

"**Contract SOW**" means the statement of work entered into by the parties and attached as **Schedule A** to this Contract.

"**Contractor**" has the meaning set forth in the preamble.

"**Contractor Personnel**" means all employees of Contractor or any Subcontractors involved in the performance of Services hereunder.

"Data Exchange Gateway" means the State's secure electronic file transfer solution.

"**Deliverables**" means documentation, reports, and all other materials that Contractor or any Subcontractor is required to provide to the State under this Contract and otherwise in connection with any Services, including all items specifically identified as Deliverables in the Contract SOW or an individual Engagement SOW.

"**Dispute Resolution Procedure**" has the meaning set forth in **Section 40**.

"**Documentation**" means all user manuals, operating manuals, technical manuals and any other instructions, specifications, documents or materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support, technical or other components, features or requirements of the Products.

"**DTMB**" means the Michigan Department of Technology, Management and Budget.

"DTMB Business Manager" means the applicable business relationship manager or comparable identified authority.

"**DTMB IT Project Manager**" is the individual appointed by each party under an Engagement SOW to (a) monitor and coordinate the day-to-day activities of the Engagement SOW, and (b) in the case of the State, co-sign off on its notice of acceptance for all Services and Deliverables. Each party's IT Project Manager will be identified in the Engagement SOW

"**Effective Date**" has the meaning set forth in the preamble.

"**Engagement SOW**" means a statement of work entered into by the State and Contractor for the provision of specified Services and Deliverables by the Contractor or its Subcontractor.

"Incident" means any interruption in Services.

"**Intellectual Property Rights**" means all or any of the following: (a) patents, patent disclosures, and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the associated goodwill; (c) copyrights and copyrightable works (including computer programs), mask works and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection provided by applicable Law in any jurisdiction throughout the world.

"ITAM" means the State's Information Technology Asset Management System.

"ITRAC" means the State's web application for requesting and tracking IT commodity, maintenance, and service purchases.

"**Key Personnel**" means any Contractor Personnel identified as key personnel in the Statement of Work.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree or other requirement or rule of any federal, state, local or foreign government or political subdivision thereof, or any arbitrator, court or tribunal of competent jurisdiction.

"**Loss or Losses**" means all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

“OEM” Original Equipment Manufacturer

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, governmental agency, governmental department, governmental commission, governmental authority, unincorporated organization, trust, association or other entity.

“**Products**” means hardware, software, components, and accessories that are sold to or provided to the State.

“Product Web Catalog” mean the online list of State-approved Products.

“Recycling” The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

“**Reports**” means any and all reports that Contractor is obligated to or otherwise does provide under the Contract SOW.

“**Representatives**” means a party's employees, officers, directors, partners, shareholders, agents, attorneys, successors and permitted assigns.

“Reuse” means using a product or component of municipal solid waste in its original form more than once.

“RFP” means a Request for Proposal.

“**Services”** means any of the services Contractor, or any Subcontractor, is required to or otherwise does provide under this Contract, or an Engagement SOW, including but not limited to installation, implementation, integration, field support, and incident response.“**SIGMA**” means the Statewide Integrated Governmental Management Applications, which is the State’s future ERP system.

“SLA” means Service Level Agreement

“SPOC” means a Single Point of Contact.

“**State**” means the State of Michigan.

“**State Data**” has the meaning set forth in **Section 29.a.**

“**Stop Work Order**” has the meaning set forth in **Section 20**.

“**Subcontractor**” means any Person with whom Contractor contracts with to provide Services or Deliverables under an Engagement SOW.

“**Supplier**” means any third-party manufacturer, publisher, supplier or material provider that provides Products to the State.

“**Term**” has the meaning set forth in the preamble.

“**Transition Period**” has the meaning set forth in **Section 23**.

"**Transition Responsibilities**" has the meaning set forth in **Section 23**.

"**Unauthorized Removal**" has the meaning set forth in **Section 7.d.ii**.

"**Unauthorized Removal Credit**" has the meaning set forth in **Section 7.d.iii**.

"**User Data**" means all data, information and other content of any type and in any format, medium or form, whether audio, visual, digital, screen, GUI or other, that is input, uploaded to, placed into or collected, stored, processed, generated or output by any device, system or network by or on behalf of the State, including any and all works, inventions, data, analyses and other information and materials resulting from any use of the Software by or on behalf of the State under this Contract, except that User Data does not include the Software or data, information or content, including any GUI, audio, visual or digital or other display or output, that is generated automatically upon executing the Software without additional user input.

"Verifiable Price Index" ('VPI") mean prices recorded in a catalog, price list, schedule, or other verifiable and established record that is regularly maintained by Contractor and is published or otherwise available for customer inspections.

2. **Ordering**. Products, Services and Deliverables must be ordered by one of the following two methods:

   a. **Engagement Statements of Work**. The State may order Services and Deliverables pursuant to an Engagement SOW. For billing purposes, all Engagement SOWs must have an associated Purchase Order issued by the State. THE TERMS AND CONDITIONS OF THIS CONTRACT WILL APPLY AT ALL TIMES TO ANY ENGAGEMENT SOW ENTERED INTO BETWEEN THE PARTIES.

      Engagement SOWs entered into under this Contract shall be developed and agreed to by the parties as set forth below:

      i. The State shall deliver its proposed Engagement SOW to the Contractor engaged to perform the Services, whereupon the Contractor shall review and approve, or raise any exceptions or clarifications to the State's proposed Engagement SOW. If Contractor raises any such exceptions, the parties shall negotiate in good faith to amend the proposal, provided that:

         1. to the extent that the Contractor's response does not comply with the requirements of this Contract and the business requirements set forth in the State's proposed Engagement SOW, it shall be amended to so comply; and

         2. either party may terminate negotiations if the parties fail to agree on a final Engagement SOW.

      ii. Upon the parties' agreement to a final Engagement SOW, each party shall cause the same to be signed by its duly authorized representative. The only individuals authorized to sign on behalf of the State are the DTMB Business Manager and the Agency Business Owner, both of whom must sign for the final Engagement SOW to be valid. Upon its mutual execution, the final Engagement SOW shall be attached to its associated Purchase Order.

   b. **Purchase Orders**. The State may order Products, Services and Deliverables pursuant to a Purchase Order issued by the State, and signed by Contactor. The State reserves the right to cancel any Purchase Order at any time prior to shipment of the Products or delivery of the Services or Deliverables and shall not be subject to any charges or other fees whatsoever as a result of such cancellation. The State may, by written communication, make changes to any Purchase Order subject to an equitable adjustment in the price, delivery schedule, or both, where appropriate. Notwithstanding the foregoing, if Contractor's quote contains notice of non-returnable or non-

cancelable Products, the previous two sentences shall not apply. THE TERMS AND CONDITIONS OF THIS CONTRACT WILL APPLY AT ALL TIMES TO ANY PURCHASE ORDERS ISSUED BY THE STATE.

3. **Invoicing**. Requirements for invoicing are set forth in the Contract SOW. THE TERMS AND CONDITIONS OF THIS CONTRACT WILL APPLY AT ALL TIMES TO ANY INVOICES.

4. **Quotes**. Requirements for quotes are set forth in the Contract SOW. THE TERMS AND CONDITIONS OF THIS CONTRACT WILL APPLY AT ALL TIMES TO ANY QUOTES

5. **Delivery**. Delivery requirements are set forth in the Contract SOW.

6. **Warranty**. For orders placed under a Purchase Order, to the extent permitted by the Supplier, Contractor will assign to the State all manufacturer or publisher's warranties on all Products. For orders placed under an Engagement SOW, the terms of the Engagement SOW will control Contractor's and Subcontractor's warranty obligations, if any.

7. **Performance of Services**. Contractor, and all Subcontractors will provide all Services and Deliverables in a timely, professional and workmanlike manner and in accordance with the terms, conditions, and specifications set forth in this Contract, the Contract SOW, and any applicable Engagement SOW.

   a. **State Standards**

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

      ii. To the extent that Contractor or any Subcontractor has access to the State's computer system, Contractor or Subcontractor must comply with the State's Acceptable Use Policy, see http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html. All Contractor and Subcontractor personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's or Subcontractor's access to the State's system if a violation occurs.

   b. **Contractor Personnel**

      i. Contractor is solely responsible for all Contractor personnel and for the payment of their compensation, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits.

      ii. Prior to any Contractor personnel performing any Services, Contractor will:

         1. ensure that such Contractor personnel have the legal right to work in the United States; and

         2. require such Contractor personnel to execute written agreements, in form and substance acceptable to the State, that bind such Contractor personnel to confidentiality provisions that are at least as protective of the State's information (including all Confidential Information) as those contained in this Contract.

      iii. Contractor and all Contractor Personnel will comply with all rules, regulations, and policies of the State that are communicated to Contractor in writing, including security procedures concerning systems and data and remote access, building security procedures, including the restriction of access by the State to certain areas of its premises or systems, and general health and safety practices and procedures.

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

c. **Background Checks.** If Contractor or its Subcontractor will have access to State systems, State facilities, or State Data, upon request, Contractor must perform background checks on all employees and Subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.

d. **Contractor's Key Personnel**

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

ii. Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State, not to be unreasonably withheld, is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under **Section 21**.

iii. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 21**, Contractor will issue to the State the corresponding credits set forth below (each, an "**Unauthorized Removal Credit**"):

1. For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be $25,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

2. If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the $25,000.00 credit specified above, Contractor will credit the State $833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not

shadow the removed Key Personnel, up to $25,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed $50,000.00 per individual.

iv. Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed under **Subsection iii** above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any Fees or other charges payable to Contractor under this Contract.

8. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Lorri White, DTMB Procurement *State of Michigan* *525 W. Allegan, 1st Floor* *Lansing, MI 48933* whitel13@michigan.gov *517-284-7088*	*Nick Grappone* *290 Davidson Avenue* *Somerset, NJ 08873* *Nick_grappone@shi.com* *732-564-8189*

9. **Contract Administrators.** The following individuals are each party's Contract Administrator:

State:	Contractor:
Lorri White, DTMB Procurement *State of Michigan* *525 W. Allegan, 1st Floor* *Lansing, MI 48933* *whitel13@michigan.gov* *517-284-7088*	*Nick Grappone* *290 Davidson Avenue* *Somerset, NJ 08873* *Nick_grappone@shi.com* *732-564-8189*

10. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a Subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by an company with an A.M. Best rating of "A-" or better and a financial size of VII or better.

Insurance Type	Additional Requirements
Commercial General Liability Insurance	
Minimal Limits: $1,000,000 Each Occurrence Limit $1,000,000 Personal & Advertising Injury Limit $2,000,000 General Aggregate Limit $2,000,000 Products/Completed Operations	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds – see endorsement.
Umbrella or Excess Liability Insurance	
Minimal Limits: $5,000,000 General Aggregate	Coverage must follow form of underlying primary policies.

Automobile Liability & Hired and Non-Owned Vehicle Insurance	
Minimal Limits: $1,000,000 Per Occurrence	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds.
Workers' Compensation Insurance	
Minimal Limits: Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
Minimal Limits: $500,000 Each Accident $500,000 Each Employee by Disease $500,000 Aggregate Disease.	
Privacy and Security Liability (Cyber Liability) Insurance	
Minimal Limits: $1,000,000 Each Occurrence $1,000,000 Annual Aggregate	Policy must cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.
Professional Liability (Errors and Omissions) Insurance	
Minimal Limits: $3,000,000 Each Occurrence $3,000,000 Annual Aggregate	

If any of the required policies provide claim-made coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Services; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Services; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 30 calendar days of the expiration date of the applicable policies; and (b) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver. The insurer for each insurance policy required herein shall provide notice of cancellation subject to the notification provisions of the policy.

This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

11. **Administrative Fee and Reporting.** Contractor must pay an administrative fee of 2% on all payments made to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental

subdivisions and authorized entities). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

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

Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Reports should be mailed to DTMB-Procurement.

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

12. **Extended Purchasing Program.** This Contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon written agreement between the State and Contractor, this Contract may also be extended to: (a) State of Michigan employees and (b) other states (including governmental subdivisions and authorized entities).

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

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

13. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any Subcontractors. Prior performance does not modify Contractor's status as an independent contractor.

14. **Intellectual Property Rights**.

    a. Reports. As to any Reports, Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in such Reports and all associated Intellectual Property Rights, if any. Such Reports are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Reports and related Intellectual Property Rights do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Reports, including all Intellectual Property Rights therein, except however, that Contractor will retain all Intellectual Property Rights that it owned or controlled prior to the effective date of the agreement between the parties or that it develops or acquires from activities independent of the service performed under the agreement between the parties ("**Background IP**"). Contractor hereby grants to the State and its Authorized Users a perpetual, non-exclusive, world-wide, fully paid and royalty free license to use Background IP for its internal business purposes.

    b. Non-Report Deliverables. Intellectual Property Rights with respect to non-Report Deliverables will be governed by the individual license agreement or Engagement SOW that pertain to that particular Deliverable.

15. **Assignment.** Contractor may not assign this Contract to any other party without the prior written approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party.

16. **Change of Control.** Contractor will notify the State, at least 30 calendar days before the effective date, of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

    In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

17. **Acceptance.**
    a. Products, Services and Deliverables are subject to inspection and testing by the State in accordance with the Contract SOW and any applicable Purchase Order Requirements.

    b. Unless otherwise specified in the applicable Engagement SOW, all Services and Deliverables provided under an Engagement SOW are subject to the acceptance procedures set forth below:

        i. All Services and Deliverables are subject to inspection and testing by the State within 15 Business Days of the State's receipt of them. The Services and Deliverables must be accepted in writing by the State's IT Project Manager and its Agency Business Owner. If the State finds deficiencies in the Services and Deliverables, it may: (1) demand performance at no additional cost, in the form a written notice to cure; or (2) reject the deficient Services and Deliverables without performing any further inspections, and terminate the Engagement SOW and associated Purchase Order, in whole or in part, in accordance with Section 22. The State's failure to provide notice of acceptance or deficiencies within 5 Business Days of the expiration of the inspection or testing period will constitute acceptance of the Services and Deliverables.

        ii. Within 15 Business Days from the date of Contractor's receipt of a notice to cure, Contractor must cure, at no additional cost, the noted deficiencies and deliver acceptable Services and Deliverables to the State.

        iii. If Contractor is unable or refuses to correct the noted deficiencies within the time response standards set forth in subsection (b) above, the State may terminate the Engagement SOW and associated Purchase Order, in whole or in part, in accordance with Section 21. The State, or a third party identified by the State, may provide the Services and Deliverables and the State may recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

18. **Terms of Payment.** All undisputed amounts are payable within 45 days of the State's receipt of a valid invoice. Contractor may only charge for Products, Services and Deliverables provided as specified in the Purchase Order or Engagement SOW. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Products, Services and Deliverables purchased under this Contract are for the State's exclusive use. Provided the State delivers to Contractor its tax-exempt certificate, Contractor will not add any sales or use tax to the price of Products or Services.

    The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including

claims for deficiencies or substandard Products, Services or Deliverables. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at http://www.michigan.gov/cpexpress to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor.

19. **Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in the Contract Statement of Work, or an Engagement SOW if applicable.

20. **Stop Work Order.** The State may suspend any or all Services under the Contract, an individual Purchase Order or an individual Engagement SOW at any time. The State will provide Contractor, or Subcontractor if applicable, a written stop work order detailing the suspension. Contractor, or Subcontractor if applicable, must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract. Unless the work covered by the stop work order is subsequently terminated for cause, the State will pay Contractor reasonable, direct and verifiable costs resulting from the stop work order. Further, the parties will agree upon an equitable adjustment with respect to Contractor Personnel staffing requirements**,** if as a result of the stop work order, its staffing of the project is affected by such stop work order. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this Section 20..

21. **Termination for Cause.** The State may terminate this Contract, an individual Purchase Order or an individual Engagement SOW for cause, in whole or in part, if Contractor or its Subcontractors, as determined by the State: (a) endangers the value, integrity, or security of any State location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) fails to perform Services under an Engagement SOW with sufficient personnel and equipment or with sufficient material to ensure adequate performance of the Services; (d) breaches any of its material duties or obligations under this Contract, an individual Purchase Order, or an individual Engagement SOW; or (e) fails to cure a breach within 30 days after a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

    If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform in accordance with **Section 23**, Transition Responsibilities. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 22**, Termination for Convenience.

    The State will only pay for amounts due to Contractor for Products, Services and Deliverables accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all direct and verifiable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, and court costs.

22. **Termination for Convenience.** The State may terminate this Contract, an individual Purchase Order or an individual Engagement SOW on 30 days written notice, in whole or in part, without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor or Subcontractor must: (a) cease performance of the Services immediately, or (b) continue to perform the Services in accordance with **Section 23**, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

23. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 180 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated 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 may include, but is not limited to: (a) continuing to perform the Services at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services, training, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and Confidential Information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed Deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

24. **General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all third-party actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, Subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any Intellectual Property Right of any third party caused by Contractor or Subcontractor; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to negligent action or inaction by Contractor (or any of Contractor's employees, agents, Subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any negligent acts or omissions of Contractor (or any of Contractor's employees, agents, Subcontractors, or by anyone else for whose acts any of them may be liable).

    The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

    The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; and (iii) employ its own counsel. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

    Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

25. **Infringement Remedies.** If, in either party's opinion, any of the Services or Deliverables supplied by Contractor or its Subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the Services or Deliverables, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against 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.

26. **Limitation of Liability.** NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES. IN NO EVENT WILL EITHER PARTY'S AGGREGATE LIABILITY TO THE OTHER PARTY UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES SPECIFIED IN THE APPLICABLE PURCHASE ORDER OR ENAGEMENT STATEMENT OF WORK GIVING RISE TO THE CLAIM.

27. **Disclosure of Litigation, or Other Proceeding.** Unless precluded by law, Contractor must notify the State within 14 calendar days of receiving notice of litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a Subcontractor, or an officer or director of Contractor or Subcontractor, that arises during the term of the Contract, that would have a material effect on Contractor's performance under this Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

28. **State Data.**

a. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) User Data; and (b) the State's data collected, used, processed, stored, or generated in connection with the Services, including but not limited to (i) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and (ii) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Services, which is defined under the Health Insurance Portability and Accountability Act ("**HIPAA**") and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.

b. Contractor Use of State Data. Unless expressly specified in an Engagement SOW, the Services to be provided by Contractor will not require or involve access, collection, use, processing, storing, or generating any State Data. The State will not enable, and will use commercially reasonable efforts to prevent access and disclosure of State Data to Contractor. Contractor will use commercially reasonable efforts to prevent gaining access to State Data. If Contractor inadvertently receives access to State Data in the performance of Services despite the parties' efforts, then Contractor shall handle such State Data in accordance with Section 29. If the parties enter into an Engagement SOW that expressly identifies that Contractor or its Subcontractor will require access to State Data to be utilized by Contractor or its Subcontractor in the provision of Services, Contractor will be provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.

c. Compromise of State Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than seventy-two (72) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) with approval and assistance from the State, notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution; (g) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (h) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (i) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, not be tangentially used for any solicitation purposes, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. This Section survives termination or expiration of this Contract.

29. **Non-Disclosure of Confidential Information**. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

a. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was or is: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA) by the receiving party; (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly

available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or Subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and Subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a Subcontractor is permissible where: (a) use of a Subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's responsibilities; and (c) Contractor obligates the Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any Subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.

c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.

e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

30. **Data Privacy and Information Security**. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of State Data; (b) protect against any anticipated threats or hazards to the security or integrity of State Data; (c) protect against unauthorized disclosure, access to, or use of State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and Subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which shall be provided to Contractor, which shall be treated as Confidential Information.

31. **Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may, upon 30 days prior written notice, audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Financial Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

    After providing the notice specified above, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Services are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

    This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any Subcontractor that performs Services in connection with this Contract.

32. **Warranties and Representations.** Contractor represents and warrants to the State that:
    a. it will perform all Services in a professional and workmanlike manner in accordance with best industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and will devote adequate resources to meet its obligations under the applicable Statement of Work;
    b. the Services and Deliverables provided by Contractor will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party;
    c. it has the full right, power, and authority to enter into this Contract, to grant the rights granted under this Contract, and to perform its contractual obligations;
    d. all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading;
    e. it acknowledges that the State cannot indemnify any third parties, including but not limited to any Suppliers or Subcontractors. Notwithstanding anything to the contrary contained in any third-party license agreement or end user license agreement, the State will not indemnify any third-party for any reason whatsoever during the term of this Contract. EXCEPT AS EXPRESSLY STATED HEREIN CONTRACTOR, (INCLUDING ITS AFFILIATES, CONTRACTORS, AND AGENTS, AND EACH OF THEIR RESPECTIVE EMPLOYEES, DIRECTORS, AND OFFICERS), ON BEHALF OF ITSELF AND ITS SUBCONTRACTORS DISCLAIMS, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE PRODUCTS, SERVICES, AND DELIVERABLES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY (1) OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PERFORMANCE, OR SUITABILITY; OR (2) RELATING TO THIRD-PARTY PRODUCTS OR SERVICES.

    A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under **Section 21**, Termination for Cause.

33. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any Subcontractor that performs Services in connection with this Contract.

34. **Compliance with Laws.** Both parties must comply with all federal, state and local laws, rules and regulations.

35. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq*., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq*., Contractor and its Subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

36. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or Subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.

37. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.

38. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Products, Services, and Deliverables from other sources.

39. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster, acts of God, or supply chain disruptions not caused by Contractor that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its Subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

40. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to each party's respective Contract Administrator. Such referral must include a description of the issues and all supporting documentation. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

    Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

41. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.

42. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.

43. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.

44. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

45. **Entire Agreement.** This Contract, including the Statement of Work, constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any conflict between the terms of this Contract and those of the Statement of Work or other document, the following order of precedence governs: (a) first, this Contract; (b) second, the Statement of Work; (c) third, attachments and exhibits to the Statement of Work. EXCEPT FOR LICENSE AGREEMENTS WITH SUPPLIERS AGREED TO IN WRITING BY THE STATE, **NO TERMS ON ANY INVOICE, QUOTE, PURCHASE ORDER, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE PRODUCTS, SERVICES, OR DELIVERABLES (INCLUDING SOFTWARE AND HARDWARE) OR DOCUMENTATION, WHETHER BY CONTRACTOR, SUPPLIER, OR SUBCONTRACTOR, WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF SUCH PRODUCT, SERVICE, DELIVERABLE (INCLUDING SOFTWARE AND HARDWARE) OR DOCUMENTATION REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS**.

Schedule A – Statement of Work
Exhibit 1 – General Overview

1.0 GENERAL OVERVIEW

1.0.1 PURPOSE

The purpose of this Contract is for the Contractor to provide as needed IT commodities and services as noted below:

1. RESERVED (for Hardware Module language if awarded in the future).
2. Software Module (Schedule A, Exhibit 2 and 3) – Licensed software , software maintenance, & associated assessment, installation, integration, and installation services purchased through the Contract(s)

1.0.2 PROGRAM

The Michigan Master Computing Program (MMCP) is supported by a bid process to compete for the State's IT purchases that are in scope for each exhibit (Hardware & supporting services; software & supporting services; or both). The MMCP prequalification program consists of multiple contractors.

1.0.3 IN SCOPE

Any IT purchase not specifically listed the Out of Scope section below. The scope and requirements related to the purchase of specific IT commodities and services are noted in each exhibit included in Schedule A. The State reserves the right to refresh the vendor pool (increase or decrease) annually as it sees fit in the best interest of the State; including increasing or decreasing the number of modules a contractor is awarded.

Contract shall be available to the State's MiDEAL Program and other states. The MiDEAL program allows local government partners and other states to use State contracts for their procurement needs. Contractor will provide all available products and services to MIDEAL members at their option. The value of MiDEAL procurements will count toward the State's aggregate purchase volume for purposes of calculating volume discounts.

1.0.4 OUT OF SCOPE

The following are out of the scope:

- Desktop Application commodity product training required by the State for End-users.
- Staff Augmentation Services as it relates to consultants and specific tool sets not mentioned in this Contract.
- Software Development.
- Professional services for hardware or software not purchased through this Contract.

Individual exhibits in Schedule A may identify other out-of-scope items.

1.0.5 REQUIREMENTS/DELIVERABLES FOR ALL PRODUCTS

Contractor will provide State-approved products and services; the State will approve all additions, deletions, or changes to the State-approved products. At the State's request Contractor will source and quote new products and services, including one-time purchases and additions to the Catalog. Contractor will notify the State as specified in each Module of any changes to these products.

Contractor, upon commercial announcement of new components that can be technically and economically substituted or added for/to items listed in the current Product Web Catalog, will offer said items for addition or substitution to the Product Web Catalog. These item(s) may be accepted at the option of the State, provided at least equivalent performance with economic benefits or significantly enhanced performance at no additional cost per unit of capability accrues to the State. End of life ("sunsetted") products frequently purchased by the State should be offered to the State at discounted rates as Contractor sells off its inventory of such items.

1.0.5.1 ERP Integration

1.0.5.1.1 ITRAC

The State currently has an Intranet web application, ITRAC, which is used for requesting, approving, reporting and tracking IT commodity and maintenance purchases. Contractor will provide a file that contains the common commodities that are ordered by the State.

The following requirements must be met for integration with ITRAC:

1) Catalog file is a text file (flat file) with data elements delimited by tab characters,
2) Contractor will provide incremental updates to the catalog received daily (Monday-Friday 6 PM EST)
3) A full load file will be received weekly (Friday 6 PM EST)
4) The file will be transferred to the State Data Exchange Gateway using FTP.
5) The length of "Description" field will be kept under 255 characters.
6) The catalog file structure/format may be changed as a new design is implemented in the ITRAC system.
7) The Description file must support the addition of a 4 character identification code used to match commonly purchased items. Example: "E01-"
8) Required data elements are:
   - OPERATION_CODE
   - ITEM_NUMBER
   - MANUFACTURER
   - VENDOR
   - BLANKET PURCHASE ORDER NUMBER
   - DESCRIPTION
   - CATEGORY
   - SKU
   - PRICE
   - AGENCY_APPROVED

1.0.5.1.2 Future ERP Integration

The State is currently engaged in a project to implement the new State-wide Integrated Governmental Management Applications (SIGMA) ERP System, which is based on the CGI Advantage suite of applications. This is expected to replace ITRAC and other legacy State systems and become the new requisition and procurement system for the State. Migration to SIGMA is tentatively targeted for 2017.

Contractor shall, at no additional cost to the State, provide a State Web Portal and integrate it with the State' ERP Solution when the State migrates purchasing operations to the new system. Contractor will work with the State's identified ERP migration project team to obtain specific integration requirements. The Contractor will supply a catalog for products available under the Contract, which will reflect real-time product inventory, pricing, and availability information.

Contractor will grant the State and the State's authorized ERP provider a non-exclusive, limited license to use, reproduce, transmit, distribute, and publicly display within the ERP Solution the Contractor's punch-out catalog-site, including all of Contractor's trademarks, service marks, logos, trade dress, or other branding designation of Contractor that identifies the products made available under the Contract.

1.0.5.2 MIDEAL WEB PORTAL

Contract shall be available to members of the State's MiDEAL Program. This program allows local governments, other states, and other authorized entities to use State contracts for their procurement needs. The State does not restrict what products and services are available through MiDEAL, so long as they meet the Contract's scope. As a result the Contractor will need to provide a separate, web-based, secure MiDEAL catalog and portal. Contractor' MiDEAL Web Portal will provide to the State on-line, searchable reports on the business conducted through the contract to MiDEAL members. Please see Sections 11 and 12 of the Terms and Conditions.

1.0.5.3 ORDER PROCESS

1.0.5.3.1 ORDER PROCESSING

Upon receipt of an approved, executed purchase order, Contractor will fully validate the order to make sure that each product is still valid and that each price is correct.

i. If the product is valid but the catalog price is lower than the price quoted on the original order, the lower price will be invoiced.
ii. If the catalog price is higher than an active quoted price, the quoted price will be applied to the order.

After the order is validated, Contractor will send an acknowledgement to the order submitter.

1.0.5.4 SUBSTITUTIONS

Substitutions may be made when the product is not available because the manufacturer has discontinued its production or due to a documented product constraint. Contractor must notify State of substitutions before sending the replacement product for State approval.

Contractor will offer an equivalent or better substitute at or below the original price, with the State's permission. The offering being substituted must be from the same manufacturer as the product that is discontinued or unavailable.

Contractor will provide the State with written documentation substantiating the need for substitution and that the requirements are met by the product being substituted. The State will review the information submitted and determine in its sole discretion whether substitution is acceptable.

1.0.5.5 DELIVERY

The Contractor will deliver the product(s) as listed on the State's order. Unless otherwise specified within an individual order, the following are applicable to all orders issued under this Contract. Specific delivery metrics and Service Level Agreements (SLA's) are detailed in Section 1.0.13 Contract Performance, below.

Products purchased and services performed under this Contract shall be delivered to a F.O.B. Destination specified by the State upon issuance of individual purchase orders. The location will be specified at time of delivery. The Contractor is responsible for ensuring the products are transported from the delivery vehicle to the delivery point specified.

Contractor will provide the following delivery options:

- Standard Delivery, meaning where the product is delivered to a fixed delivery point (such as a State Warehouse) and State employees perform the unloading of the truck for the logistics company. Loading dock is available.
- Inside Delivery, meaning where the product is delivered to a location inside of a State building location. Contractor's logistics company is responsible to unload the delivery vehicle. Loading dock may or may not be available.
- Deskside Delivery, meaning where the Contractor's logistics company delivers the product directly to the end users' desk location within a State building. Loading dock may or may not be available.

Items shall not be considered delivered if they are refused due to damage or otherwise considered not to meet original order specifications.

Contractor will provide options to the State for Overnight and Second Day delivery.

1.0.5.6 SHIPMENT NOTIFICATION

For each order submitted, the Contractor will send e-mail notifications to the order's submitter by the next business day, concerning shipment and expected delivery dates.

1.0.5.7 ACCEPTANCE CRITERIA FOR DELIVERY

The State will consider products accepted when delivery of product is made to the specified delivery address, complete packing slips with applicable serial numbers are provided to the State, and equipment passes inspection. Equipment discovered to be damaged, defective or failing to conform to the specifications may be rejected upon initial inspection or at any later time if the defects contained in the equipment or non-compliance with the specifications was not reasonably ascertainable upon initial inspection.

Contractor will not invoice for equipment, and the State will not authorize payment of invoices, until both of the above conditions have been met.

Contractor is responsible to ensure that a copy of the signed receiving documents are forwarded to the State before payment will be authorized.

1.0.5.8 PACKAGE LABELS AND PACKING SLIPS

1.0.5.8.1 BAR-CODING

Bar-Coded Information – The following information will be required on the vertical face of packages containing IT assets in a standard bar code format:

a. State of Michigan Purchase Order Number
b. Model Number(s)
c. Serial Number(s)

The data for each field must be in standard print beside/above/below each bar code.

1.0.5.8.2 PACKING SLIPS

Contractor shall provide a packing slip for each physical shipment. The packing slip shall display:

a. Purchaser's Name (Procurement Liaisons name)
b. Ship to address
c. Order Date
d. Shipped from (Vendor) information
e. Shipping Carriers Name
f. Carriers Tracking Number
g. Date Shipped
h. Total Number of Packages
i. State Purchase Order (PO) Number (or MiDEAL P.O.)
j. Item / Part Number
k. Line item description
l. Quantity ordered
m. Quantity included in shipment (of total quantity ordered)
n. Any back order items and date they will be filled
o. Equipment serial number

1.0.5.9 RETURNED PRODUCTS

Delivery Errors

Contractor will provide a product return process that protects the State from any financial obligation and/or costs arising from the delivery of incorrect or wrong and damaged products. This must cover Dead on Arrivals (DOA), damaged products, duplicate deliveries, and incorrect product deliveries.

Returns or Amendments at State's Request

Contractor will provide an order cancellation and amendment process that will allow the State to return products up to 20 business days from the date of receipt. The State may cancel an order prior to shipment at no cost.

1.0.5.10 PRODUCT RECALL NOTIFICATIONS

Contractor must provide prompt notice to the DTMB Program Manager in writing of any product recall within three business days. Contractor will also inform the DTMB Program Manager of any potential recalls that Contractor is aware of that could or would impact State purchasing of such products.

1.0.5.11 PROCESS FOR OBTAINING QUOTES

Contractor will provide a quoting service for products and services ("Quote Desk"),. The Quote Desk must also be available in the event an emergency situation. The Quote Desk will facilitate the State's communication with OEM's and Publishers so that the State may uniquely configure hardware and software solutions, obtain technical guidance or expertise, and any other information needed for the basis of quotes.

All quotes, except quotes for servers and or server components from the major manufacturers, will be valid for a period of thirty (30) business days from the date the quote is received by the State.

Quotes for servers and server components from the major manufacturers will be valid for a period of sixty (60) business days from the date the quote is received. Quotes will be subject to change if any quoted component becomes unavailable. Contractor will notify the State of this occurrence. Contractor will then submit a revised quote to the State to satisfy the request, along with explanation.

For any Software quote request where the manufacturer requires the State to sign or agree to a licensing agreement, the Contractor will furnish the licensing agreement as an attachment to the quote.

1.0.6 ENGAGEMENT STATEMENT OF WORK PROCESS
Unless where otherwise specified, Engagement Statements of Work (SOW) shall be used to define engagement-specific services. Please refer to Modules 1 and 2 for specific services allowable for each Module. Services purchased from this Contract must comply with the Contract's allowable scope. See Exhibit E for the Service Engagement Statement of Work Template.

At the State's request, the Contractor will develop and propose in writing a solution, including price that shall be valid for 30 business days. The proposed solution will be submitted to the requestor within 10 business days from the request. Cost structures for all SOW's shall be based on: a) defined milestones or deliverables; or b) per-device fees.

DTMB will execute a Statement of Work through a purchase order.

1.0.7 LEASING (Optional)
Contractor will provide options to lease products to the State, which will include acquisition, installation, maintenance, removal and disposal. Lease options may be either capital or operational. Lease options will be consistent with Governmental Accounting Standards Board (GASB) standards.

1.0.8 REPORTS
Contractor shall publish the following reports in a Web portal for authorized users, and make available as identified below, and update at minimum according to the frequencies listed below. All reports must be exportable to common formats from the Web portal.

1.0.8.1 DAILY REPORTS

1.0.8.1.1 Shipping Report
The Contractor will provide a daily shipping report that details the following information on an individual PO line item basis. Items with serial numbers must be on individual lines of the report.

- Ship To Location
- Address
- City
- Zip
- Shipper Tracking Number
- Service Tag
- State PO Number
- Agency
- Category (Server, Desktop, Laptop, Tablet, Software)
- Model / Title
- Quantity
- Unit Price
- Ship Date
- Manufacturer Part#
- Contractor PO Number
- Shipment Carrier
- Agency Code

- Manufacturer/Publisher Name
- Manufacturer Order#
- Expected Delivery Date
- Warranty Start Date
- Warranty End Date

1.0.8.1.2 Open Order Report
Contractor will provide a daily report of all open orders that details the following information on an individual PO basis. The report will include:

- State PO#
- Contractor PO#
- Product Description
- Quantity
- OEM Part#/SKU#

1.0.8.2 MONTHLY REPORTS
Contractor will provide the following reporting solutions:

1.0.8.2.1 Monthly Contract Updates on Prices/Products
Contractor will provide a monthly Contract update to the State as prices and products change. Any update will state:

Changes (product additions/deletions, State price changes, manufacturer's part numbers changes, etc.) that have occurred since the last monthly Contract update and must include the following items:

1. Publisher or Manufacturer's part number, description, State price, type of change, and explanation.
2. Manufacturer/Contractor web address for more detailed product information,
3. Price for added products

Vendor Activity Report
Contractor will provide a monthly report of all activities transacted under the contract, which will include:

- Purchase Orders Processed
- Purchase Orders Fulfilled, including days to delivery
- New OEM's Provided
- Invoices Issues
- Invoices Paid
- Quotes Requested and Provided, including days to provide

Aged Receivable Report
Contractor will provide a monthly report of all past-due State invoices for payment under the contract, which will include:

- Invoice Number
- Purchase Order Number
- Invoice Issue Date
- Invoice Due Date
- Days Past Due
- Invoice Status

DOA Report/Warranty Report
Contractor will provide a monthly report of all products noted as Dead On Arrival (DOA), whose delivery was refused.

- SOM PO Number
- Product Description
- Manufacturer Name (Dell, HP, Lenovo, APC, Oracle, etc.)

- Model Number
- Product Category (Desktop, Laptop, Tablet, Server, etc)
- Serial Number (Vendor Unique Service Tag Number) from Replaced PC
- Warranty End Date
- New Serial Number
- Incident Date
- New Order Ship Date
- Problem Description

1.0.8.3 Asset Report

The Contractor will transmit a file that interfaces with the State's asset management system, Information Technology Asset Management (ITAM), and the State Data Center's Configuration Management Data Base process, for asset reporting at no additional cost to the State.

1.0.8.3.1 Hardware Asset Report

- Ship To Location
- Address
- Service Tag
- State PO Number
- Agency
- Model
- Category (ex: Server, PC)
- Ship Date
- Agency Code
- Warranty/Maintenance Start Date
- Warranty/Maintenance End Date

1.0.8.3.2 Software Asset Report

- Ship To Location
- Address
- State PO Number
- Agency
- Title
- Category (ex: Perpetual, Subscription, Maintenance)
- License Metric (ex: User, Device, Processor)
- Quantity
- Software Key
- Ship Date
- Agency Code
- Term Start Date
- Term End Date
- License Cost

1.0.8.4 QUARTERLY AND ANNUAL REPORTS

Contractor will report, within ten (10) days of the end of each quarter the following summary reports:

- Metrics and SLA Summary, showing all SLA's (for each unmet SLA, detailed explanation must be provided)
- Warranty and Maintenance Services Summary, including % of services that met SLA
- Quarterly Purchases Volume, including breakdown by Top 20 OEM's
- MiDEAL Members Purchase Volumes
- Lease Report, detailing initiation and expiration
- Warranty, Maintenance, & Subscription Expiration Report, up to six months in advance.
- State administrative fees collected and payable

The State may require new or different reports over the Contract's term. Contractor will work with the State to revise reports.

Contractor will provide the following annual reports

- SLA Report
- Active Service Engagements
- Annual Purchase Volumes
- Annual Lease Volumes
- MiDEAL members Purchase Volumes

1.0.8.5 AD-HOC REPORTS

Contractor will provide the ability to generate ad-hoc electronic reports using a report template or other easy to use query tool. Reports must be electronic in the State-requested format. These reports will be made available free of charge as often as needed by the State.

1.0.8.6: REPORT DASHBOARD

Contractor will provide an online dashboard through their Portal that will show the following reports, which shall be updated monthly:

- Metrics and SLA's
- Volume of End-user Devices ordered by category
- Volume of Servers ordered by manufacturer
- Program Activity Volume:
    - Number of orders
    - Number of quotes
    - Number of SOW's
    - Dollars Spent
    - Savings realized in relation to the proposed cost model

1.0.9 CONTRACTOR STAFF, ROLES & RESPONSIBILITIES

The Contractor is responsible for:

- Monitoring and proactively resolving issues with delivery dates, quality of products/services, mean time between failure after repairs, billing/invoicing, and other service level agreements.
- Notify the MMCC Program Manager within one business day when products are constrained or otherwise unavailable so that the Program Manager can work with the Contractor to find an appropriate means to resolve these issues.
- The Contractor, its subcontractors and subcontracted staff shall comply with all security standards and the security access requirements for individual State facilities.

The State may, at its sole discretion and expense, conduct a background check of any Contractor resource who is proposed to perform services under this Agreement at a State site, provided that the background check complies with all applicable local, state and federal laws. The State will notify Contractor whether the Resource has or has not passed the background check. No other information, including any detail about the checks performed or results obtained, will be provided to the Contractor. If the State notifies Contractor that the resource has not passed, Contractor will not assign that resource to perform the services. The State will treat any such information provided by, and/or obtained about, a resource as part the background check process as Confidential Information.

1.0.9.1 Technical Support

The State reserves the right to obtain OEM/Publisher technical support for all products and services on this contract.

1.0.9.2 Key Personnel:

The State has identified the following as **key personnel** for this project:

1. Single Point of Contact (SPOC)
2. Contract Program Manager (CPM)
3. Contract Transition Manager

- **Single Point of Contact (SPOC)**
  The Contractor will identify a SPOC for State and MIDEAL authorized personnel to call to obtain order and delivery statuses and to resolve issues (such as configurations, price, returns, inquiries, delivery status questions, etc.), billing/invoicing issues, warranty work, technical advice and remedial maintenance. Access to the SPOC will be provided through a toll free line to the State and MiDEAL Members. This SPOC will be available after business hours for issue escalation.

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

- **Contract Program Manager (CPM)**
  The Contractor will identify a **Contract Program Manager (CPM)** to oversee all aspects of the Contract including the management of all vendor personnel. The CPM will work closely with the designated personnel from the State. The CPM will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The CPM to oversee all aspects of the statewide Contract for the commodity awarded, including the management of all customer representatives and personnel identified in Contractor's proposal. The CPM's responsibilities include, at a minimum:
  - Manage Contractor's subcontractors
  - Develop the initial project plan and schedule, and update as needed for the Contract implementation and administration of the Contract.
  - Serve as the point person for all project issues
  - Coordinate and oversee the day-to-day activities of the Contract team
  - Assess and report project feedback and status
  - Escalate issues, risks, and other concerns
  - Review all deliverables and provide feedback
  - Proactively propose/suggest options and alternatives for consideration
  - Utilize change control procedures
  - Prepare documents and materials

Contract Transition Manager
Contractor will identify a Contract Transition Manager to oversee all aspects of transition and implementation of the Contract as described in Section 1.0.12. The Contract Transition Manager will remain Key Personnel until successful transition to operations of all Contract activities. Likewise, Contractor will identify a Contract Transition Manager as Key Personnel to oversee all aspects of transition at Contract's end, as described in 1.0.12.

Organizational Chart
The Contractor will provide, and update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work. When changes occur to the organizational structure an updated organizational chart must be sent to the DTMB Buyer and the DTMB Program Manager within 2 weeks.

Contractor Identified Key Personnel

Single Point of Contact	Contract Program Manager	Contract Transition Manager
Jericca Rys *Jericca_rys@shi.com 248-561-0747*	*Nick Grappone* *290 Davidson Avenue* *Somerset, NJ 08873* *Nick_grappone@shi.com* *732-564-8189*	*Jennifer Pankow-Hanger* *Sr. Project Manager* *Jennifer_Pankow@shi.com* *Office: 732.868.6142* *Cell: 732.486.5635* *Fax: 732.868.6143*

1.0.10 ROLES & RESPONSIBILITIES OF THE STATE

State will assign a Program Manager or designee as a single point of contact for all communications. The Program Manager or designee will:

- Serve as the State's Point of Contact between the Contractor and all other individuals participating in this Contract.
- Review and approve Contract product and support offerings including service levels, delivery times, performance metrics, cost basis and price.
- Act as the authority for determining compliance with SLA's.

State Michigan Master Computing Program Manager:

Chad Hardin
517-241-7114
Hardinc1@michigan.gov

1.0.11 CONTRACT PROGRAM IMPLEMENTATION

The Contractor will provide sufficient staff that will have explicit responsibility for the administration of this Contract along with responsibility for planning all Contract transition start up activities, day-to-day Contract processes, and the subsequent transitional activities at the end of this Contract.

1.0.12 TRANSITION PLAN AT THE END OF THE CONTRACT

Along with all requirements and responsibilities specified in Section 24 of the Contract Terms and Conditions, Contractor will provide:

- **Transition Plan**. The Contractor will work together with the State and/or a Third Party Provider to develop a transition plan (the "Transition Plan") setting forth the respective tasks to be accomplished by each Party in connection with the Transition and a schedule pursuant to which such tasks are to be completed. The Contractor will also participate in the execution of the Transition Plan by performing tasks mutually agreed upon in the development of the Transition Plan.

- **Knowledgeable Personnel**. The Contractor will make available to the State or the Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to develop products and services to the State.

- **Single Point of Contact**. The Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

1.0.13 CONTRACT PERFORMANCE

1.0.13.1 METRICS

The Contractor and the State of Michigan will establish procedures to manage all the service providers to be used under this contract. The State and the Contractor will monitor performance throughout the course of this Contract.

The contractor will monitor the performance and coverage of all warranty and maintenance services. In addition to monitoring of repair cases, the Contractor will meet regularly with service providers to discuss performance metrics, issues affecting the industry or clients, new initiatives, and new innovations in technology. The primary focus is on making sure service commitments are met or exceeded.

Contractor will provide the Services according to the metrics detailed below; based on the awarded module(s). Metrics will be completed with the following operational considerations:

I: Service Metric #	II: Service	III: State Minimum Metric
A1	PC Delivery, No installation (hardware module)	10 business days, aggregate of all line item units delivered
A2	PC Delivery, with installation (hardware module)	15 business days, aggregate of all line item units delivered
A3	Commodity Server Delivery (hardware module)	15 business days, aggregate of all line item units delivered
A4	Custom-configured Server Delivery (hardware module)	20 business days, aggregate of all line item units delivered
A5	Software Delivery (software module)	10 business days, inclusive of all line item units delivered
A6	Non-Server Quote Delivery (all modules)	3 business days from request
A7	Server Quote Delivery (hardware module)	5 business days from request
A8	Engagement Statement of Work (all modules)	10 business days from request
A9	PC Warranty & Maintenance (hardware module)	Next business-day response
A10	Server Onsite Warranty & Maintenance: critical (hardware module)	2-hour response
A11	Server Onsite Warranty & Maintenance: high (hardware module)	4-hour response
A12	Server Onsite Warranty & Maintenance: standard (hardware module)	Next business-day response

1.0.13.2 SERVICE LEVEL AGREEMENTS AND LIQUIDATED DAMAGES

Contractor will report on a quarterly basis on all SLA's calculated from service metrics based on the awarded module(s), which are defined below.

The Contractor acknowledges that late or improper completion of the Services will cause loss and damage to the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result. If there is late or improper completion of the Services, the State is entitled to collect liquidated damages in the amounts designated for the following cases:

- Missed Service Level Agreements will be assessed the amounts detailed in Table 1.0.13.2-A below.
- Unauthorized Removal of Key Personnel will be assessed as detailed in the Contract Terms and Conditions Section 7: Performance of Services.

In the event the Contract is terminated, the State will be entitled to collect liquidated damages. These amounts are not intended to be a penalty.

I: Service Metric#	II: Service	III: Quarterly SLA (% of purchase orders)	IV: Assessed LD
A1	PC Delivery, No installation (hardware module)	95%	10% of order's late line item cost
A2	PC Delivery, with installation (hardware module)	95%	10% of order's late line item cost
A3	Commodity Server Delivery (hardware module)	95%	10% of order's late line item cost
A4	Custom-configured Server Delivery (hardware module)	95%	10% of order's late line item cost
A5	Software Delivery (software module)	95%	10% of order's late line item cost
A9	PC Warranty & Maintenance (hardware module)	95%	$25 per late response

I: Service Metric#	II: Service	III: Quarterly SLA (% of purchase orders)	IV: Assessed LD
A10	Server Warranty & Maintenance: critical (hardware module)	95%	$1,000 per late response
A11	Server Warranty & Maintenance: high (hardware module)	95%	$100 per late response
A12	Server Warranty & Maintenance: standard (hardware module)	95%	$25 per late response

1.0.14 PRICING AND INVOICING REQUIREMENTS
Attached is Schedule B with Contractor product pricing to the State, based on a minimum percentage discount off a verifiable price index (VPI) which will be used to establish a product's not-to-exceed price to the State. Contractor may (and is encouraged) to provide additional discounts. Contractor must notify the MMCC Program Manager of any price increases before the change is made. The State reserves the right to negotiate individual transaction and agreement pricing, as it deems in its best interests. The State reserves the right to establish and use other contracts, as it deems in its best interests.

Contractor will be paid for services as identified in the State's issued Purchase Order. Payments for installation, integration, and implementation services will be set according to an approved Engagement Statement of Work.

Contractor shall invoice the State in order to receive payment. Invoices will be sent to the State address or email account as noted on the purchase order. The State will pay Contractor by EFT.

Contractor will provide the following data as part of all invoices, the absence whereof shall qualify as grounds for the State to reject the invoice for correction and resubmission:

- Invoice Number (unique)
- Invoice Date
- State Purchase Order Number
- Bill-To Address
- Ship-To Address
- Payment Terms
- Commodity/Service Name
- Description
- Unit/Deliverable Price
- Total Price
- Invoice Subtotal
- Shipping and Handling (if applicable)
- Total
- Invoice Payment Due Date
- Period of Service, if applicable

1.2.7 CONTRACTOR VALUE ADDED SERVICES
Contractor proposed value added services are captured in Schedule C, Exhibit 1- Value Added Services for use by the Michigan Master Computer Program upon the request of the State's Program Manager to support the program activities and goals.

Schedule A – Statement of Work
Exhibit 2 – Hardware Module

1.1 HARDWARE

RESERVED (for Hardware Module language if awarded in the future).

Schedule A – Statement of Work
Exhibit 3 – Software Module

1.2 LICENSED SOFTWARE

1.2.1 PURPOSE

Contractor will provide a broad range of Software products and services as listed in this module. These include Core Software, Discretionary Software, and Optional Software, as defined below

The total quantity of purchase of any individual item on a contract is not known. The State does not guarantee it will buy any specific item or any total amount.

1.2.2 BACKGROUND

The State of Michigan purchases Software licenses and renewable maintenance and support as needed. The State establishes the best portfolio of contracts to provide Software.

1.2.3 IN SCOPE

Contractor, at the State's request, will provide Licensed Software to the State. Licensed Software is hereby defined as:

- Commercial off the Shelf (COTS), pre-packaged software , which may be installed on end-user devices, servers, or other computing equipment
- Software maintenance, which is defined herein as related standard commercial Software Publisher's software support services, which may come bundled with the software license or sold separately. Software support services are dictated by the Software Publisher, and may often include bug fixes, error-corrective services, update, and new versions that are improvements, extensions, or other changes that are logical improvements or extensions of the original product. It may also include software documentation or access to remote technical support.
- Pre-configured, pre-integrated Software appliances.

Contractor's services to be provided to the State will include:

- Quote Licensed Software
- Assistance with renewal of Licensed Software subscriptions and software maintenance

Contractor will provide the following services

- Onsite software field technical support and security incident response services at the State's discretion
- Assessment, Installation, Integration, and Implementation services (see Section 1.2.6) at the State's discretion for specific Software engagements, which will be paid based on defined deliverables found on the State's Engagement Statement of Work as agreed to between the State and Contractor/Subcontractor to support software purchased through the Contract.

1.2.4 OUT OF SCOPE

- Software services for development, customization, modifications, and/or creation of enhancements are not within the scope of this Contract.

- Enhancements altering the functionality, and/or adding new functions not related to a maintenance modification or a commercial, generally available Software release are not within the scope of the Contract.

The State reserves the right to purchase Licensed Software outside of the Contract when it determines that an items' pricing is not competitive with the open market.

New products and services may be added to the Contract as requested by the DTMB Program Manager.

1.2.5 SOFTWARE REQUIREMENTS

1.2.5.1 SOFTWARE DELIVERY AND LICENSING
The Contractor will supply the State with the Publisher's Licensed Software in any media the Publisher makes available and will provide the media requested by the State. If Contractor is unable to obtain the commitment to deliver the software within the applicable delivery metric after receipt of order, Contractor will advise DTMB of the non-delivery. DTMB will determine, in consultation with Contractor, the method of resolution of the request.

The Contractor will ensure that the State shall be the designated Licensee and owner of all entitlements for all purchases made.

1.2.5.2 PUBLISHER SOFTWARE LICENSE AGREEMENTS
The State will enter into software license agreements with specific publishers when those programs are in the best interest of the State. Contractor will facilitate and support both existing and new Software license agreements.

Contractor will assist the State in identifying software publishers that may be receptive to volume purchasing agreements, and recommend additional such programs that may be advantageous to the State.

The State will be contractually responsible for the agreements, while the Contractor will administer the Agreement programs and serve as the program reseller under the requirements of the specific program.

1.2.5.3 CORE SOFTWARE
Core software are those State-standard brands for which this Contract will become the State's primary procurement vehicle. The State-standard brands will change over time as the State sets new standards. Contractor will work vendors identified to provide new State-standard brands. The State has designated the following Core Software brands as critical to operations and data security:

1. Adobe
2. BMC
3. Citrix
4. HP
5. Microsoft
6. Symantec
7. VMWare

Specific requirements for providing Core Software are detailed in the sub-sections below.

1.2.5.3.1 ADOBE SOFTWARE
Contractor will provide access to and support the State's existing Adobe agreements for Licensed Software, and, at the State's option, assist in the establishment and renewal of new agreements.

1.2.5.3.2 BMC SOFTWARE
Contractor will provide access to licensing and support of BMC Software, and, at the State's option, assist in the establishment and renewal of new agreements.

1.2.5.3.3 CITRIX SOFTWARE
Contractor will provide access to and support the State's existing Citrix agreements for Licensed Software, and, at the State's option, assist in the establishment and renewal of new agreements.

1.2.5.3.4 Hewlett Packard Solutions Software
Contractor will provide access to licensing support for Hewlett Packard Solutions Software, and, at the State's option, assist in the establishment and renewal of new agreements.

1.2.5.3.5 MICROSOFT SOFTWARE
Contractor will provide access to and support the State's existing Microsoft Agreements, and, at the State's option, assist in the establishment and renewal of new agreements.

1.2.5.3.6 SYMANTEC SOFTWARE
Contractor will provide access to and support the State's existing Symantec agreement for Licensed Software, and, at the State's option, assist in the establishment and renewal of new agreements.

1.2.5.3.7 VMWARE SOFTWARE
Contractor will provide access to Software license, including federal sku# products, and support for VMWare Software, and, at the State's options, assist in the establishment and renewal of new agreements.

1.2.5.4 DISCRETIONARY SOFTWARE
The State at its option and based on its determination of best value may procure other Licensed Software titles through the Contract. Contractor will provide requested software with value-add, including renewals of software maintenance and support.

1.2.5.5 OPTIONAL SOFTWARE
The State has certain core software brands that are currently procured through direct contracts with the Software Publishers. The State wishes to determine whether a VAR contract vehicle may provide cost-competitive pricing for these products, relative to the direct contracts. The State reserves the right to include Optional Software, either in award of this Contract or as result of future negotiations, on a brand-by-brand basis.

1.2.5.5.1 CA SOFTWARE
Contractor may provide access to CA software licenses, maintenance, support services, and training to perform server operation monitoring.

1.2.5.5.2 COMPUWARE/DYNATRACE
Contractor may provide access to Compuware/Dynatrace software licenses, maintenance, support services, and training.

1.2.5.5.3 IBM SOFTWARE
Contractor may provide access to IBM software licenses, maintenance, support services, and training.

1.2.5.5.4 NOVELL SOFTWARE
Contractor may provide access to Novell software licenses, maintenance, support services, and training.

1.2.5.5.5 ORACLE SOFTWARE
Contractor may provide access to Oracle software licenses, maintenance, support services, and training.

1.2.5.5.6 SAP SOFTWARE
Contractor may provide access to SAP software licenses, maintenance, support services, and training.

1.2.6 SOFTWARE ASSESSMENT, IMPLEMENTATION, INTEGRATION, INSTALLATION SERVICES
Contractor will provide assessment, implementation, integration, and installation services at the State's option, for specific, deliverable-based service engagements, including solution training for State administrators and operators. Contractor will supply trained, qualified personnel on a case-by-case basis, who will provide these services, based on the State's needs. The State will provide an Engagement Statement of Work to the Contract which will be managed, provided to Contractor, and updated by the DTMB Program Manager.

1.2.7 CONTRACTOR VALUE ADDED SERVICES
Contractor proposed value added services are captured in Schedule C, Exhibit 1- Value Added Services for use by the Michigan Master Computer Program upon the request of the State's Program Manager to support the program activities and goals.

Schedule B – Pricing
Exhibit 1 - Hardware Price Tables

RESERVED (for Hardware Module language if awarded in the future).

Schedule B - Pricing
Exhibit 2 - Software Price Tables

1. The price lists and products listed are subject to change over time; standard products will be changed in accordance with the State standards kept and updated by DTMB.
2. Pricing will be determined on a per-purchase competitive bidding process between vendors who have been selected to source software to the State through the Michigan Master Computing Program. Below are guaranteed minimum discounts available to the State.
3. Core Software Titles
    a. Microsoft

1a: Microsoft Pricing				
Ia1: Microsoft Enterprise Agreement, runs through 5.31.2018				
	Description	**Quantity**	**Minimum % Discount from VPI Cost**	**Comments**
CX2-00093	WINENTFORSAWMDOP ALNG SA MVL PLTFRM	55000	17%	
U3J-00004	CORECALBRIDGEOFF365 ALNG SA MVL PLTFRM USRCAL	59000	17%	
D87-01159	VISIOPRO ALNG SA MVL	2	17%	
D86-01253	VISIOSTD ALNG SA MVL	10	17%	
9ED-00073	VSPREMWMSDN ALNG SA MVL	28	17%	
77D-00110	VSPROWMSDN ALNG LICSAPK MVL	10	17%	
77D-00111	VSPROWMSDN ALNG SA MVL	100	17%	
L5D-00162	VSTSTPROWMSDN ALNG SA MVL	4	17%	
9JD-00053	VSULTWMSDN ALNG SA MVL	44	17%	
ZFA-00229	DYNCRMPROCAL ALNG SA MVL DVCCAL	18	17%	
ZFA-00221	DYNCRMPROCAL ALNG SA MVL USRCAL	141	17%	
N9J-00524	DYNCRMSVR ALNG SA MVL	5	17%	
395-02504	EXCHGSVRENT ALNG SA MVL	1	17%	
H04-00268	SHAREPOINTSVR ALNG SA MVL	2	17%	
359-00792	SQLCAL ALNG SA MVL DVCCAL	6	17%	
7JQ-00343	SQLSVRENTCORE ALNG SA MVL 2LIC CORELIC	194	17%	
228-04433	SQLSVRSTD ALNG SA MVL	12	17%	
7NQ-00292	SQLSVRSTDCORE ALNG SA MVL 2LIC CORELIC	36	17%	
T9L-00223	SYSCTRSTD ALNG SA MVL 2PROC	912	17%	

125-00124	VSTEAMFNDTNSVR ALNG SA MVL	1	17%	
126-00196	VSTEAMFNDTNSVRCAL ALNG SA MVL USRCAL	40	17%	
6VC-01254	WINRMTDSKTPSRVCSCAL ALNG SA MVL USRCAL	3200	17%	
P71-07282	WINSVRDATACTR ALNG SA MVL 2PROC	237	17%	
R39-00396	WINSVREXTCONN ALNG SA MVL	2	17%	
P73-05898	WINSVRSTD ALNG SA MVL 2PROC	538	17%	
7R2-00001	O365GOVE3FROMSA SHRDSVR ALNG SUBSVL MVL PERUSR 12 MONTHS	59000	17%	
J5U-00001	AZUREMNTRYCMMTMNTG SHRDSVR ALNG SUBSVL	34	17%	
U2V-00007	BINGMAPSENTPLATFORM ALNG SUBSVL MVL SRVCS	1	17%	
T9V-00014	BINGMAPSPUBLICWBST ALNG SUBSVL MVL	2	17%	
DSD-00030	DYNCRMONLNPRO SHRDSVR ALNG SUBSVL MVL	40	17%	
V9W-00001	DYNCRMONLNPRODINST SHRDSVR ALNG SUBSVL MVL RESTRICTED SRVCS 12 MONTHS	1	17%	
V6W-00001	DYNCRMONLNTESTINST SHRDSVR ALNG SUBSVL MVL RESTRICTED SRVCS 12 MONTHS	1	17%	
				Comments

1a2: Microsoft Premier Support, runs 6.1.2016 - 5.31.2017, equivalent to one year			
Description	**Quantity**	**Minimum % Discount from VPI Cost**	**Evaluation Comments**
Application Development and Infrastructure Consulting Services	300 hours	0%	
Support Account Management	420 hours	0%	
Service Delivery Management	80 hours	0%	
Support Assistance	750 hours	0%	
Problem Resolution Support	450 hours	0%	
Onsite Services Resource Site Visits	18 visits	0%	
Senior Consultant	2300 hours	0%	
Engagement Manager	150 hours	0%	
Unlimited Access to Premier Online Services	1 year	0%	
Third Tier Support for Exchange	1 year	0%	
Third Tier Support for System Center	1 year	0%	

1a3: Microsoft Select Plus Agreement, Level D Discount Level		
	Minimum % Discount from VPI Cost	Evaluation Comments
	16%	

b. Symantec

1b: Symantec True-Up Agreement, Software Maintenance 10/1/2016-9/30/2017				
	Description	Quantity	Minimum % Discount from VPI Cost	Evaluation Comments
NHT0XZZ0-ER1GS	SYMC CONTROL COMPLIANCE SUITE STANDARDS MANAGER 11.0 XPLAT PER MANAGED SERVER RENEWAL ESSENTIAL 12 MONTHS GOV BAND S 10/1/16 - 9/30/17	102	70%	
6ZKLOZZ0-ER1GH	SYMC CRITICAL SYSTEM PROTECTION CLIENT EDITION 6.0 PER NODE RENEWAL ESSENTIAL 12 MONTHS GOV BAND H 10/1/16 - 9/30/17	100	60%	
RU1QOZZ0-ER1GS	SYMC DATA CENTER SECURITY SERVER ADVANCED 6.0 PER MANAGED SERVER RENEWAL ESSENTIAL 12 MONTHS GOV BAND S 10/1/16 - 9/30/17	5	70%	
0E7IOZZ0-ER1GH	SYMC ENDPOINT PROTECTION 12.1 PER USER RENEWAL ESSENTIAL 12 MONTHS GOV BAND H 10/1/16 - 9/30/17	305	70%	
14055203	SYMC GHOST SOLUTION SUITE 2.5 WIN DEVICE RENEWAL ESSENTIAL 12 MONTHS GOV BAND H 10/1/16 - 9/30/17	53,967	70%	
4GMSOZZ0-ER1GH	SYMC PROTECTION SUITE ENTERPRISE EDITION 4.0 PER USER RENEWAL ESSENTIAL 12 MONTHS GOV BAND H 10/3/16 - 10/2/17	56,160	70%	
21236908	SYMC BUSINESS CRITICAL SERVICES PREMIER FOR ENDPOINT PROTECTION FAMILY 10/1/16 - 9/30/17	1	0%	
21170448	SYMC DEEPSIGHT EARLY WARNING SERVICES SILVER PACK 8.0 1000-4999 PER NODE SUB LIC GOV BAND S ESSENTIAL 12 MONTHS 10/1/16 - 9/30/17	1	70%	
11642046	Third Year Expert Residency Services	1	10%	
				Comments

c. BMC

1c: BMC Software Maintenance, 10/1/2016-9/30/2017				
Description		**Quantity**	**Minimum % Discount from VPI Cost**	**Comments**
LP#1825367	BMC Remedy IT Service Management Suite - per enterprise	1	20%	Licensing and Support
LP#1825375	BMC Remedy IT Service Management Suite - Floating User License Add-on - per concurrent user	330	20%	Licensing and Support
LP#1825386	BMC Remedy IT Service Management Suite - User License Add-on - per named user	260	20%	Licensing and Support
LP#1825407	BMC Remedy Knowledge Management Specialist - Floating User Add-On License - per concurrent user	10	20%	Licensing and Support
LP#1825408	BMC Remedy Knowledge Management Specialist - User Add - On License - per named user	10	20%	Licensing and Support
LP#1825441	BMC Remedy Self Service - Floating User Add - On License 25-Pk Lsn - per concurrent user	1	20%	Licensing and Support
LP#1863612	BMC Service Desk - Floating User License Addon - per concurrent user	25	20%	Licensing and Support
LP#1863619	BMC Service Desk - User License Add-on - per named user	15	20%	Licensing and Support
LP#1825437	BMC Service Management Specialist - Floating User License Add-on - per concurrent user	34	20%	Licensing and Support
LP#1825440	BMC Service Management Specialist - User License Add-on - per named user	10	20%	Licensing and Support
LP#18254402	BMC Premier Advanced Support - Shared Engineer - Remedy IT Service Management - per License Add-on - Original	1	20%	Licensing and Support
LP#2142357	BMC Atrium Dashboards and Analytics - User License Add-on - per named user	10	20%	Licensing and Support
LP#2347532	BMC Atrium Discovery and Dependency Mapping - per managed asset - server endpoint	3500	20%	Licensing and Support
LP#2347542	BMC Atrium Discovery and Dependency Mapping Extended Data Pack - License Add-on - per managed asset - server endpoint	3500	20%	Licensing and Support
LP#2564645	BMC Atrium Discovery for Storage - per managed asset - server endpoint	3500	20%	Licensing and Support
LP#2564646	BMC Atrium Orchestrator - Development Pack License Addon - per enterprise	1	20%	Licensing and Support
LP#2142355	BMC BladeLogic Automation Suite - Base License - per enterprise	1	20%	Licensing and Support
LP#2347540	BMC Cloud Lifecycle Management - Core License Add-on - per managed asset - server endpoint	50	20%	Licensing and Support
LP#2142356	BMC Server Automation - License Add-on - per managed asset - server endpoint	5	20%	Licensing and Support
				Comments
				Licensing and Support

d. Adobe

1d: Adobe Enterprise Term License Agreement, 11/1/2016-10/31/2017				
Description		**Quantity**	**Minimum % Discount from VPI Cost**	**Comments**
210-3280-1	Adobe Acrobat Standard - Term License & Maintenance & Support 1 User - 12 Month - FLP	53	10%	
210-3280-1	Adobe Acrobat Professional - Term License & Maintenance & Support 1 User - 12 Month - FLP	238	10%	
210-3280-1	Adobe After Effects - Term License & Maintenance & Support 1 User - 12 Month - FLP	1	10%	
210-3280-1	Adobe Audition - Term License & Maintenance & Support 1 User - 12 Month - FLP	1	10%	
210-3280-1	Adobe Dreamweaver - Term License & Maintenance & Support 1 User - 12 Month - FLP	14	10%	
210-3280-1	Adobe Flash Professional - Term License & Maintenance & Support 1 User - 12 Month - FLP	1	10%	
210-3280-1	Adobe Illustrator - Term License & Maintenance & Support 1 User - 12 Month - FLP	1	10%	
210-3280-1	Adobe InCopy - Term License & Maintenance & Support 1 User - 12 Month - FLP	1	10%	
210-3280-1	Adobe InDesign - Term License & Maintenance & Support 1 User - 12 Month - FLP	3	10%	
210-3280-1	Adobe Photoshop - Term License & Maintenance & Support 1 User - 12 Month - FLP	16	10%	
210-3280-1	Adobe Premiere Pro - Term License & Maintenance & Support 1 User - 12 Month - FLP	3	10%	
210-3280-1	Adobe Design Standard - Term License & Maintenance & Support 1 User - 12 Month - FLP	1	10%	
210-3280-1	Adobe Design & Web Premium - Term License & Maintenance & Support 1 User - 12 Month - FLP	12	10%	
210-3280-1	Adobe Production Premium - Term License & Maintenance & Support 1 User - 12 Month - FLP	1	10%	
210-3280-1	Adobe Creative Cloud Enterprise - Term License & Maintenance & Support 1 User - 12 Month - FLP	4	10%	
210-3280-1	Adobe Lightroom - Term License & Maintenance & Support 1 User - 12 Month - FLP	1	10%	
210T-3238	Adobe FrameMaker Enterprise Term License with Maintenance & Gold Support - 12 Months	1	10%	
210T-3251	Adobe RoboHelp Office Enterprise Term License with Maintenance & Gold Support - 12 Months	1	10%	
210T-3251-S	Adobe RoboHelp Server Enterprise Term License with Maintenance & Gold Support - 12 Months	1	10%	
210T-3225	Adobe Captivate Enterprise Term License with Maintenance & Gold Support - 12 Months	1	10%	
210T-6178	Adobe Presenter Enterprise Term License with Maintenance & Gold Support - 12 Months	1	10%	
210T-3230	Adobe eLearning Suite Enterprise Term License with Maintenance & Gold Support - 12 Months	1	10%	
210-3280-1	Adobe Photoshop Elements - Term License & Maintenance & Support 1 User - 12 Month - FLP	1	10%	
				Comments

e. Citrix

1e: Citrix Software Maintenance, 10/1/2016 - 9/30/2017				
	Description and Quantity		**Minimum % Discount from VPI Cost**	**Evaluation Comments**
	XenApp Platinum Edition 4.5 with Feature Pack 1 from XenApp Enterprise Upgrade - User Count 410 - Coverage dates: 10/1/14 - 7/1/17		12%	Includes All Line Items
	XenApp Platinum Edition 4.5 with Feature Pack 1 from XenApp Enterprise Upgrade - User Count 390 - Coverage dates: 10/1/14 - 7/1/17		12%	Included
	XenApp Platinum Edition 4.5 with Feature Pack 1 from XenApp Enterprise Upgrade - User Count 25 - Coverage dates: 10/1/14 - 7/1/17		12%	Included
	XenApp Platinum Edition 4.5 with Feature Pack 1 from XenApp Enterprise Upgrade - User Count 70 - Coverage dates: 3/29/15 - 7/1/17		12%	Included
	UPG XENAPP PLAT ED F/ ENT - X1 CONC U CONN LICS W/ SUB ADV ELP-3		12%	Included
	ELA-3 XENDESKTOP PLAT ED TRADE UP FROM XENAPP ADV X1 CCU		12%	Included
	NETSCALER MPX 12500 FIPS PLAT ED 2X10GX SFP+ 8X1000BX SFP+ ELA-3		12%	Included
	NETSCALER MPX 9700 FIPS PLAT ED 2X10GX SFP+ 8X1000BASE-X SFP+ ELA-3		12%	Included
	ELA3 3YR GOLD MNT NETSCALER MPX 12500 FIPS 10GE PLAT ED		12%	Included
	ELA3 3YR GOLD MNT NETSCALER MPX 9700 FIPS 10GE PLAT ED		12%	Included
	300M NETSCALER SFP+ 10GB ENET SHORT RANGE SINGLE ELA-3		12%	Included
	NETSCALER APP SWITCH SFP PACK 4GFB		12%	Included
	PREFERRED EXT HOURS SUPPORT SOFTWARE		12%	Included
	SOFTWARE PREFERRED 200HRS TRM ADD-ON		12%	Included
	2YR SUB XENAPP PLAT ED ADV ADD-ON ELP-3		12%	Included
	ELA-3 2YR XENDESKTOP PLAT ED SUB ADV ADD ON X1 CCU		12%	Included
				Comments

f. HP

1f: HP Software Maintenance, 10/1/2016 - 9/30/2017				
Description		**Quantity**	**Minimum % Discount from VPI Cost**	**Evaluation Comments**
T6489AAE	HP Enterprise Std Unlimited Support for QC Add'l Defects Site CC Usr SW LTU	7	29%	Includes All Line Items
T6471AAE	HP Enterprise Std Unlimited Support for QC Ent Area 5 CC Usr Pk SW LTU	1		Included
T6481AAE	HP Enterprise Std Unlimited Support for QC Ent Area CC Usr SW E-LTU	5		Included
T6821AA	HP Enterprise Std Unlimited Support for QTP Siebel Add-in Site CC Usr SW LTU	5		Included
T6822AA	HP Enterprise Std Unlimited Support for QTP Site CC Usr SW LTU	5		Included
A8F90AAE	HP Enterprise SW maintenance for HP LR Foundation Entitlement SW E-LTU	1		Included
A8F57AAE	HP Enterprise SW maintenance for HP LR Oracle EB 1-499 VU+C SW E-LTU	200		Included
TF063AAE	HP FT Seat to UFT Seat Upgrade SW E-LTU / HP SW Tech Unlimited Sppt & HP SW Updts Svc	5		Included
TA332AAE	HP FT Seat Usr SW E-LTU	5		Included
TF060AAE	HP FT Site to UFT CC User UPG SW E-LTU	15		Included
TD028AAE	HP LR Database 100-499 VU SW E-LTU	100		Included
TD010AAE	HP LR Oracle EB 500-4999 VU SW E-LTU	2000		Included
TC969AAE	HP LR Web 2.0 500-4999 VU SW E-LTU	2000		Included
TC967AAE	HP LR Web/Mmed 100-499 VU SW E-LTU	200		Included
TC964AAE	HP LR Web/Mmed 500-4999 VU SW E-LTU	2400		Included
TC964AAE	HP LR Web/Mmed 500-4999 VU SW E-LTU	500		Included
TB141AAE	HP LR/PC Diag for Comp AppInst SW E-LTU	17		Included
T6234AAE	HP LRner Cntlr & Monitors SW E-LTU	4		Included
T6482AAE	HP QC ENT Global CC User SW E-LTU	30		Included
T6470AAE	HP QC Ent Site 5 CC Usr Pk SW E-LTU	1		Included
T6480AAE	HP QC Ent Site CC Usr SW E-LTU	57		Included
T6480AAE	HP QC Ent Site CC Usr SW E-LTU - HP SW Technical Unlimited Support & SW Updates Svc	15		Included
T6822AA	HP QTP Site CC Usr SW LTU	10		Included
T9871AAE	HP Software Enterprise Basic Support for HP ALM Area CC Usr SW E-LTU	5		Included
TF008AAE	HP Software Enterprise Basic Support for HP UFT CC User SW E-LTU	15		Included
T7373AAE	HP SW Enterprise Basic Support - HP PPM DM Oracle Ext Named Usr SW E-LTU	1		Included
TA333AAE	HP SW Enterprise Basic Support for HP Functional Test Site CC Usr SW E-LTU	15		Included
TD038AAE	HP SW Technical Unlimited Support & Updates Svc for HP LR .NET 100-499 VU SW E-LTU	100		Included
TC997AAE	HP SW Technical Unlimited Support & Updates Svc for HP LR RIA 100-499 VU SW E-LTU	100		Included
T6481AAE	HP SW Technical Unlimited Support & Updates Svc for HP QC Ent Area CC Usr SW E-LTU	15		Included
T9500AAE	HP Tech Sppt & Updates Svc for AM Srv SW LTU	1		Included
T9503AAE	HP Tech Sppt & Updates Svc forAM Asset Portfolio CC Usr SW LTU	5		Included

T9502AAE	HP Tech Sppt & Updates Svc forAM Asset Portfolio Nmd Usr SW LTU	5		Included
T9513AAE	HP Tech Sppt & Updates Svc forAM Contract Mgmt Flt Usr SW LTU	5		Included
T9512AAE	HP Tech Sppt & Updates Svc forAM Contract Mgmt Nmd Usr SW LTU	5		Included
T9509AAE	HP Tech Sppt & Updates Svc forAM Financial Mgmt Flt Usr SW LTU	5		Included
T9508AAE	HP Tech Sppt & Updates Svc forAM Financial Mgmt Nmd Usr SW LTU	5		Included
T9520AAE	HP Tech Sppt & Updates Svc forAM Procurement Flt Usr SW LTU	5		Included
T9519AAE	HP Tech Sppt & Updates Svc forAM Procurement Nmd Usr SW LTU	5		Included
T4247AAE	HP Tech Sppt & Updates Svc forCnct Base Connectors SW E-LTU	1		Included
TF235AAE	HP Tech Sppt & Updates Svc forUCMDB 10.00+ FndFedTpl Entitlement SW E-LTU	1		Included
T4247AAE	HP Tech Support and Updates Svc for HP Cnct Base Connectors SW E-LTU	1		Included
T4503AAE	HP Tech Support and Updates Svc for HP Cnct Database Usr SW E-LTU	10		Included
T4505AAE	HP Tech Support and Updates Svc for HP Cnct Email Usr SW E-LTU	10		Included
T4511AAE	HP Tech Support and Updates Svc for HP Cnct LDAP Usr SW E-LTU	10		Included
T9768AAE	HP Tech Support and Updates Svc for HP IT Change Mgmt Suite Nmd Usr SW E-LTU	10		Included
T5015AAE	HP Tech Support and Updates Svc for HP SM Foundation Nmd Usr SW E-LTU	10		Included
T5017AAE	HP Tech Support and Updates Svc for HP SM Help Desk Nmd Usr SW E-LTU	10		Included
T5000AAE	HP Tech Support and Updates Svc for HP SM Server SW E-LTU	1		Included
T5025AAE	HP Tech Support and Updates Svc for HP SM SLM Nmd Usr SW E-LTU	10		Included
TF235AAE	HP Tech Support and Updates Svc for HP UCMDB 10.00+ FndFedTpl Entitlement SW E-LTU	1		Included
TF008AAE	HP UFT CC User SW E-LTU - HP SW Enterprise Standard Support	10		Included
				Comments

g. VMWare

1g: VMWare Enterprise License Agreement, 1/1/2016-12/31/2019				
	Description	**Quantity**	**Minimum % Discount from VPI Cost**	**Comments**
	vCenter Server Standard	2	12%	
	vCenter Site Recovery Manager	1	12%	
	vCloud Suite Enterprise	40	12%	
	vSphere with Operations Management Standard for 1 Processor	4	12%	
	Horizon Suite 10 Pack	3	12%	
	vCenter Ops Management Suite Standard (25 VM Pack)	1	12%	
	Workstation for Linux and Windows	5	12%	
	Workstation for Linux and Windows (volume pricing for 10-99 licenses)	15	12%	
	Fusion Professional Edition	10	12%	
				Comments

4. Discretionary Software

II: Discretionary Software		
Transaction Cost Band	**Minimum % Discount from VPI Cost**	**Comments**
Less than $10,000	4%	Discounts extended off of VPI
$10,000 - less than $25,000	6%	Discounts extended off of VPI
$25,000 - less than $250,000	6%	Discounts extended off of VPI
$250,000 - less than $2.5 million	6%	Discounts extended off of VPI

5. Optional Software Titles

III: Optional Software Titles					
Publisher	**Maximum (not-to-exceed) % Markup to Bidder cost on Purchases less than $500,000**	**Minimum % Discount to Bidder VPI cost on Purchases $500,000 or greater**	**Estimated Cost to renew FY2017 Software Maintenance/Support**	**Additional % Discount to Other Titles for Inclusion in Contract**	**Comments**
CA	10%	14%	No Markup Extended on Maintenance or Renewals	10%	Discounts do not reflect renewal pricing
Compuware	10%	14%	No Markup Extended on Maintenance or Renewals	10%	Discounts do not reflect renewal pricing
IBM	10%	14%	No Markup Extended on Maintenance or Renewals	10%	Discounts do not reflect renewal pricing
Novell	10%	14%	No Markup Extended on Maintenance or Renewals	10%	Discounts do not reflect renewal pricing
Oracle	10%	14%	No Markup Extended on Maintenance or Renewals	10%	Discounts do not reflect renewal pricing
SAP	10%	14%	No Markup Extended on Maintenance or Renewals	10%	Discounts do not reflect renewal pricing

6. Installation, integration and implementation hourly rates – see Schedule B, Exhibit 3 – Services Price Tables

Schedule B - Pricing
Exhibit 3 -Services Price Tables

1. Hardware Services- RESERVED (for Hardware Module Services Pricing Tables language if awarded in the future).

2. Software Services – Pricing will be determined on a per-purchase competitive bidding process between vendors who have been selected to source hardware to the State through the Michigan Master Computing Program. Below are guaranteed not to exceed hourly rates available to the State (services are not limited to the individual positions below):

Hardware Installation, Integration, and Implementation Hourly Rates (not to exceed).		
Description	Hourly Rate	Comments
Bidder's Badged Resources		
Application/Software Engineer	$142--$192	exact amount dependent upon Statement of Work
Application/Software Engineer Sr	$177--$227	exact amount dependent upon Statement of Work
Application/Software Engineer, Level 3	$213--$263	exact amount dependent upon Statement of Work
Systems Analyst	$159--$209	exact amount dependent upon Statement of Work
Systems Analyst Sr	$213--$263	exact amount dependent upon Statement of Work
Database Administrator	$159--$209	exact amount dependent upon Statement of Work
Database Administrator Sr.	$230--$280	exact amount dependent upon Statement of Work
Database Analyst	$124--$174	exact amount dependent upon Statement of Work
Database Analyst Sr.	$159--$209	exact amount dependent upon Statement of Work
Technical Writer	$133--$183	exact amount dependent upon Statement of Work
Technical Writer Sr.	$168--$218	exact amount dependent upon Statement of Work
Testing Technician	$124--$174	exact amount dependent upon Statement of Work
Testing Technician Sr.	$177--$227	exact amount dependent upon Statement of Work
Quality Assurance Analyst	$124--$174	exact amount dependent upon Statement of Work
Quality Assurance Analyst Sr.	$177--$227	exact amount dependent upon Statement of Work
Security Analyst	$195--$245	exact amount dependent upon Statement of Work
Security Specialist	$239-$289	exact amount dependent upon Statement of Work
Field Services Technician - Junior	$115--$165	exact amount dependent upon Statement of Work
Field Services Technician - Senior	$150--$200	exact amount dependent upon Statement of Work
Microsoft Resources (if not included already)		
Included in RFP		
Symantec Badged Resources		
Solutions Specialist	$368	
Product Management	$368	

BMC Badged Resources		
Architect	$299	
Program Manager	$249	
Implementation Engineer	$399	
Adobe Badged Resources		
Solution Architect	$299	
Citrix Badged Resources		
Architect	$279	
Implementation	$349	
Design Engineer	$399	
HP Software Badged Resources		
Architect	$349	
Implementation	$299	
Sr Engineer	$399	
VMWare Badged Resources		
Associate	$178	
Associate Consultant	$114	
Consultant Airwatch	$170	
Consultant	$267	
Sr. Consultant	$334	
Architect	$415	
Sr. Architect	$446	
Enterprise Architect	$476	
Inside Project Manager	$204	
Project Manager	$267	
Sr. Project Manager	$324	
Program Manager	$392	
Business Consultant	$292	
Senior Business Consultant	$343	
Business Architect	$402	
Business Strategist	$490	
Business Practice Principal	$515	
CA Badged Resources (Optional)		

Compuware Badged Resources (Optional)		
IBM Badged Resources (Optional)		
Novell Badged Resources (Optional)		
Oracle Badged Resources (Optional)		
SAP Badged Resources (Optional)		

Schedule C
Exhibit 1 – Value Added Services

MICROSOFT

Please find below information on additional value added service that SHI can offer specifically around Microsoft if awarded. Some of these were included in our initial response and others are an elaboration of what was discussed in our oral presentation.

CONTRACT DISCOUNTS

SHI will work with the State to help negotiate the EA upon renewal. We work to educate our customers and assist in dialogue with Microsoft to help work toward the best deal. Discounts overall are based on a few things:

- Full Platform versus Component EAs – Michigan has a full platform EA which shows a larger commitment to Microsoft and typically leads to more aggressive discounts.
- Federated versus Enterprise Contract model – Michigan has an Enterprise model (all agencies roll up to one EA Master) which shows a larger commitment to Microsoft and typically leads to more aggressive discounts.
- Product Driven Discounts – Adding certain products to your EA will could lead to better overall discounts. These “focus” products change from year to year.
- Usage Driven Discounts – for subscription based products, showing consumption or activation and use of the product will typically lead to better discounts.
- Overall Size of Contract – States with larger seat counts that are committed Enterprise wide will typically get more aggressive discount structures than States with smaller seat counts.

SHI is happy to share our comparative States findings with you as well. We are happy to set up a call to discuss in more detail at your convenience. In addition, in May, SHI will begin to host a CIO Call Series to facilitate discussion across states. This is designed to help create open dialogue and create a platform to for the State to build a more efficient and productive relationship with partners, starting with Microsoft.

ROI ON INVESTMENT

SHI will work with you after procurement of O365 and Azure to ensure that the products you invest in are deployed correctly and that you are getting the most out of the products.

- Microsoft O365 Jumpstart program – please see attached PDF for description of services
- Microsoft Azure Jumpstart program – while this is still in the development stage, SHI plans to roll out similar assistance to customers around Azure. The need for this is based on customers having issues with multiple tenants, overage, and other implementation issues.

Software Asset Management

SHI’s IT Asset Management Organization helps our customers optimize investments in Microsoft technology to ensure continuous compliance and cost savings. Customers choose from:

- Managed Service –on-going SAM service allowing for continual improvement of our customers SAM processes. These can be for 1 year or multi-year engagements and can include one publisher or multiple publishers. SHI will provide a quarterly executive SAM summary and review
- Baseline – a one-time SAM analysis, usually focused on one publisher

There are many advantages to SHI's ITAM Services including audit readiness, license allocation and redeployment, and cost savings. Please note that these services are typically fee based but SHI has helped customers get funding from Microsoft. When funded by the partner they are given visibility to the results. When the customer pays for the engagement themselves, the results are only shared with the customer and not MS directly.

Strategic Planning and Consulting

- Analysis of your current Microsoft software license footprint
- Discuss current "state" of Microsoft licensing models, products, and programs
- Review latest technology trends and impact on your current licensing (i.e. VDI, O365)
- Develop a strategy for on-going acquisition of Microsoft products and services, including financial analysis planning

Licensing Support Services

- MSFT Volume Licensing Center SA Benefit and Product Activation guidance (demo/walk-thru available upon request)
- O365 License Reservation Support/Guidance
- Microsoft Product and Services Agreement (MPSA) Portal Walk-thru and Onboarding support
- Cloud Licensing Support Desk