



NOTICE OF CONTRACT

CONTRACT NO. 071B6600132
 between
 THE STATE OF MICHIGAN
 and

CONTRACTOR	APPRISS INC
	10401 Linn Station Road
	Louisville, KY 40223-3842
	Jessica Radcliffe
	(502) 815-5568
	jradcliffe@appriss.com
	*****1324

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	Contract Administrator	Malathi Natarajan	DTMB
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CONTRACT SUMMARY			
DESCRIPTION: Michigan Automated Prescription System (MAPS) - LARA			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 07, 2016	October 07, 2019	2 – 2 years	October 07, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
This contract is awarded from RFP # 007116B0008749 for Michigan Automated Prescription System (MAPS) published in Buy4Michigan.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$2,470,000.00

FOR THE CONTRACTOR:

APPRISS INC

Company Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

William Pemble, IT Division Director

Name & Title

DTMB Procurement

Agency

Date



STATE OF MICHIGAN

CONTRACT TERMS Software as a Service (SaaS)

This Software as a Service Contract (this “**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Appriss, Inc. (“**Contractor**”). This Contract is effective on 10/07/2016 (“**Effective Date**”), and unless earlier terminated, will expire on 10/07/2019 (the “**Term**”).

This Contract may be renewed for up to 2 additional 2 year period(s). Renewal must be by written notice from the State and will automatically extend the Term of this Contract.

1. Definitions.

“**Accept**” has the meaning set forth in **Section 4.2(b)**.

“**Acceptance**” has the meaning set forth in **Section 4.2(b)**.

“**Action**” has the meaning set forth in **Section 13.1**.

“**Actual Uptime**” means the total minutes in the Service Period that the Hosted Services are Available.

“**Allegedly Infringing Features**” has the meaning set forth in **Section 13.3(b)(ii)**.

“**Authorized Users**” means all Persons authorized by the State to access and use the Services through the State’s account under this Contract, subject to the maximum number of users specified in the applicable Statement of Work.

“**Availability**” has the meaning set forth in **Section 5(a)**.

“**Availability Requirement**” has the meaning set forth in **Section 5(a)**.

“**Available**” has the meaning set forth in **Section 5(a)**.

“**Business Day**” means a day other than a Saturday, Sunday or State Holiday.

“**Change Notice**” has the meaning set forth in **Section 2.2**.

“**Code**” has the meaning set forth in **Section 18**.

“**Confidential Information**” has the meaning set forth in **Section 10.1**.

“**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 and execute any Change Notices under this Contract. Each party’s Contract Administrator will be identified in the Statement of Work.

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

“**Contractor Personnel**” means all employees and agents of Contractor, all Subcontractors and all employees and agents of any Subcontractor, involved in the performance of Services.

“**Contractor Security Officer**” has the meaning set forth in **Section 2.5(a)**.

“**Contractor Service Manager**” has the meaning set forth in **Section 2.5(a)**.

“**Contractor Systems**” has the meaning set forth in **Section 11.3**.

“**Corrective Action Plan**” has the meaning set forth in **Section 6.5**.

“**Critical Service Error**” has the meaning set forth in **Section 6.4(a)**.

“**Documentation**” means all generally available documentation relating to the Services, including all user manuals, operating manuals and other instructions, specifications, documents and materials, in any form or media, that describe any component, feature, requirement or other aspect of the Services, including any functionality, testing, operation or use thereof.

“**DR Plan**” has the meaning set forth in **Section 12.3(a)**.

“**Effective Date**” has the meaning set forth in the preamble.

“**Exceptions**” has the meaning set forth in **Section 5.2**.

“**Fees**” has the meaning set forth in **Section 8.1**.

“**Force Majeure Event**” has the meaning set forth in **Section 17.1**.

“**Harmful Code**” means any software, hardware or other technologies, devices or means, the purpose or effect of which is to: (a) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner, any (i) computer, software, firmware, hardware, system or network, or (ii) any application or function of any of the foregoing or the integrity, use or operation of any data Processed thereby; or (b) prevent the State or any Authorized User from accessing or using the Services or Contractor Systems as intended by this

Contract, and includes any virus, bug, trojan horse, worm, backdoor or other malicious computer code and any time bomb or drop dead device.

“High Service Error” has the meaning set forth in **Section 6.4(a)**.

“HIPAA” has the meaning set forth in **Section 9.1**.

“Hosted Services” has the meaning set forth in **Section 2.1(a)**.

“Intellectual Property Rights” means any and all rights comprising or relating to: (a) patents, patent disclosures and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (c) authorship rights, copyrights and copyrightable works (including computer programs) 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.

“Key Personnel” means any Contractor Personnel identified as key personnel in this Contract or any 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” 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. “Losses” has a correlative meaning.

“Low Service Error” has the meaning set forth in **Section 6.4(a)**.

“Medium Service Error” has the meaning set forth in **Section 6.4(a)**.

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

“Personal Health Information (PHI)” has the meaning set forth in **Section 9.1**.

“Personally Identifiable Information (PII)” has the meaning set forth in **Section 9.1**.

“Process” means to perform any operation or set of operations on any data, information, material, work, expression or other content, including to (a) collect, receive, input, upload,

download, record, reproduce, store, organize, combine, log, catalog, cross-reference, manage, maintain, copy, adapt, alter, translate or make other improvements or derivative works, (b) process, retrieve, output, consult, use, disseminate, transmit, submit, post, transfer, disclose or otherwise provide or make available, or (c) block, erase or destroy. **“Processing”** and **“Processed”** have correlative meanings.

“Reject” has the meaning set forth in **Section 4.2(b)**.

“Rejection” has the meaning set forth in **Section 4.2(b)**.

“Representatives” means a party’s employees, officers, directors, consultants, legal advisors and, with respect to Contractor, Contractor’s Subcontractors.

“Resolve” has the meaning set forth in **Section 6.4(b)**.

“RFP” means the State’s request for proposal designed to solicit responses for Services under this Contract.

“Scheduled Downtime” has the meaning set forth in **Section 5.3**.

“Scheduled Uptime” means the total minutes in the Service Period.

“Service Availability Credits” has the meaning set forth in **Section 5.5(a)**.

“Service Error” means any failure of any Hosted Service to be Available or otherwise perform in accordance with this Contract and the Specifications.

“Service Level Failure” means a failure to perform the Support Services fully in compliance with the Support Service Level Requirements.

“Service Period” has the meaning set forth in **Section 5(a)**.

“Service Software” means any and all software applications and any third-party or other software, and all new versions, updates, revisions, improvements and modifications of the foregoing, that Contractor provides remote access to and use of as part of the Services.

“Service Support Level Requirements” has the meaning set forth in **Section 6.4**.

“Services” has the meaning set forth in **Section 2.1**.

“Source Code” means the human readable source code of the Service Software to which it relates, in the programming language in which the Service Software was written, together with all related flow charts and technical documentation, including a description of the procedure for generating object code, all of a level sufficient to enable a programmer reasonably fluent in such programming language to understand, build, operate, support, maintain and develop modifications, upgrades, updates, adaptations, enhancements, new versions and other derivative

works and improvements of, and to develop computer programs compatible with, the Service Software.

“**Specifications**” means the specifications for the Services set forth in the applicable Statement of Work and, to the extent consistent with and not limiting of the foregoing, the Documentation.

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

“**State Data**” has the meaning set forth in **Section 9.1**.

“**State Modification**” has the meaning set forth in **Section 13.2(a)**.

“**State Project Manager**” has the meaning set forth in **Section 2.9**.

“**State Systems**” means the information technology infrastructure, including the computers, software, databases, electronic systems (including database management systems) and networks, of the State or any of its designees.

“**State-Specific Deliverables**” means all training materials, project management documents, State-specific forms or templates, and all other related materials that Contractor is required to provide to the State under this Contract, including all items specifically identified as State-Specific Deliverables in the Statement of Work.

“**Statement of Work**” has the meaning set forth in **Section 2.1(a)**. The Initial Statement of Work is attached as **Schedule A**, and subsequent Statements of Work shall be sequentially identified and attached as Schedule A-1, A-2, A-3, etc.

“**Subcontractor**” means any entity that performs any Services under this Contract and otherwise has the meaning set forth in **Section 2.4(a)**.

“**Support Request**” has the meaning set forth in **Section 6.4(a)**.

“**Support Service Level Requirements**” has the meaning set forth in **Section 6.4**.

“**Support Services**” has the meaning set forth in **Section 6**.

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

“**Transition Period**” has the meaning set forth in **Section 7.3**.

“**Transition Responsibilities**” has the meaning set forth in **Section 7.3**.

“**User Data**” means any and all information reflecting the access or use of the Hosted Services by or on behalf of the State or any Authorized User, including any end user profile, visit,

session, impression, click-through or click-stream data and any statistical or other analysis, information or data based on or derived from any of the foregoing.

2. **Services.**

2.1 Services. Throughout the Term and at all times in connection with its actual or required performance under this Contract, Contractor will, in accordance with all terms and conditions set forth in this Contract and each applicable Statement of Work, provide to the State and its Authorized Users the following services ("**Services**"):

(a) the hosting, management and operation of the Service Software and other services for remote electronic access and use by the State and its Authorized Users ("**Hosted Services**") as described in one or more written, sequentially numbered, statements of work referencing this Contract, including all Specifications set forth in such statements of work, which, upon their execution will be attached as **Schedule A** to this Contract and by this reference are incorporated in and made a part of this Contract (each, a "**Statement of Work**");

(b) service maintenance and the Support Services as set forth in **Section 6** and in the applicable Statement of Work; and

(c) such other services as may be specified in the applicable Statement of Work.

2.2 Change Notices.

(a) Any modifications or changes to the Services under any executed Statement of Work will be effective only if and when memorialized in a mutually agreed written change notice ("**Change Notice**") signed by both Parties, provided, however, that for any Services provided on a limited basis (for example, on a per user, server, CPU or named-user basis), the State may, at any time, increase or decrease the number of its licenses hereunder subject to a corresponding forward-going adjustment of the Fees to reflect these changes in accordance with the pricing set forth in the applicable Statement of Work.

(b) In the event the Services are customizable, a more detailed change control process may be specified in the applicable Statement of Work. In such event, the change control process set forth in such Statement of Work shall control.

2.3 Compliance With Laws. Contractor must comply with all applicable Laws as they concern this Contract, including by securing and maintaining all required and appropriate visas, work permits, business licenses and other documentation and clearances necessary for performance of the Services.

2.4 Subcontracting. Contractor will not itself, and will not permit any Person to, subcontract any Services, in whole or in part, without the State's prior written consent, which consent may be given or withheld in the State's sole discretion. Without limiting the foregoing:

(a) Contractor must ensure each Contractor subcontractor (including any subcontractor of a Contractor subcontractor, each, a "**Subcontractor**") complies with all relevant terms of this Contract, including all provisions relating to State Data or other Confidential Information of the State;

(b) the State's consent to any such Subcontractor does not relieve Contractor of its representations, warranties or obligations under this Contract;

(c) Contractor will remain responsible and liable for any and all: (i) performance required hereunder, including the proper supervision, coordination and performance of the Services; and (ii) acts and omissions of each Subcontractor (including, such Subcontractor's employees and agents, who, to the extent they are involved in providing any Services, are deemed Contractor Personnel) to the same extent as if such acts or omissions were by Contractor;

(d) any noncompliance by any Subcontractor or its employees or agents with the provisions of this Contract or any Statement of Work will constitute a breach by Contractor;

(e) prior to the provision of Services by any Subcontractor, Contractor must obtain from each such proposed Subcontractor:

- (i) the identity of such Subcontractor and the location of all its data centers, if any, that will be used in Processing any State Data, which information Contractor shall promptly disclose to the State in writing; and
- (ii) evidence of 1) compliance with Uptime Institute Tier 3 standards; 2) FedRAMP certification; 3) conformance to NIST 800-53 Rev. 4 standards; and 4) any additional certifications or standards specified in the Statement of Work or Schedule C (Data Security Requirements), for each Subcontractor data center, if any, that will be used in Processing any State Data.

2.5 Contractor Personnel. Contractor will:

(a) subject to the prior written approval of the State, appoint: (i) a Contractor employee to serve as a primary contact with respect to the Services who will have the authority to act on behalf of Contractor in matters pertaining to the receipt and processing of Support Requests and the Support Services (the "**Contractor Service Manager**"); and (ii) a Contractor employee to respond to the State's inquiries regarding the security of the Contractor Systems who has sufficient knowledge of the security of the Contractor Systems and the authority to act on behalf of Contractor in matters pertaining thereto ("**Contractor Security Officer**"); and (iii) other Key Personnel, who will be suitably skilled, experienced and qualified to perform the Services;

(b) provide names and contact information for Contractor's Key Personnel on **Statement of Work, section 1.201** Contractor Staff, Roles, and Responsibilities to this Contract;

(c) maintain the same Contractor Service Manager, Contractor Security Officer and other Key Personnel throughout the Term and such additional period, if any, as Contractor is required to perform the Services, except for changes in such personnel due to: (i) the State's reasonable written request; (ii) prior written notice provided by Contractor as set forth in **Section 2.6(a)**; or (iii) the death, illness, disability, leave of absence, personal emergency circumstances, resignation, for cause termination, or other circumstances outside Contractor's reasonable control; and

(d) replace, on a commercially reasonable timeline, any Key Personnel on the occurrence of any event set forth in **Section 2.5(c)(i) and (iii)**. For any Project Manager or Subject Matter Expert identified as Key Personnel, such replacement will: 1) meet the applicable requirements set forth in the Key Personnel Resume Requirements set forth in the Statement of Work; 2) have the skillsets of an equivalent level and ability to the personnel they are replacing; and 3) be subject to the State's prior written approval, which will not be unreasonably withheld. On the occurrence of any event set forth in Section 2.5(c)(ii), replacement of personnel is set forth in Section 2.6(a) below.

2.6 Unauthorized Removal of Key Personnel.

(a) Contractor will not remove any Key Personnel from their assigned roles on this Contract without prior written notice to the State to be provided within a reasonable timeframe prior to the removal; provided however that such removal shall not interfere with the timely and proper completion of this Contract. Further, for any Project Manager or Subject Matter Expert identified as Key Personnel, Contractor will provide a replacement prior to their removal. Such replacement will: 1) meet the applicable requirements set forth in the Key Personnel Resume Requirements set forth in the Statement of Work; 2) have the skillsets of an equivalent level and ability to the personnel they are replacing; and 3) be subject to the State's prior written approval, which will not be unreasonably withheld. Any other Key Personnel will be replaced on a commercially reasonable timeline. The Contractor's removal of Key Personnel without this prior written notice to the State, and for any Project Manager or Subject Matter Expert, an approved replacement person, is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including any event set forth in **Section 2.5(c)**.

(b) 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 7.1**.

2.7 Management and Payment of Contractor Personnel.

(a) Contractor is solely responsible for the payment of Contractor Personnel, including all fees, expenses and compensation to, by or on behalf of any Contractor Personnel and, if applicable, the withholding of income taxes and payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits.

(b) Contractor will ensure that no Person who has been convicted of a felony or any misdemeanor involving, in any way, theft, fraud, or bribery provides any Services or has access to any State Data, State Systems or State facilities. On a case-by-case basis, the State may request that Contractor initiate a background check on any Contractor Personnel before they may have access to State Data, State Systems or State facilities. Any request for a background check shall be initiated by the State and must be reasonably related to the type of work requested. The scope of the background check is at the discretion of the State and the results shall be used solely to determine the eligibility of Contractor Personnel to work with State Data, State Systems or in State facilities. If provided to the State, results of background checks will be promptly returned to Contractor, and will be treated as Confidential Information. All investigations will include a Michigan State Police Background check (ICHAT) and may include a National Crime Information Center (NCIC) Finger Print check. Contractor will present attestation of satisfactory completion of such tests. Contractor is responsible for all costs and expenses associated with such background checks.

2.8 Time is of the Essence. Contractor acknowledges and agrees that time is of the essence with respect to its obligations under this Contract and that prompt and timely performance of all such obligations, including all timetables and other requirements of this Contract and each Statement of Work, is strictly required.

2.9 State Project Manager. The State will appoint and, in its reasonable discretion, replace, a State employee to serve as the primary contact with respect to the Services who will have the authority to act on behalf of the State in matters pertaining to the Support Services, including the submission and processing of Support Requests (the "**State Project Manager**").

3. License Grant and Restrictions.

3.1 Contractor License Grant. Contractor hereby grants to the State, exercisable by and through its Authorized Users, a limited, nonexclusive, irrevocable (except as provided herein), non-sublicensable right and license during the Term and such additional periods, if any, as Contractor is required to perform Services under this Contract or any Statement of Work, to:

(a) access and use the Hosted Services, including in operation with other software, hardware, systems, networks and services, for the State's business purposes, as set forth in the Statement of Work, including for Processing State Data;

(b) generate, print, copy, upload, download, store and otherwise Process all GUI, audio, visual, digital and other output, displays and other content as may result from any access to or use of the Services;

(c) prepare, reproduce, print, download and use a reasonable number of copies of the Specifications and Documentation for any use of the Services under this Contract; and

(d) access and use the Services for all such non-production uses and applications as may be necessary or useful for the effective use of the Hosted Services hereunder, including for purposes of analysis, development, configuration, integration, testing, training, maintenance, support and repair, which access and use will be without charge and not included for any purpose in any calculation of the State's or its Authorized Users' use of the Services, including for purposes of assessing any Fees or other consideration payable to Contractor or determining any excess use of the Hosted Services as described in **Section 3.3**.

3.2 License Restrictions. The State will not: (a) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer or otherwise make the Hosted Services available to any third party, except as expressly permitted by this Contract or in any Statement of Work; or (b) use or authorize the use of the Services or Documentation in any manner or for any purpose that is unlawful under applicable Law.

3.3 Use. The State will pay Contractor the corresponding Fees set forth in the Statement of Work for all Authorized Users access and use of the Service Software. Such Fees will be Contractor's sole and exclusive remedy for use of the Service Software, including any excess use.

3.4 State License Grant. The State hereby grants to Contractor a limited, non-exclusive, non-transferable license (i) to use the State's (or individual agency's, department's or division's) name, trademarks, service marks or logos, solely in accordance with the State's specifications, and (ii) to display, reproduce, distribute and transmit in digital form the State's (or individual agency's, department's or division's) name, trademarks, service marks or logos in connection with promotion of the Services as communicated to Contractor by the State. Use of the State's (or individual agency's, department's or division's) name, trademarks, service marks or logos will be specified in the applicable Statement of Work.

3.5 Ownership.

(a) "Contractor Property" means all of the following: (i) the Hosted Services, Service Software, and the Documentation thereto; (ii) any deliverables and/or work product developed while providing the Hosted Services, Service Software and the Documentation, except for State-Specific Deliverables; and (iii) any enhancements, modifications or derivative works to the Hosted Services, Service Software, and the Documentation. Subject only to the licenses expressly granted herein, as between Contractor and the State, Contractor shall be the sole owner of all intellectual property rights in and to the Contractor Property. To the extent that the State has or

later obtains any intellectual property rights in and to the Contractor Property, or any future enhancement or modification thereto or any part thereof, by operation of law or otherwise, State hereby disclaims such rights, and assigns and transfers such rights exclusively to Contractor, and agrees to provide reasonable assistance to Contractor to give effect to such assignment and to protect, enforce and maintain such rights.

(b) As to any State-Specific Deliverables, Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in such State-Specific Deliverables and all associated Intellectual Property Rights, if any. Such State-Specific Deliverables are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any State-Specific Deliverables 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 State-Specific Deliverables, including all Intellectual Property Rights therein.

(c) As between the State, on the one hand, and Contractor, on the other hand, the State has, reserves and retains, sole and exclusive ownership of all right, title and interest in and to User Data, including all Intellectual Property Rights arising therefrom or relating thereto.

4. Service Preparation, Testing and Acceptance. Unless otherwise specified in the applicable Statement of Work, the following will control testing of the specified services:

4.1 Service Preparation. Promptly upon the parties' execution of a Statement of Work, Contractor will take all steps necessary to make the Services procured thereunder ready and available for the State's use in accordance with the Statement of Work and this Contract, including any applicable milestone date or dates set forth in such Statement of Work.

4.2 Testing and Acceptance.

(a) When Contractor notifies the State in writing that the Hosted Services are ready for use in a production environment, the State will have thirty (30) days (or such other period as may be agreed upon by the Parties in writing) from receipt of the notice to test the Hosted Services to determine whether they comply in all material respects with the requirements of this Contract and the Specifications.

(b) Upon completion of the State's testing, the State will notify Contractor of its acceptance ("**Accept**" or "**Acceptance**") or, if it has identified any noncompliance with the Specifications, rejection ("**Reject**" or "**Rejection**") of the Hosted Services. If the State Rejects the Hosted Services, the State will provide a written list of items that must be corrected. On receipt of the State's notice, Contractor will promptly commence, at no additional cost or charge to the State, all reasonable efforts to complete, as quickly as possible and in any event within twenty (20) days (or such other period as may be agreed upon by the Parties in writing) from receipt of

the State's notice, such necessary corrections, repairs and modifications to the Hosted Services to bring them into full compliance with the Specifications.

(c) If any corrective measures are required under **Section 4.2(b)**, upon completion of all such measures, Contractor will notify the State in writing and the process set forth in **Section 4.2(a)** and **Section 4.2(b)** will be repeated; provided that if the State determines that the Hosted Services, as revised, still do not comply in all material respects with the Specifications, the State may, in its sole discretion:

- (i) require the Contractor to repeat the correction, repair and modification process set forth in **Section 4.2(b)** at no additional cost or charge to the State; or
- (ii) terminate any and all of the relevant Statement of Work, this Contract and any other Statements of Work hereunder.

(d) The parties will repeat the foregoing procedure until the State Accepts the Hosted Services or elects to terminate the relevant Statement of Work as provided in **Section 4.2(c)(ii)** above. If the State so terminates the relevant Statement of Work, Contractor must refund to the State all sums previously paid to Contractor under such Statement of Work within ten (10) Business Days of the State's written notice of termination, and the State will be relieved of all obligations thereunder.

5. Service Availability and Service Availability Credits.

(a) Availability Requirement. Contractor will make the Hosted Services Available, as measured over the course of each calendar month during the Term and any additional periods during which Contractor does or is required to perform any Hosted Services (each such calendar month, a "**Service Period**"), at least 99.95% of the time, excluding only the time the Hosted Services are not Available solely as a result of one or more Exceptions (the "**Availability Requirement**"). "**Available**" means the Hosted Services are available and operable for access and use by the State and its Authorized Users over the Internet in material conformity with the Specifications. "**Availability**" has a correlative meaning. The Hosted Services are not considered Available in the event of a material performance degradation or inoperability of the Hosted Services, in whole or in part. The Availability Requirement will be calculated for the Service Period as follows: $(\text{Actual Uptime} - \text{Total Minutes in Service Period Hosted Services are not Available Due to an Exception}) \div (\text{Scheduled Uptime} - \text{Total Minutes in Service Period Hosted Services are not Available Due to an Exception}) \times 100 = \text{Availability}$.

5.2 Exceptions. No period of Hosted Service degradation or inoperability will be included in calculating Availability to the extent that such downtime or degradation is due to any of the following ("**Exceptions**"):

- (a) failures of the State's or its Authorized Users' internet connectivity;

(b) internet or other network traffic problems other than problems arising in or from networks actually or required to be provided or controlled by Contractor; or

(c) Scheduled Downtime as set forth in **Section 5.3**.

5.3 Scheduled Downtime. Contractor must notify the State at least twenty-four (24) hours in advance of all scheduled outages of the Hosted Services in whole or in part ("**Scheduled Downtime**"). All such scheduled outages will: (a) last no longer than five (5) hours; (b) be scheduled between the hours of 1:00 a.m. and 6:00 a.m., Eastern Time; and (c) occur no more frequently than once per week; provided that Contractor may request for the State's approval, extensions of Scheduled Downtime above five (5) hours and such approval by the State may not be unreasonably withheld or delayed.

5.4 Service Availability Reports. Within thirty (30) days after the end of each Service Period, Contractor will provide to the State a report describing the Availability and other performance of the Hosted Services during that calendar month as compared to the Availability Requirement and Specifications. The report must be in electronic or such other form as the State may approve in writing and shall include, at a minimum: (a) the actual performance of the Hosted Services relative to the Availability Requirement and Specifications; and (b) if Hosted Service performance has failed in any respect to meet or exceed the Availability Requirement or Specifications during the reporting period, a description in sufficient detail to inform the State of the cause of such failure and the corrective actions the Contractor has taken and will take to ensure that the Availability Requirement and Specifications are fully met.

5.5 Remedies for Service Availability Failures.

(a) If the actual Availability of the Hosted Services is less than the Availability Requirement for any Service Period, such failure will constitute a Service Error for which Contractor will issue to the State the following credits on the Fees payable for Hosted Services provided during the Service Period ("**Service Availability Credits**"):

Availability	Credit of Fees
≥99.95%	None
<99.9% but ≥99.0%	15%
<99.0% but ≥95.0%	35%
<95.0%	100%

(b) Any Service Availability Credits due under this **Section 5.5** will be applied in accordance with **Section 8.11**.

(c) If the actual Availability of the Hosted Services is less than the Availability Requirement in any two (2) of four (4) consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate this Contract and/or the applicable Statement of Work on written notice to Contractor with no liability, obligation or penalty to the State by reason of such termination.

6. Support and Maintenance Services. Contractor will provide Hosted Service maintenance and support services (collectively, “**Support Services**”) in accordance with the provisions of this **Section 6**. The Support Services are included in the Services, and Contractor may not assess any additional Fees, costs or charges for such Support Services.

6.1 Support Service Responsibilities. Contractor will:

- (a) Correct all Service Errors in accordance with the Support Service Level Requirements, including by providing defect repair, programming corrections and remedial programming;
- (b) Provide unlimited telephone support twenty-four (24) hours per day, seven (7) days per week, three-hundred-sixty-five (365) days per year (“**24x7x365**”);
- (c) Provide online access to technical support bulletins and other user support information and forums, to the full extent Contractor makes such resources available to its other customers; and
- (d) Respond to and Resolve Support Requests as specified in this **Section 6**.

6.2 Service Monitoring and Management. Contractor will continuously monitor and manage the Hosted Services to optimize Availability that meets or exceeds the Availability Requirement. Such monitoring and management includes:

- (a) proactively monitoring on a 24x7x365 basis all Hosted Service functions, servers, firewall and other components of Hosted Service security;
- (b) if such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Hosted Service, taking all necessary and reasonable remedial measures to promptly eliminate such threat and ensure full Availability; and
- (c) if Contractor receives knowledge that the Hosted Service or any Hosted Service function or component is not Available (including by written notice from the State pursuant to the procedures set forth herein or in the applicable Statement of Work):
 - (i) confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;
 - (ii) if Contractor’s facility check in accordance with clause (i) above confirms a Hosted Service outage in whole or in part: (A) notifying the State in writing pursuant to the procedures set forth herein or in the applicable Statement of Work that an outage has occurred, providing such details as may be available, including a Contractor trouble ticket number, if appropriate, and time of outage; and (B) working all problems causing and caused by the

outage until they are Resolved as Critical Service Errors in accordance with the Support Request Classification set forth in **Section 6.4**, or, if determined to be an internet provider problem, open a trouble ticket with the internet provider; and

- (iii) notifying the State that Contractor has fully corrected the outage and any related problems, along with any pertinent findings or action taken to close the trouble ticket.

6.3 Service Maintenance. Contractor will continuously maintain the Hosted Services to optimize Availability that meets or exceeds the Availability Requirement. Such maintenance services include providing to the State and its Authorized Users:

- (a) all updates, bug fixes, enhancements, new releases, new versions and other improvements to the Hosted Services, including the Service Software, that Contractor provides at no additional charge to its other similarly situated customers; and

- (b) all such services and repairs as are required to maintain the Hosted Services or are ancillary, necessary or otherwise related to the State's or its Authorized Users' access to or use of the Hosted Services, so that the Hosted Services operate properly in accordance with this Contract and the Specifications.

6.4 Support Service Level Requirements. Contractor will correct all Service Errors and respond to and Resolve all Support Requests in accordance with the required times and other terms and conditions set forth in this **Section 6.4 ("Support Service Level Requirements")**, this Contract and the applicable Statement of Work.

- (a) Support Requests. The State will classify its requests for Service Error corrections in accordance with the descriptions set forth in the chart below (each a "**Support Request**"). The State Project Manager will notify Contractor of Support Requests by e-mail, telephone or such other means as the parties may hereafter agree to in writing.

Support Request Classification	Description: Any Service Error Comprising or Causing any of the Following Events or Effects
Critical Service Error	<ul style="list-style-type: none"> • Issue affecting entire system or single critical production function; • System down or operating in materially degraded state; • Data integrity at risk;

	<ul style="list-style-type: none"> • Material financial impact; • Declared a Critical Support Request by the State; or • Widespread access interruptions.
High Service Error	<ul style="list-style-type: none"> • Primary component failure that materially impairs its performance; or • Data entry or access is materially impaired on a limited basis.
Medium Service Error	<ul style="list-style-type: none"> • Hosted Service is operating with minor issues that can be addressed with a work around.
Low Service Error	<ul style="list-style-type: none"> • Request for assistance, information, or services that are routine in nature.

(b) Response and Resolution Time Service Levels. Response and Resolution times will be measured from the time Contractor receives a Support Request until the respective times Contractor has (i) responded to, in the case of response time and (ii) Resolved such Support Request, in the case of Resolution time. “**Resolve**” (including “**Resolved**”, “**Resolution**” and correlative capitalized terms) means that, as to any Service Error, Contractor has provided the State the corresponding Service Error correction and the State has confirmed such correction and its acceptance thereof. Contractor will respond to and Resolve all Service Errors within the following times based on the severity of the Service Error:

Support Request Classification	Service Level Metric (Required Response Time)	Service Level Metric (Required Resolution Time)
Critical Service Error	One (1) hour	Two (2) hours
High Service Error	Two (2) hours	Four (4) hours
Medium Service Error	Twenty-four (24) hours	Forty-Eight (48) hours
Low Service Error	Two (2) Business Days	Five (5) Business Days

(c) Escalation. With respect to any Critical Service Error Support Request, until such Support Request is Resolved, Contractor will escalate that Support Request within sixty (60) minutes of the receipt of such Support Request by the appropriate Contractor support personnel, including, as applicable, the Contractor Service Manager and Contractor's management or engineering personnel, as appropriate, each of whom must be Key Personnel.

6.5 Corrective Action Plan. If two or more Critical Service Errors occur in any thirty (30) day period during (a) the Term or (b) any additional periods during which Contractor does or is required to perform any Hosted Services, Contractor will promptly investigate the root causes of these Service Errors and provide to the State within five (5) Business Days of its receipt of notice of the second such Support Request an analysis of such root causes and a proposed written corrective action plan for the State's review, comment and approval, which, subject to and upon the State's written approval, shall be a part of, and by this reference is incorporated in, this Contract as the parties' corrective action plan (the "**Corrective Action Plan**"). The Corrective Action Plan must include, at a minimum: (a) Contractor's commitment to the State to devote the appropriate time, skilled personnel, systems support and equipment and other resources necessary to Resolve and prevent any further occurrences of the Service Errors giving rise to such Support Requests; (b) a strategy for developing any programming, software updates, fixes, patches, etc. necessary to remedy, and prevent any further occurrences of, such Service Errors; and (c) time frames for implementing the Corrective Action Plan. There will be no additional charge for Contractor's preparation or implementation of the Corrective Action Plan in the time frames and manner set forth therein.

7. Termination, Expiration and Transition.

7.1 Termination for Cause. In addition to any right of termination set forth elsewhere in this Contract:

(a) The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (i) endangers the value, integrity, or security of State Systems, State Data, or the State's facilities or personnel; (ii) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; or (iii) breaches any of its material duties or obligations under this Contract. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

(b) If the State terminates this Contract under this **Section 7.1**, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of this 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 7.2**.

(c) In the event of a Termination pursuant to Paragraph 7.1(a), the State will only pay for amounts due to Contractor for Services 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. In the event of termination pursuant to 7.1 (a), Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination. Further, Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Services from other sources.

7.2 Termination for Convenience. The State may immediately terminate this Contract 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 must: (a) cease performance immediately, or (b) continue to perform in accordance with **Section 7.3**. 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 to the extent the funds are available.

7.3 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 90 calendar days; the "**Transition Period**"), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract to continue without interruption or adverse effect, and to facilitate the orderly transfer of the 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 Statement of Work rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services 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 State Data; and (d) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, the "**Transition Responsibilities**"). The Term of this Contract is automatically extended through the end of the Transition Period.

7.4 Effect of Termination. Upon and after the termination or expiration of this Contract or one or more Statements of Work for any or no reason:

(a) Contractor will be obligated to perform all Transition Responsibilities specified in **Section 7.3**.

(b) All licenses granted to Contractor in State Data will immediately and automatically also terminate. Contractor must promptly return to the State all State Data not required by Contractor for its Transition Responsibilities, if any.

(c) Contractor will (i) return to the State all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the State's Confidential Information; (ii) permanently erase the State's Confidential Information from its computer systems; and (iii) certify

in writing to the State that it has complied with the requirements of this **Section 7**, in each case to the extent such materials are not required by Contractor for Transition Responsibilities, if any.

(d) Notwithstanding any provisions of this Contract or any Statement of Work to the contrary, upon the State's termination of this Contract or any Statement of Work for cause pursuant to **Section 7.1**, the State will have the right and option to continue to access and use the Services under each applicable Statement of Work, in whole and in part, for a period not to exceed one hundred and eighty (180) days from the effective date of such termination pursuant to the terms and conditions of this Contract and each applicable Statement of Work.

7.5 Survival. The rights, obligations and conditions set forth in this **Section 7.5** and **Section 1** (Definitions), **Section 7.3** (Effect of Termination; Data Retention), **Section 9** (State Data), **Section 10** (Confidentiality), **Section 11** (Security), **Section 13.1** (Indemnification), **Section 14** (Limitations of Liability), **Section 15** (Representations and Warranties), **Section 16** (Insurance) and **Section 18** (Effect of Contractor Bankruptcy) and **Section 19** (General Provisions), and any right, obligation or condition that, by its express terms or nature and context is intended to survive the termination or expiration of this Contract, survives any such termination or expiration hereof.

8. Fees and Expenses.

8.1 Fees. Subject to the terms and conditions of this Contract and the applicable Statement of Work, including the provisions of this **Section 8**, the State shall pay the fees set forth in the applicable Statement of Work, subject to such increases and adjustments as may be permitted pursuant to **Section 8.2** ("**Fees During Option Years**").

8.2 Fees During Option Years. Contractor's Fees are fixed during the initial period of the Term. Contractor may increase Fees for any renewal period by providing written notice to the State at least sixty (60) calendar days prior to the commencement of such renewal period. An increase of Fees for any renewal period may not exceed three percent (3%) of the Fees effective during the immediately preceding twelve (12) month period. No increase in Fees is effective unless made in compliance with the provisions of this **Section 8.2**.

8.3 Administrative Fee and Reporting. Contractor must pay an administrative fee of 1% on all payments made to Contractor under the Contract for transactions with other states (including governmental subdivisions and authorized entities) under the Extended Purchasing Program described in **Section 19.5**. Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
Cashiering
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.

8.4 Responsibility for Costs. Contractor is responsible for all costs and expenses incurred in or incidental to the performance of Services, including all costs of any materials supplied by Contractor, all fees, fines, licenses, bonds, or taxes required of or imposed against Contractor, and all other of Contractor's costs of doing business.

8.5 Taxes. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Contract are for the State's exclusive use. Notwithstanding the foregoing, all Fees are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

8.6 Invoices. Contractor will invoice the State for all Fees in electronic format, via such delivery means and to such address as are specified by the State in writing from time to time. If more than one Statement of Work is in effect, Contractor shall provide separate invoices for each Statement of Work. Each separate invoice must: (a) clearly identify the Statement of Work to which it relates, in such manner as is required by the State; (b) list each Fee item and Service Credit separately; (c) include sufficient detail for each line item to enable the State to verify the calculation thereof; (d) for Fees determined on a time and materials basis, report details of time taken to perform Services, and such other information as the State requires, on a per-individual basis; and (e) include such other information as may be required by the State as set forth in the applicable Statement of Work.

8.7 Payment Terms. Invoices are due and payable by the State, in accordance with the State's standard payment procedures as specified in 1984 Public Act no. 279, MCL 17.51, *et seq.*, within forty-five (45) calendar days after receipt, provided the State determines that the invoice was properly rendered.

8.8 State Financial Audits of Contractor.

(a) During the Term, and for four (4) years after, Contractor must maintain complete and accurate books and records regarding its business operations relevant to the calculation of Fees and any other information relevant to Contractor's compliance with this **Section 8**. During the Term, and for four (4) years after, upon the State's request, Contractor must make such books and records and appropriate personnel, including all financial information, available during normal business hours for inspection and audit by the State or its authorized representative, provided that the State: (a) provides Contractor with at least fifteen (15) days prior notice of any audit, and (b) conducts or causes to be conducted such audit in a manner designed to minimize disruption of Contractor's normal business operations. For the avoidance of doubt this audit does not include information pertaining to Contractor's cost of doing business, or third party (e.g. customer) data.

(b) The State may take copies and abstracts of materials audited. The State will pay the cost of such audits unless an audit reveals an overbilling or over-reporting of five percent (5%) or more, in which case Contractor shall reimburse the State for the reasonable cost of the audit. Contractor must immediately upon written notice from the State pay the State the amount of any overpayment revealed by the audit, together with any reimbursement payable pursuant to the preceding sentence.

8.9 Payment Does Not Imply Acceptance. The making of any payment or payments by the State, or the receipt thereof by Contractor, will in no way affect the responsibility of Contractor to perform the Services in accordance with this Contract, and will not imply the State's Acceptance of any Services or the waiver of any warranties or requirements of this Contract, including any right to Service Credits.

8.10 Withhold Remedy. In addition and cumulative to all other remedies in law, at equity and under this Contract, if Contractor is in material default of its performance or other obligations under this Contract or any Statement of Work and fails to cure the default within fifteen (15) days after receipt of the State's written notice of default, the State may, without waiving any other rights under this Contract, elect to withhold from the payments due to Contractor under this Contract during the period beginning with the sixteenth (16th) day after Contractor's receipt of such notice of default, and ending on the date that the default has been cured to the reasonable satisfaction of the State, an amount that, in the State's reasonable judgment, is in proportion to the magnitude of the default or the Service that Contractor is not providing. Upon Contractor's cure of the default, the State will cause the withheld payments to be paid to Contractor, without interest. Upon a final and binding legal determination that the State has withheld any payment in bad faith, such payment shall promptly be paid to Contractor.

8.11 Availability Service Level Credits. Contractor acknowledges and agrees that each of the Service Availability Credits assessed pursuant to **Section 5**: (a) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the corresponding Service Error or Service Level Failure, which would be impossible or very difficult to accurately estimate; and (b) may, at the State's option, be credited or set off against any Fees or other charges payable to Contractor under this Contract or be payable to the State upon demand. No Service Availability Credits, for any Service Period may exceed the total amount of Fees that would be payable for that Service Period if the Services were fully provided in accordance with this Contract and the Specifications.

8.12 Right of Set-off. 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 under this Contract.

8.13 Support Not to be Withheld or Delayed. Contractor may not withhold or delay any Hosted Services or Support Services or fail to perform any other Services or obligations hereunder by reason of: (a) the State's good faith withholding of any payment or amount in accordance with this **Section 8**; or (b) any dispute whatsoever between the parties, including any

payment or other dispute arising under or concerning this Contract or any other agreement between the parties.

9. State Data.

9.1 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 9.1** survives termination or expiration of this Contract.

9.2 Contractor Use of State Data. Contractor is 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 9.2** survives termination or expiration of this Contract.

9.3 Extraction of State Data. Contractor must, within ten (10) Business Days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of State Data in the format specified by the State once per calendar year.

9.4 Discovery. Contractor shall immediately notify the State upon receipt of any requests which in any way might reasonably require access to State Data or the State's use of the Hosted Services. Contractor shall notify the State Project Manager by the fastest means available and also in writing. In no event shall Contractor provide such notification more than twenty-four (24) hours after Contractor receives the request. Contractor shall not respond to subpoenas, service of process, FOIA requests, and other legal requests related to the State without first notifying the State and obtaining the State's prior approval of Contractor's proposed responses. Contractor

agrees to provide its completed responses to the State with adequate time for State review, revision and approval.

9.5 Loss or Compromise of 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 forty-eight (48) hours of becoming aware of such occurrence, even if law enforcement has informed Contractor that notification to the public must be delayed; (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, as required by law as determined solely by the State, and 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. In the absence of any legally required notification period, notification shall be made without unreasonable delay and within a timeframe mutually agreed to between the State and Contractor, promptly upon the State's notice of the occurrence by Contractor. Such notification to affected individuals shall be made not later than thirty (30) calendar days after 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 twelve (12) 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 9.5** survives termination or expiration of this Contract.

9.6 HIPAA Compliance. The State and Contractor must comply with all obligations under HIPAA and its accompanying regulations, including but not limited to entering into a business associate agreement, if reasonably necessary to keep the State and Contractor in compliance with HIPAA.

9.7 ADA Compliance. The Services will be compliant with Section 508 of the Rehabilitation Act of 1973. If the standards set forth in Section 508 of the Rehabilitation Act of 1973 change during the Term, Contractor will maintain the new standard.

10. Confidentiality.

10.1 Meaning of Confidential Information. 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) in the possession of the State and subject to disclosure under the Michigan Freedom of Information Act (FOIA); (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). Notwithstanding the above, in all cases and for all matters, State Data is deemed to be Confidential Information.

10.2 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 the Contractor's subcontractor is permissible where: (a) the subcontractor is a Permitted Subcontractor; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Permitted Subcontractor's responsibilities; and (c) Contractor obligates the Permitted Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any of the Contractor's Representatives may be required to execute a separate agreement to be bound by the provisions of this **Section 10.2**.

10.3 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. Each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

10.4 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.

10.5 Surrender of Confidential Information upon Termination. Upon termination or expiration of this Contract or a Statement of Work, in whole or in part, each party must, within five (5) Business 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. If Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and certify the same in writing within five (5) Business Days from the date of termination to the other party.

11. Security.

11.1 Protection of the State's Confidential Information. Throughout the Term and at all times in connection with its actual or required performance of the Services hereunder, Contractor will:

(a) ensure that the Service Software and all State Data is securely hosted, supported, administered, and accessed in a data center that resides in the continental United States, and meets the following: 1) compliance with Uptime Institute Tier 3 standards (www.uptimeinstitute.com); 2) compliance with NIST 800-53 Rev. 4 standards; 3) maintains FedRAMP certification; and 4) compliance with any additional certifications or standards specified in the Statement of Work or **Schedule B** (Data Security Requirements). If the standards set forth above change during the Term, Contractor will maintain the new standard.

(b) maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State's Confidential Information that comply with the requirements of the State's data security policies as set forth in **Schedule B** (Data Security Requirements) and, to the extent such

practices and standards are consistent with and not less protective than the foregoing requirements, are at least equal to applicable best industry practices and standards;

(c) provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, transfer, commingling or Processing of such information that ensure a level of security appropriate to the risks presented by the Processing of the State's Confidential Information and the nature of such Confidential Information, consistent with best industry practice and standards.

(d) take all reasonable measures to:

- (i) secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Services against "hackers" and others who may seek, without authorization, to disrupt, damage, modify, access or otherwise use Contractor Systems or the information found therein;
- (ii) prevent (A) the State and its Authorized Users from having access to the data of other customers or such other customer's users of the Services; (B) the State's Confidential Information from being commingled with or contaminated by the data of other customers or their users of the Services; and (C) unauthorized access to any the State's Confidential Information;

(e) continuously monitor its systems for potential areas where security could be breached.

11.2 Unauthorized Access. Contractor may not access, and shall not permit any access to, State Systems, in whole or in part, whether through Contractor's Systems or otherwise, without the State's express prior written authorization. Such authorization may be revoked by the State in writing at any time in its sole discretion. Any access to State Systems must be solely in accordance with this Contract, and in no case exceed the scope of the State's authorization pursuant to this **Section 11.2**. All State-authorized connectivity or attempted connectivity to State Systems shall be only through the State's security gateways and firewalls and in compliance with the State's security policies set forth in **Schedule B** as the same may be supplemented or amended by the State and provided to Contractor from time to time.

11.3 Contractor Systems. Contractor will be solely responsible for the information technology infrastructure, including all computers, software, databases, electronic systems (including database management systems) and networks used by or for Contractor to access State Systems or otherwise in connection with the Services ("**Contractor Systems**") and shall prevent unauthorized access to State Systems through the Contractor Systems.

11.4 Security Audits. During the Term:

(a) Contractor will maintain complete and accurate records relating to its data protection practices and the security of any of the State's Confidential Information, including any

backup, disaster recovery or other policies, practices or procedures relating to the State's Confidential Information and any other information relevant to its compliance with this **Section 11**.

(b) Without limiting any other audit rights of the State, the State has the right to review the data privacy and information security program of the Contractor and any Subcontractor that will be Processing any State Data, prior to the commencement of Services and from time to time during the term of this Contract. Upon request by the State, Contractor agrees to complete, within forty-five (45) calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's and its applicable Subcontractor's data privacy and information security program.

(c) With respect to State Data, if any review or completed audit questionnaire referenced in Section 11.4(b) uncovers deficiencies or identifies suggested changes in Contractor's and its applicable Subcontractor's data privacy and information security program, Contractor shall exercise reasonable efforts to address such identified deficiencies and suggested changes.

(d) For each Subcontractor data center, if any, that will be used in Processing any State Data, upon the State's request, Contractor will provide evidence of Subcontractor's compliance with: 1) Uptime Institute Tier 3 standards (www.uptimeinstitute.com); 2) NIST 800-53 Rev. 4 standards; 3) FedRAMP certification; and 4) any additional certifications or standards specified in the Statement of Work or **Schedule B** (Data Security Requirements).

11.5 Nonexclusive Remedy for Security Breach. Any failure of the Services to meet the requirements of this Contract with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, or this **Section 11**, is a material breach of this Contract for which the State, at its option, may terminate this Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.

12. Redundancy, Data Backup and Disaster Recovery. Contractor must, in accordance with the provisions of this **Section 12**, maintain or cause to be maintained disaster avoidance procedures designed to safeguard State Data and the State's other Confidential Information, Contractor's Processing capability and the availability of the Hosted Services, in each case throughout the Term and at all times in connection with its actual or required performance of the Services hereunder. The force majeure provisions of **Section 17.1** do not limit Contractor's obligations under this **Section 12**.

12.1 Redundant Hosting and Connectivity. Contractor will simultaneously operate, or ensure that one is operated on its behalf, a mirror system at a location in the United States that is geographically remote from the primary system on which the Service Software and Hosted Services are hosted. Except for its location, the mirror system must: (a) be identical in all respects to the primary system; (b) have hardware and software, network connectivity, power supplies,

backup generators and other similar equipment and services that operate independently of the primary system; (c) have fully current backups of all the State Data stored on the primary system; and (d) have the ability to provide the Hosted Services in accordance with this Contract and the Specifications during the performance of routine and remedial maintenance or any outage or failure of the primary system fails. Contractor will operate, monitor and maintain, or ensure that one is operated, monitored and maintained on its behalf, such mirror system so that it may be activated within five (5) hours of any failure of the Hosted Services to be Available.

12.2 Data Backup. Contractor will conduct, or cause to be conducted, daily back-ups of State Data and perform, or cause to be performed, other periodic back-ups of State Data on at least a weekly basis and store such back-ups as specified in **Schedule C**. All backed up State Data shall be located in the continental United States. On written notice from the State and, in any case, on a quarterly basis, Contractor will provide the State with a copy of the backed up State Data in such machine readable format as is specified in **Schedule C** or the State otherwise reasonably requests. Contractor will provide all quarterly back-ups at its sole cost and expense. The State will reimburse Contractor for all media costs and shipping charges reasonably incurred in fulfilling the State's additional requests for copies of backed up the State Data.

12.3 Disaster Recovery/Business Continuity. Throughout the Term and at all times in connection with its actual or required performance of the Services hereunder, Contractor will:

(a) maintain a Business Continuity and Disaster Recovery Plan for the Hosted Services (the "**DR Plan**"), and implement such DR Plan in the event of any unplanned interruption of the Hosted Services. Contractor's current DR Plan, revision history, and any reports or summaries relating to past testing of or pursuant to the DR Plan are attached as **Schedule E**. Contractor will actively test, review and update the DR Plan on at least an annual basis using industry best practices as guidance. Contractor will provide the State with copies of all such updates to the Plan within fifteen (15) days of its adoption by Contractor. All updates to the DR Plan are subject to the requirements of this **Section 12.3**; and

(b) provide the State with copies of all reports resulting from any testing of or pursuant to the DR Plan promptly after Contractor's receipt or preparation. If Contractor fails to reinstate all material Hosted Services within the periods of time set forth in the DR Plan, the State may, in addition to any other remedies available under this Contract, in its sole discretion, immediately terminate this Contract as a non-curable default under **Section 7.1(a)**.

13. Indemnification.

13.1 General Indemnification. Contractor must defend, indemnify and hold harmless the State, and the State's agencies, departments, officers, directors, employees, agents, and contractors from and against all Losses arising out of or resulting from any third party claim, suit, action or proceeding (each, an "**Action**") that does or is alleged to arise out of or result from:

(a) the Contractor's breach of any representation, warranty, covenant or obligation of Contractor under this Contract (including, in the case of Contractor, any action or failure to act by any Contractor Personnel that, if taken or not taken by Contractor, would constitute such a breach by Contractor); or

(b) any negligence or more culpable act or omission (including recklessness or willful misconduct) in connection with the performance or nonperformance of any Services or other activity actually or required to be performed by or on behalf of, Contractor (including, in the case of Contractor, any Contractor Personnel) under this Contract, provided that, to the extent that any Action or Losses described in this **Section 13.1** arises out of, results from, or alleges a claim that any of the Services does or threatens to infringe, misappropriate or otherwise violate any Intellectual Property Rights or other rights of any third party, Contractor's obligations with respect to such Action and Losses, if any, shall be subject to the terms and conditions of **Section 13.2(a)** through **Section 13.2(b)** and **Section 13.3**.

13.2 Infringement Indemnification By Contractor. Contractor must indemnify, defend and hold the State, and the State's agencies, departments, officers, directors, employees, agents, and contractors harmless from and against all Losses arising out of or resulting from any Action that does or is alleged to arise out of or result from a claim that any of the Services, or the State's or any Authorized User's use thereof, actually does or threatens to infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of a third party, provided however, that Contractor shall have no liability or obligation for any Action or Loss to the extent that such Action or Loss arises out of or results from any:

(a) alteration or modification of the Hosted Services or Service Software by or on behalf of the State or any Authorized User without Contractor's authorization (each, a "**State Modification**"), provided that no infringement, misappropriation or other violation of third party rights would have occurred without such State Modification and provided further that any alteration or modification made by or for Contractor at the State's request shall not be excluded from Contractor's indemnification obligations hereunder unless (i) such alteration or modification has been made pursuant to the State's written specifications and (ii) the Hosted Services, as altered or modified in accordance with the State's specifications, would not have violated such third party rights but for the manner in which the alteration or modification was implemented by or for Contractor; and

(b) use of the Hosted Services by the State or an Authorized User pursuant to this Contract in combination with any software or service not provided, authorized or approved by or on behalf of Contractor, if (i) no violation of third party rights would have occurred without such combination and (ii) such software or service is not commercially available and not standard in Contractor's or the State's industry and there are no Specifications, Documentation, or other materials indicating Contractor's specification, authorization or approval of the use of the Hosted Services in combination therewith.

13.3 Mitigation.

(a) If Contractor receives or otherwise learns of any threat, warning or notice alleging that all, or any component or feature, of the Services violates a third party's rights, Contractor must promptly notify the State of such fact in writing, and take all commercially reasonable actions necessary to ensure the State's continued right to access and use such Services and otherwise protect the State from any Losses in connection therewith, including investigating such allegation and obtaining a credible opinion of counsel that it is without merit.

(b) Subject to the exclusions set forth in clauses (a) and (b) of **Section 13.2**, if any of the Services or any component or feature thereof is ruled to infringe or otherwise violate the rights of any third party by any court of competent jurisdiction, or if any use of any Services or any component thereof is threatened to be enjoined, or is likely to be enjoined or otherwise the subject of an infringement or misappropriation claim, Contractor must, at Contractor's sole cost and expense:

- (i) procure for the State the right to continue to access and use the Services to the full extent contemplated by this Contract and the Specifications; or
- (ii) modify or replace all components, features and operations of the Services that infringe or are alleged to infringe ("**Allegedly Infringing Features**") to make the Services non-infringing while providing equally or more suitable features and functionality, which modified and replacement services shall constitute Services and be subject to the terms and conditions of this Contract.

(c) If neither of the remedies set forth in **Section 13.3(b)** is reasonably available with respect to the Allegedly Infringing Features then Contractor may direct the State to cease any use of any materials that have been enjoined or finally adjudicated as infringing, provided that Contractor will:

- (i) refund to the State any prepaid Fees for Services that have not been provided; and
- (ii) in any case, at its sole cost and expense, secure the right for the State to continue using the Allegedly Infringing Features for a transition period of up to six (6) months to allow the State to replace the affected Services or Allegedly Infringing Features without disruption.

(d) The remedies set forth in this **Section 13.3** are in addition to, and not in lieu of, all other remedies that may be available to the State under this Contract or otherwise, including the State's right to be indemnified pursuant to **Section 13.1** and **Section 13.2**.

13.4 Indemnification Procedure. 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; (iii) employ its own counsel; and to (iv) retain control of the defense, at its own expense, if the State deems necessary. Contractor will not, without the State's prior 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. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 13**, 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.

14. Limitations of Liability.

(a) The State's Disclaimer of Damages. THE STATE WILL NOT BE LIABLE, 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.

(b) The State's Limitation of Liability. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR 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 STATEMENT OF WORK.

15. Contractor Representations and Warranties.

15.1 Authority and Bid Response. Contractor represents and warrants to the State that:

(a) it is duly organized, validly existing, and in good standing as a corporation or other entity as represented under this Contract under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;

(b) it has the full right, power, and authority to enter into this Contract, to grant the rights and licenses granted under this Contract, and to perform its contractual obligations;

(c) the execution of this Contract by its Representative has been duly authorized by all necessary organizational action;

(d) when executed and delivered by Contractor, this Contract will constitute the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms;

(e) the prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder to the RFP; and no attempt was made by Contractor to induce any other Person to submit or not submit a proposal for the purpose of restricting competition;

(f) all written information furnished to the State by or for Contractor in connection with this Contract, including Contractor's bid response to the RFP, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading; and

(g) Contractor is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.

15.2 Software and Service Warranties. Contractor represents and warrants to the State that:

(a) Contractor has, and throughout the Term and any additional periods during which Contractor does or is required to perform the Services will have, the unconditional and irrevocable right, power and authority, including all permits and licenses required, to provide the Services and grant and perform all rights and licenses granted or required to be granted by it under this Contract;

(b) neither Contractor's grant of the rights or licenses hereunder nor its performance of any Services or other obligations under this Contract does or at any time will: (i) conflict with or violate any applicable Law, including any Law relating to data privacy, data security or personal information; (ii) require the consent, approval or authorization of any governmental or regulatory authority or other third party; or (iii) require the provision of any payment or other consideration by the State or any Authorized User to any third party, and Contractor shall promptly notify the State in writing if it becomes aware of any change in any applicable Law that would preclude Contractor's performance of its material obligations hereunder;

(c) as accessed and used by the State or any Authorized User in accordance with this Contract and the Specifications, the Hosted Services, Documentation and all other Services and materials provided by Contractor under this Contract will not, knowingly, infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of any third party;

(d) there is no settled, pending or, to Contractor's knowledge as of the Effective Date, threatened Action, and it has not received any written, oral or other notice of any Action (including in the form of any offer to obtain a license): (i) alleging that any access to or use of the Services or Service Software does or would infringe, misappropriate or otherwise violate any

Intellectual Property Right of any third party; (ii) challenging Contractor's ownership of, or right to use or license, any software or other materials used or required to be used in connection with the performance or receipt of the Services, or alleging any adverse right, title or interest with respect thereto; or (iii) that, if decided unfavorably to Contractor, would reasonably be expected to have an actual or potential adverse effect on its ability to perform the Services or its other obligations under this Contract, and it has no knowledge after reasonable investigation of any factual, legal or other reasonable basis for any such litigation, claim or proceeding;

(e) the Service Software and Services will in all material respects conform to and perform in accordance with the Specifications and all requirements of this Contract, including the Availability and Availability Requirement provisions set forth in **Section 5**;

(f) all Specifications are, and will be continually updated and maintained so that they continue to be, current, complete and accurate and so that they do and will continue to fully describe the Hosted Services in all material respects such that at no time during the Term or any additional periods during which Contractor does or is required to perform the Services will the Hosted Services have any material undocumented feature;

(g) the Contractor Systems and Services are and will remain free of Harmful Code;

(h) Contractor will not advertise through the Hosted Services (whether with adware, banners, buttons or other forms of online advertising) or link to external web sites that are not approved in writing by the State;

(i) Contractor will perform all Services in a timely, professional and workmanlike manner with a level of care, skill, practice and judgment consistent with generally recognized industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and will devote adequate resources to meet Contractor's obligations (including the Availability Requirement and Support Service Level Requirements) under this Contract;

(j) During the term of this Contract, any audit rights contained in any third-party software license agreement or end user license agreement for third-party software incorporated in or otherwise used in conjunction with the Services, will apply solely to Contractor's (or its subcontractors) facilities and systems that host the Services (including any disaster recovery site), and regardless of anything to the contrary contained in any third-party software license agreement or end user license agreement, third-party software providers will have no audit rights whatsoever against State systems or networks; and

(k) Contractor acknowledges that the State cannot indemnify any third parties, including but not limited to any third-party software providers that provide software that will be incorporated in or otherwise used in conjunction with the Services, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user

license agreement, the State will not indemnify any third party software provider for any reason whatsoever.

15.3 **DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES IN THIS CONTRACT, CONTRACTOR HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE UNDER OR IN CONNECTION WITH THIS CONTRACT OR ANY SUBJECT MATTER HEREOF.

16. Insurance.

16.1 Required Coverage.

(a) **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 a company with an A.M. Best rating of "A" or better and a financial size of VII or better.

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$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 <u>Deductible Maximum:</u> \$50,000 Each 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 using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.
Umbrella or Excess Liability Insurance	
<u>Minimal Limits:</u> \$5,000,000 General Aggregate	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.
Automobile Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
Workers' Compensation Insurance	

<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Privacy and Security Liability (Cyber Liability) Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.
Professional Liability (Errors and Omissions) Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$3,000,000 Annual Aggregate <u>Deductible Maximum:</u> \$100,000 Per Loss	

(b) If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

(c) If any of the required policies provide **claims-made** coverage, Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of contract work; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the contract of work; 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.

(d) Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator

within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

16.2 Non-waiver. This **Section 16** 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).

17. Force Majeure.

17.1 Force Majeure Events. Subject to **Section 17.2**, neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached this Contract, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of this Contract, national or regional emergency, or any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition (each of the foregoing, a “**Force Majeure Event**”), in each case provided that: (a) such event is outside the reasonable control of the affected party; (b) the affected party gives prompt written notice to the other party, stating the period of time the occurrence is expected to continue; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

17.2 State Performance; Termination. In the event of a Force Majeure Event affecting Contractor’s performance under this Contract, the State may suspend its performance hereunder until such time as Contractor resumes performance. The State may terminate this Contract by written notice to Contractor if a Force Majeure Event affecting Contractor’s performance hereunder continues substantially uninterrupted for a period of five (5) Business Days or more. Unless the State terminates this Contract pursuant to the preceding sentence, any date specifically designated for Contractor’s performance under this Contract will automatically be extended for a period up to the duration of the Force Majeure Event.

17.3 Exclusions; Non-suspended Obligations. Notwithstanding the foregoing or any other provisions of this Contract:

- (a) in no event will any of the following be considered a Force Majeure Event:
 - (i) shutdowns, disruptions or malfunctions of the Contractor Systems or any of Contractor’s telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to the Contractor Systems; or

- (ii) the delay or failure of any Contractor Personnel to perform any obligation of Contractor hereunder unless such delay or failure to perform is itself by reason of a Force Majeure Event; and

(b) no Force Majeure Event modifies or excuses Contractor's obligations under **Section 5** (Service Availability and Service Availability Credits), **Section 9** (State Data), **Section 10** (Confidentiality), **Section 11** (Security), **Section 12** (Data Backup and Disaster Recovery) or **Section 13** (Indemnification), or any Availability Requirement, Support Service Level Requirement, or Service Availability Credit obligations under this Contract or an applicable Statement of Work.

18. Effect of Contractor Bankruptcy. All rights and licenses granted by Contractor under this Contract are and shall be deemed to be rights and licenses to "intellectual property," and the subject matter of this agreement, including the Services, is and shall be deemed to be "embodiments" of "intellectual property" for purposes of and as such terms are used in and interpreted under section 365(n) of the United States Bankruptcy Code (the "**Code**") (11 U.S.C. § 365(n) (2010)). The State has the right to exercise all rights and elections under the Code and all other applicable bankruptcy, insolvency and similar laws with respect to this Contract (including all executory Statement of Works). Without limiting the generality of the foregoing, if Contractor or its estate becomes subject to any bankruptcy or similar proceeding, subject to the State's rights of election, all rights and licenses granted to the State under this Contract will continue subject to the respective terms and conditions of this Contract, and will not be affected, even by Contractor's rejection of this Contract.

19. General Provisions.

19.1 Further Assurances. Each party will, upon the reasonable request of the other party, execute such documents and perform such acts as may be necessary to give full effect to the terms of this Contract.

19.2 Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Contract is to be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party has authority to contract for or bind the other party in any manner whatsoever.

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

19.4 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder, other than routine communications having no legal effect, must be in

writing and addressed to the parties as follows (or as otherwise specified by a party in a notice given in accordance with this Section):

If to Contractor:
10401 Linn Station Road
Louisville, Kentucky 40223
E-mail: rhensley@appriss.com
Attention: Rusty Hensley
Title: VP and General Counsel

If to the State:
525 West Allegan, 1st Floor, NE
Lansing, MI 48909-7526
E-mail: Natarajanm@michigan.gov
Attention: Malathi Natarajan
Title: Buyer Specialist

Notices sent in accordance with this **Section 19.4** will be deemed effectively given: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail (with confirmation of transmission), if sent during normal business hours of the recipient, and on the next business day, if sent after normal business hours of the recipient; or (d) on the fifth (5th) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

19.5 Extended Purchasing Program. This Contract may be extended to other states, including governmental subdivisions and authorized entities (i.e. Cooperative Purchasing). If extended, Contractor must supply all Contract Activities at the established Contract prices and terms, and the State reserves the right to impose an administrative fee and 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.

19.6 Headings. The headings in this Contract are for reference only and do not affect the interpretation of this Contract.

19.7 Entire Agreement. This Contract, including all Statements of Work and other Schedules and Exhibits, 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 any Schedule, Exhibit or other document, the following order of precedence governs: (a) first, this Contract, excluding its Exhibits and Schedules; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, the Exhibits and Schedules to this Contract expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE

SERVICES, OR DOCUMENTATION HEREUNDER 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 AND THE AUTHORIZED USER, EVEN IF ACCESS TO OR USE OF SUCH SERVICE OR DOCUMENTATION REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

19.8 Assignment. Contractor may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Contract, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the State's prior written consent. The State has the right to terminate this Contract in its entirety or any Services or Statements of Work hereunder, pursuant to **Section 7.2**, if Contractor delegates or otherwise transfers any of its obligations or performance hereunder, whether voluntarily, involuntarily, by operation of law or otherwise, and no such delegation or other transfer will relieve Contractor of any of such obligations or performance. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Contractor (regardless of whether Contractor is a surviving or disappearing entity) will be deemed to be a transfer of rights, obligations, or performance under this Contract for which the State's prior written consent is required. Any purported assignment, delegation, or transfer in violation of this **Section 19.8** is void.

19.9 No Third-party Beneficiaries. This Contract is for the sole benefit of the parties and nothing herein, express or implied, is intended to or will confer on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Contract.

19.10 Amendment and Modification; Waiver. This Contract may only be amended, modified or supplemented by an agreement in writing signed by each party's Contract Administrator. No waiver by any party of any of the provisions hereof is effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Contract, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Contract will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

19.11 Severability. If any term or provision of this Contract is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto will negotiate in good faith to modify this Contract so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

19.12 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 the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or forum non conveniens. Contractor must appoint agents in Michigan to receive service of process

19.13 Equitable Relief. Each party to this Contract acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Contract would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto is, in addition to any and all other rights and remedies that may be available to such party at law, at equity or otherwise in respect of such breach, entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages will not afford an adequate remedy. Each party to this Contract agrees that such party will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this **Section 19.13**.

19.14 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.

19.15 Unfair Labor Practice. Under 1980 PA 278, MCL 423.321, *et seq.*, the State must not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under MCL 423.322. This information is compiled by the United States National Labor Relations Board. A contractor of the State, in relation to the contract, must not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Under MCL 423.324, the State may void any contract if, after award of the contract, the contractor as an employer or the name of the subcontractor, manufacturer or supplier of the contractor appears in the register.

19.16 Schedules All Schedules that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A

Statement of Work

Schedule B	Data Security Requirements
Schedule C	Data Backup Plan
Schedule D	Data Conversion Plan
Schedule E	Business Continuity and Disaster Recovery Plan
Schedule F	Pricing

19.17 Counterparts. This Contract may be executed in counterparts, each of which will be deemed an original, but all of which together are deemed to be one and the same agreement and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Contract. A signed copy of this Contract delivered by facsimile, e-mail or other means of electronic transmission (to which a signed copy is attached) is deemed to have the same legal effect as delivery of an original signed copy of this Contract.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as of the Effective Date by their duly authorized representatives.

Contractor

The State

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Schedule A – Statement of Work (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (SOM) through the Michigan Department of Technology, Management and Budget (DTMB), with assistance from the Michigan Licensing and Regulatory Affairs (LARA) have issued this Contract for the purpose of implementing a Software as a Service (SaaS) solution for electronic monitoring and reporting of Controlled Substances (CS), Schedule II-V, prescription drug activity to assist licensed health professionals in making informed pharmaceutical treatment decisions, assist in proper treatment, and aid authorized regulatory administrators in identifying possible over prescribing, over dispensing, and drug diversion.

1.002 BACKGROUND

The Michigan Prescription Drug Monitoring Program (PMP), which is called the Michigan Automated Prescription System (MAPS) is an electronic tracking program managed and administered by the Bureau of Professional Licensing (BPL) within the Department of Licensing and Regulatory Affairs (LARA). MAPS is a risk assessment tool for practitioners and dispensers to monitor and track Controlled Substances (CS), Schedule II-V drugs that have been prescribed and/or dispensed to patients. It is also a tool for authorized regulatory agencies and administrators to identify possible inappropriate use of controlled substance prescriptions such as over prescribing, over dispensing, drug diversion, and patient doctor shopping. MAPS includes CS, Schedule II-V prescription information, patient profile, and information of the prescriber and dispenser.

Currently prescription data and information is stored in MAPS in a secure database on State servers, where pharmacies and dispensing practitioners upload to MAPS through nightly batches from electronic medical/health record (EMR/EHR) systems. Pursuant to MCL 333.7333a(1) of the Michigan Public Health Code (PHC), Veterinarians, Dispensing Prescribers, and Dispensers are required to use MAPS. Other authorized users of MAPS include the administrators of the program. In addition, the Department may share information from MAPS with law enforcement, other state agencies, and benefit plan managers in accordance to MCL 333.7333a(2) of the PHC.

The Contractor will host the MAPS (PMP) solution and perform all system management activities in their environment. The contractor will provide a Quality Assurance environment that would be available to LARA/DTMB personnel in order for them to perform user acceptance testing (UAT). The goal of BPL/LARA is to improve education, performance, functionality, and overall efficiency of MAPS at the authorized user and administrative level. The Contractor must be capable of the following:

- Collecting data from reporting entities
- Host the data in a secure site
- Coordinate data management securely
- Produce reports including threshold reports
- Establish a secure web-based portal with graphical internet interfaces to include standard browsers to facilitate automated communication for authorized users
- Use an existing prescription drug monitoring SaaS solution to host and support a system that will increase the quality of patient care by giving prescribers and dispensers access to patient controlled substances, Schedule II-V, prescription medication history

The new system must include and be capable of the following:

- Support interstate data sharing via PMP InterConnect (PMPi)
- Integrate with electronic medical/health records (EMR/EHR) and pharmacy dispensing systems to facilitate prescriber and dispenser access to PMP data
- Reduce time and effort needed to obtain a patient's history seamlessly, and in as close to real-time as possible, with daily data uploads versus nightly batched uploads
- Ability for prescribers and dispensers to create and manage delegate user accounts with audit capabilities

- Account creation and delegate accounts for law enforcement, benefit plan managers, and state agencies to submit requests for MAPS information pursuant to state law with audit capabilities
- Reporting tool for administrators, BPL/LARA, to create specific reports and analytics
- Ability for administrators, BPL/LARA, to run audit reports
- Data clustering to help identify anomalies in data in how patient information can be submitted from all different pharmacies and aggregate the similar names that for example may be missing a middle initial, the date of birth is transposed, etc., and can group data into a unique patient by clustering the data together
- Auto alerts and notifications
- Customer service support for authorized users 24/7, 365 days a year
- Meet the State of Michigan's security protocols and requirements
- PMPi interoperability with other states' prescription drug monitoring and health systems and compatible with EMR/EHR systems

BPL/LARA is looking to establish overall efficiency and user functionality of MAPS by reducing the amount of time it takes for authorized users to run queries and patient reports as well as improving the bandwidth to support increased volume of users for MAPS. The Contractor must also support and have the capability of integrating prescriber and dispenser EMR/EHR systems with MAPS through the PMPi GATEWAY to allow for MAPS to be a part of the clinical workflows.

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

The following items are within the scope of this project:

- Software subscription
- Implementation
 - ✓ Configuration
 - ✓ Interface(s)/integration
 - ✓ Testing
 - ✓ Customization
- Go-Live
- 90 day warranty period
- Training
- Documentation
- Operation services
- Maintenance and support
- Data Conversion
- Data Migration in conjunction with DTMB ETL team (approx. 120 Million Records)

Note: Any data collected as part of MAPS, whether prescriptions, patient data, prescriber or dispenser information, investigators' notes, or other relevant data, is the property of the State of Michigan and the State's relevant and designated agency or department generating such data, as appropriate. Any exceptions to this clause must be in writing.

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

1.102 OUT OF SCOPE

The following items are outside the scope of this project:

- Hardware purchase

1.103 ENVIRONMENT

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

Contractor is advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractor's system must conform to State IT policies and standards. All services and products provided must comply with all applicable State IT policies and standards.

Enterprise IT Policies, Standards and Procedures:

http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html

All software items provided by the Contractor must be able to run on and be compatible with the DTMB standard Information Technology Environment

Information Technology Network and Infrastructure

http://www.michigan.gov/documents/dmb/1345.00_282982_7.pdf

Enterprise IT Security Policy and Procedures:

<http://www.michigan.gov/documents/dmb/1210.32.pdf>

http://www.michigan.gov/documents/dmb/1325_193160_7.pdf

http://www.michigan.gov/documents/dmb/1335_193161_7.pdf

http://www.michigan.gov/documents/dmb/1340_193162_7.pdf

The State’s security environment includes:

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

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

ADA Compliance

Contractor shall comply with and adhere to the Accessibility Standards of Section 508 of the Rehabilitation Act of 1973, including any more specific requirements set forth in an applicable Statement of Work. See DTMB Policy at http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621.

eMichigan Web Application Development

All software items provided by the Contractor must adhere to the Look and Feel standards available at www.michigan.gov/somlookandfeelstandards.

The State Unified Information Technology Environment (SUITE):

The Contractor employees will not have access to the State of Michigan’s network or IT resources for this project. Data will be pushed from the State to an Contractor-owned resource that is governed by a comprehensive set of policies and standards that adhere to HIPAA and NIST 800-53 control frameworks.

Identity and Access Management

The Contractor solution will provide a substitute to the SOM IT Identity and Access Management (IAM) environment (Milogin) as described in the State of Michigan Digital Strategy and Authoritative Policy below:, IAM consist of the following and is left for the purpose of ensuring the requirement of the substitute:

Authoritative Policy	<u>1335 Information Technology Access Control Policy</u>
Standard Number	<u>1335.00.07 Identity, Credentialing, and Access Management Standard</u>
Technical Procedure	1335.00.07.01Michigan Identity, Credentialing, and Access Management (MICAM) Procedure Under Review

1.104 WORK AND DELIVERABLES

The State of Michigan's IT projects all adhere to DTMB's project management methodology (PMM) and its systems engineering methodology (SEM). PMM and SEM documents are deliverables, to be completed and provided to the State during the course of the project. All SEM/PMM documents must be approved by the State before they will be considered final.

All of these forms can be downloaded from this web site:

<http://michigan.gov/suite/0,4674,7-245-60232---,00.html>

The forms required for this project are outlined in the table below:

Form #	Title
Word Doc	EASA Worksheet Vendor Version
PMM-102	Project Management Plan
SEM-602	Test Plan
SEM-603	Test Type and Approach Report
SEM-606	Test Case
SEM-702	Installation Plan
SEM-703	Training Plan and Documentation

The State will provide a Project Manager for this project and the Contractor will provide a technical subject matter expert and a Project Manager to work with the State Project Manager in implementing the project plan.

A. Software

The Contractor shall provide a "Software as a Service" (SaaS) solution that satisfies the following LARA requirements:

Mandatory Minimum Requirements:

1. Must maintain Out-of-the-box connectivity to PMP Inter Connect (PMPi).
2. Real-time PMPi system updates to new state access – Provide automated state data sharing control changes whenever a new state is added to PMPi.
3. The database system must also have PMPi connectivity to allow data exchange with Electronic Medical/Health Record (EMR/EHR) and Pharmacy Management Software systems through GATEWAY.
4. Ability to begin processing pharmacy claim records once received during data collection. Must begin processing incoming pharmacy claims data in near real-time vs. the typical batching process.
5. Prepackaged business intelligence tools – Must have a BI tool as a COTS feature.
6. Administrative and requestor dashboards – Must provide administrative and requestor dashboards for easy access to system statistical data.
7. Web-Based Enterprise System Provide – Provide a web-based enterprise-wide system with the capability to support unlimited users, such as: prescribers and dispensers authorized to access MAPS information, including MAPS administrators, designated licensing board representatives, law enforcement, benefit plan managers, and other selected professionals having an approved request to obtain information from MAPS.
8. Secure - Provide security for sensitive data including Protected Health Information (PHI) in compliance with all Federal, State, and MAPS laws, regulations and administrative rules.

9. Efficient – Increase timeliness and efficiency of: identifying “at risk” of prescription drug abuse or overprescribing for both patients and practitioners, and reporting suspected violators to the appropriate MAPS administrators and other entities or agencies as determined by BPL/LARA. System must include a compliance module to identify dispensers not reporting, not reporting in the required timeframe, and other audit or internal processes. This information must be seamless and easily available via user dashboard.
10. Scalable – Supports iOS and Android mobile devices and includes modules for building out the system as requirements evolve.
11. Pharmacy compliance module – Must provide MAPS administrators the ability to track pharmacy submissions and pharmacies that are out of data submission compliance.

Functional and Technical Requirements:

1. Data Ownership

Data tables and any data collected as part of the MAPS Prescription Monitoring Program, whether prescriptions, patient data, investigators’ notes, or other relevant data, is the property of LARA, the relevant agency generating such data, or the State of Michigan, as appropriate pursuant to PA 368 of 1978 (as amended).

2. Data Collection

- 2.1 Prepare and provide to statutorily authorized dispensers and prescribers, as indicated by LARA, any instructions necessary to comply with the reporting requirements, including technical assistance. The instructions/manual must be available online. LARA will reserve the right to review and approve any communication prior to its distribution.
- 2.2 Receive electronic prescription information transmitted directly from the dispensers, 7 days a week, and 24 hours a day. Daily volume of prescriptions, data, and information will need to be determined.
- 2.3 Collect and provide a secure mechanism for collecting and/or uploading for dispensers of controlled substance prescriptions required to be reported in a standardized format, 24 hours a day, 7 days a week. Data elements for all controlled prescription transactions including the following:
 - 2.3.1 The system shall collect the electronic data in the format established by the American Society for Automation in Pharmacy (ASAP) Telecommunications Format for Controlled Substances in Version 4.1, or its successor, receiving such data transmissions in secure email, secure FTP, Virtual Private Network (VPN), and other agreed upon media.
 - 2.3.2 The system shall also accept written paper reports on a form approved by LARA, provided LARA has granted the dispenser a waiver. A form for this purpose will be provided to the dispenser and shall enter data submitted in this manner into the data file. The system shall provide the ability to complete an online universal claim form approved by LARA.

- 2.3.3 The following data elements shall be collected for all controlled substance prescription transactions, as well as for other drugs of concern identified by LARA (Board of Pharmacy Rule 338.3162b):
 - a. the name of the prescribing practitioner and the practitioner's federal Drug Enforcement Administration (DEA) registration number or other appropriate identifier;
 - b. the date of the prescription;
 - c. the date the prescription was filled and the method of payment;
 - d. the name, address, and date of birth of the person for whom the prescription was written;
 - e. the name and national drug code of the controlled substance;
 - f. the quantity and strength of the controlled substance dispensed;
 - g. the name of the drug outlet dispensing the controlled substance; and
 - h. the name of the pharmacist or practitioner dispensing the controlled substance and other appropriate identifying information.
- 2.4 Provide a secure web portal to allow for manual entry for low volume uploads.
- 2.5 Accept a report of no (or zero) prescriptions issued in a given time period and generate and deliver a report of those submissions to LARA within a schedule established by LARA.
- 2.6 Accept submission of data from dispensers under common ownership in a single point transmission, provided each dispenser is clearly identified for each prescription dispensed.
- 2.7 Perform data checks to ensure the submitted data is compliant with the quality standards established by LARA relative to accuracy and completion.
- 2.8 Notify dispensers when a dispenser's data file does not meet the quality standards for accuracy and completeness, specifying the data deficiency, and ensure the dispenser corrects and/or resubmits the data. LARA must be notified automatically when a dispenser fails to correct a failed submission within a schedule established by LARA.
- 2.9 Allow a dispenser to submit corrected data and display the corrected data with a notice that the data has been corrected.
 - 2.9.1 Generate auto-registration for authorized users and provide for authentication of login at time of first use.
- 2.10 Collect data from LARA for dispensers required to report to the database system.
- 2.11 Collect data from other authorized users and allow for registration of these users.
- 2.13 A standard format will be established for the upload of licensing data.
 - 2.13.1 Agencies responsible for regulating professional licensees will upload licensee data periodically to be used to validate professional licensee access to the PMP.

2.13.2 Provide audit reports and notifications to alert LARA if any data fails to update as scheduled by LARA.

3. Data Management

- 3.1 Collect and load data into the database system daily. Contractor to store data using cloud server. All of the data in the system shall belong to LARA.
- 3.2 Collect DEA registration information and provide a mechanism to convert DEA registration numbers reported to the database system into the corresponding prescriber or dispenser name and address. A current list of DEA registration information shall be maintained by the proposer for validation and translation purposes.
- 3.3 Collect license number or convert National Provider Identifier (NPI) numbers reported to the database system into prescriber or dispenser name and address when NPI is supplied.
- 3.4 Collect National Drug Code (NDC) number information and provide a mechanism to convert NDC numbers to drug name, strength, dosage form, and controlled substance schedule, both at the point of data import and retrospectively upon receiving NDC number updates. A current reference source of NDC numbers shall be maintained by the proposer for validation and translation purposes.
- 3.6 Provide data access, data management, and data cleansing capabilities seamlessly integrated with data mining for ease of data analysis.
- 3.7 Provide capability for geocoding of patients, prescribers, and dispenser locations to enable geographic analysis of the relationships to identify potential criminal activity, abuse or a localized trend in a specific health-related issue.
- 3.8 Electronically cleanse and standardize the data to identify individuals using different but similar names, different but similar addresses, multiple individuals using the same address, etc.
- 3.9 Provide tools for the query of relational or multi-dimensional data that supports a broad range of search criteria
- 3.10 Provide tools that will electronically assist in the identification of illegal and unprofessional activities.
- 3.11 Provide automated tools that will be used in the removal of data once it has reached its retention limit. Describe how the deletion/purging and sanitizing of data would occur for data that exceeds its retention date. Describe how this process will be recorded or documented.
- 3.12 Convert and store any live program data and archived data for past five years from the existing system. Any live data would be in live status for 365 days from the date of creation and then be archived. Anticipated data retention period for archived data is 5 years. The current MAPS database platform is SQL Server Enterprise Edition, version 2008 R2. The database including both live program data and archived data, contains 105 tables and is approximately 480 GB in size. The database contains over 120 Million records across these 105 tables, with the following approximate counts across key data categories.

Prescriptions – 106 Million
Drugs – 288,000
Dispensers – 9,000
Practitioners – 384,000
Standard Users – 42,000

Data Conversion Plan to be provide in Schedule D.

- 3.13 Provide automated tools that will be used in the de-identification of data to be moved to a historical repository. Live data is maintained for 5 years.
- 3.14 Provide a mechanism for LARA staff to:
 - 3.14.1 Sort and view the upload history of a dispenser by timeframe, number of prescription errors, zero reports filed, late submissions and trends.
 - 3.14.2 Check the accuracy of a specific upload.
- 3.15 Provide a mechanism for LARA staff to produce reports, on demand or scheduled, displaying information about all uploads by a dispenser, including contact information for each dispenser and the reported date ranges of the submission.
- 3.16 Provide a mechanism for LARA staff to produce reports displaying records that were uploaded containing incomplete, invalid, or missing data including DEA, NDC, or NPI numbers or prescription control numbers (e.g., verify prescription control number as supplied by LARA).
- 3.17 Provide mechanism for automated verification of prescription data as specified by LARA.

4. Data Exchange

- 4.1 The PMP system shall provide access to the National Association of Boards of Pharmacy's (NABP) PMP Interconnect hub to allow for interstate data exchange, for queries made by authorized users, and for disclosure of queries received from other states' PMPs through the PMP Interconnect hub.
- 4.2 The database system must be compatible to allow data exchange with HIE systems.

5. Secure Web Services

- 5.1 Provide a secure website for access to the information in the database system and meet the state's eMichigan web application development standard for the web based portal used by authorized users and administrators.
- 5.2 Authenticate user registrations before providing user accounts. Users include: requestors, dispensers, designated agency personnel and LARA. Each user account must have a unique user identification/password combination. Email/text verification must be performed during registration. Passwords expire on a defined schedule established by LARA with prior warning to user including number of days password is still valid. Allow users the opportunity to change passwords at each logon. Include self-service password reset for users who successfully answer pre-set security questions or email/text a link to reset password. Provide logon and logoff capability. Limit logon attempts before locking account with email/text notification for reporting and unlocking ability. Track, record, and timeout illegal attempts at system access.
- 5.3 Comply with the privacy and security standards of the Health Insurance Portability and Accountability Act (HIPAA) and common standards for privacy and security. Provide examples.
 - 5.3.1 Professional licensee users will authenticate by matching license data against agency upload files.
 - 5.3.2 Agency staff user registration will be managed by agency administrators.
- 5.4 Allow for a high volume of concurrent users to access the database system and applications at the same time. The total number of authorized users and routine daily usage will need to be determined by LARA.
- 5.5 Permit a registered user to request and receive information, including automatic reports, via the secure web interface, without intervention by LARA. LARA expects 98.5% of reports to be delivered automatically without LARA action. Access to the database system shall be provided

24 hours per day, seven days per week for registered prescribers, dispensers and authorized users.

- 5.5.1 Permit Law Enforcement Officers and Benefit Plan Managers to register with MAPS and request reports related to a bona-fide drug related investigative case, pursuant to MCL 333.7333a, PA 368 of 1978 (as amended). Authorized LARA staff/administrators will review the request and approve prior to the system running the requested report.
- 5.6 Provide LARA with the capability of communicating information of interest to registered users of the database system through broadcast alerts and postings on the database system home page.
- 5.7 Comply with all federal and state of Michigan privacy and security laws, rules, and regulations.
- 5.8 The Contractor will be responsible for data breach notifications to prescribers, dispensers, LARA and any other parties in accordance with HIPAA regulations.
 - 5.8.1 Provide an example of this process which includes procedures and the appropriate timeline.
 - 5.8.2 Provide detailed methods used to detect database system intrusion.
 - 5.8.3 Provide privacy methods used to ensure that confidential data and communications are kept private.
- 5.9 The system shall permit a registered user to establish delegate accounts for his agents, and further, shall provide a mechanism for the user to monitor the system activity of his delegates.
 - 5.9.1 Provide a toll-free number and email address by which users may contact the selected supplier's Help Desk for support with submissions, web-based collection, analysis, reporting and the administration of passwords and user accounts. The toll-free number shall be staffed by persons located within the United States of America 24 hours per day, seven days per week and 365 days per year. Voice mail access shall be available at all times and must be replied to within 24 hours.

6. Queries and Reports – All reports must be available for download in both PDF and CSV formats.

- 6.1 Prepare audit reports for LARA at the end of each reporting period identifying dispensers that have either not submitted a report or have been rejected.
- 6.2 Allow LARA to search, correlate, query, and match records on all variables contained in the database system. Allow LARA to correct the records.
- 6.3 Allow prescribers to query records with prescribers' DEA number.
- 6.4 At a minimum, but not limited to include the following reports:
 - 6.4.1 Top prescribers of controlled substances
 - 6.4.2 Top dispensers of controlled substances
 - 6.4.3 Top household addresses receiving controlled substances
 - 6.4.4 Top recipients of controlled substances
 - 6.4.5 Patients using the most different pharmacies
 - 6.4.6 Patients using the most different prescribers
 - 6.4.7 Top controlled substances by generic name

6.4.8 Top drug usage by therapeutic class

6.4.9 Top drug usage by NDC number

The format of all reports and creation of additional standard reports shall be approved by LARA.

- 6.5 Specify, identify, and report the number of registered user requests by user type (e.g., prescribers, dispensers) and provide audit report capabilities for individual users on demand.
- 6.6 Enable LARA to perform ad hoc queries on live data immediately following submission and provide mechanism to download or create reports from the data.
- 6.7 Provide de-identified data for population health use and reports.
 - 6.7.1 Data must be downloadable upon demand.
 - 6.7.2 A mechanism must be provided to facilitate the display of data trends to the agency website. Provide examples of standardized statistical reports and graphs showing health trends related to the PMP.
- 6.8 Produce automatic threshold reports and a robust reporting module that allows for the modification of parameters. Expected criteria may consist of, but is not limited to, the number of prescriptions dispensed, number prescribers used, and the number of dispensers used in a designated period of time.
- 6.9 Provide the ability to generate alerts to prescribers and dispensers of patients who have been identified as exceeding specific threshold levels. LARA must have the ability to review a patient's auto-populated prescription history report and choose whether an alert should be sent to specific prescribers and/or dispensers of that patient. Allow dispensers to set alert notification levels on patients of concern.
- 6.10 Provide LARA the ability to deactivate accounts of requestors and dispensers who are no longer authorized to use the database system for any reason.
- 6.11 The system shall enable LARA to perform ad hoc queries to respond to requests from individual patients, professional licensing, local, state, or federal law enforcement agencies, and for statistical, research, or educational purposes.

7. Other Requirements

- 7.1 Provide a disaster recovery plan for data pertaining to the database system in the event the system is unavailable due to human error, equipment failure, or a natural disaster. Please address any historical statistics on database system unavailability for other states (i.e., on average, how long is the database system down or otherwise unavailable on a monthly basis for reasons other than natural disaster). Describe how users will be notified in the event of down-time. Data Backup Plan is provided in Schedule C and Disaster Recovery Plan is provided in Schedule E.
- 7.2 Provide continuing technical assistance for LARA and other licensing agencies via telephone and email 24x7x365.
- 7.3 Provide training for database system use by LARA administrator(s).
- 7.4 Provide database system patches, version updates, security updates, and software upgrades.
- 7.5 The Contractor will be required to encrypt any State data both in transit and at rest at all times that is in use by the Contractor during the project and support after the project. This applies to any device that accesses State data in any fashion. Data Security Requirements are provided in Schedule B.

- 7.6 The Contractor will work with LARA to migrate the existing data for last 5 years and all current and active registered users to the new system.
- 7.7 The Contractor will meet all the security protocols and standards of the State of Michigan.

8. System implementation

- 8.1 All development, documentation, unit testing, end-to-end testing, and security compliance reviews for program area implementations, website.
- 8.2 Implementation of PMP solution.
- 8.3 Provide and configure data tracking tools and a management dashboard, in compliance with LARA detailed requirements.
- 8.4 Migrate existing database to solution's cloud data storage.
- 8.5 Migrate existing users to solution's cloud based security environment.
- 8.6 Implement external web services to support these functions where access through State and non-State systems required, in accordance with all State and Federal regulations pertaining to the access of the PMP system.
- 8.7
- 8.7 Provide data feeds to and from PMPi for multi-state query support and connectivity through GATEWAY.

B. Hardware Requirements – Personal Computer and Mobile System

Hardware **purchase is not a part of this solution.**

C. Initiation, Planning and Requirements Validation

Contractor's System and Services must meet the functional and technical requirements detailed and/or referenced in the Contract.

Contractor will attend the Orientation Meeting described in **Section 1.301** and meet with State staff to review the requirements to ensure the System will be implemented successfully. Contractor will identify any functional, general, or technical issues that need to be addressed to ensure successful implementation and will propose solutions and project timeline.

The parties will review the Preliminary Project Plan and identify any issues that need to be addressed. Contractor will then provide the Final Project Plan and final report formats described in **Section 1.300** detailing how the System will be set up to provide the State's requested functionality.

The parties will review the Preliminary Enterprise Architecture Solution Assessment (EASA) Worksheet Contractor Version and identify any issues that need to be addressed. Contractor will then submit a Final EASA to the DTMB Project Manager (PM) encapsulating any identified changes within the timeframe established in the Final Project Plan.

It is the contractor's responsibility to complete the DIT-170 or other similar documentation as the State may require, to obtain Michigan Cyber Security written approvals as required by the State within the timeframe established in the Final Project Plan.

Contractor Commitment:

Contractor will apply project management methodology that contains the following five components to ensure project success:

1. Contractor will assign a single point of contact, Project Manager for all project activities.
2. Contractor will establish and maintain open and frequent communication with LARA
3. Contractor will integrate standard methodologies into the project management plan and supporting programs.
4. Contractor will conduct weekly internal reviews to assess status and progress, develop solutions to problems as they occur, and attempt to eliminate or minimize the impact of anticipated future problems.
5. Contractor will ensure timely completion of deliverable items by fully understanding requirements, planning the work activities, and assigning the appropriate mix of personnel with the required skills, and obtaining the personal commitment of each individual involved in the task.

Deliverable(s):

- Documentation verifying and validating requirements
- Current Business Operations Document
- Conceptual Business Operations Document
- Conceptual Business Work Flow Diagram

- PMM-102 Project Management Plan
- SEM-602 Test Plan
- SEM-603 Test Type and Approach Report
- SEM-606 Test Case
- SEM-702 Installation Plan
- SEM-703 Training Plan and Documentation

- Final Report Formats
- Preliminary EASA
- Final EASA
- Final Security Assessment documentation

Acceptance Criteria:

- High-level acceptance criteria per **Section 1.501**.

D. Testing

Contractor must follow a testing process comparable to the SUITE testing process which includes a test plan, test type approach, and test cases. Documentation of testing and testing types/levels, and test cases and how defect tracking and resolution is handled must be provided for test environments and production. Testing will demonstrate the system's compliance with the requirements of the RFP. At a minimum, the testing will confirm the capabilities of the system with respect to the functions and features described in the RFP and the ability of the system to perform the workflow throughput requirements. Detailed information about SUITE testing processes can be found in the documents linked to and referenced in Section 1.104 Work and Deliverables. DTMB and LARA personnel will execute user acceptance testing (UAT) after the contractor completes system testing in a QA environment.

Deliverables

- Test implementation according to the SUITE documentation.
- User acceptance testing

Acceptance Criteria

- Each test phase is accepted and signed off by State PM.
- High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

E. Go-Live

As part of implementation, the solution will be put into production for use by LARA and by external users.

Prior to production, the State may determine that a short pilot of the software should be completed before the solution is fully implemented in a production environment.

Deliverable(s)

- (Optional) Pilot project prior to production release.
- Documentation identifying the fulfillment of each software requirement
- System available for use by LARA and external users.

Acceptance Criteria

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

F. Warranty

For a period of 90 days after Go live, the Contractor will be responsible for fixing any reported defects related to the application. During this warranty period, if a defect is detected, the warranty period may be extended to cover all defect repairs found within the original 90-day period.. Sample defect tracking log provided here below:

Deliverables	
Deliverable Description	Comments or additional information
Defect Tracking Log	
All defects with severity level under critical or high are resolved.	

Acceptance Criteria

- State PM agrees and signs off that Contractor’s solution has operated properly during the warranty period.
- High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

G. Training and Documentation

Training Plan

There are two categories of users who will require training:

- Train-the-Trainer – LARA expects to train up to 10 participants who will in turn train all users of the system.
- System Administrator(s) Training – LARA expects to assign one or more system administrators to this software who will be responsible for establishing, editing, and deleting contracts; adding, editing, and deleting contractors and project manager accounts; and adding, editing, sending, and tracking administrator notifications, etc.

The Contractor must provide the following training (per Schedule F, Pricing).

Required

Train-the-Trainer

- 1 Class of up to 10 participants.
- Train all user roles of the SaaS solution.
- LARA requests onsite (Lansing) or webinar training

System Administrator(s) Training

- 1 Class for up to 10 Participants
- LARA requests onsite (Lansing or Louisville) and webinar training

Contractor should provide training related to system upgrades and new versions of the system that affect user functionality at no additional cost.

Documentation

All training manuals, training plans, and other documentation shall be provided in an electronic format and hard copy.

Contractor must provide user interface and user experience documentation to aid the State in understanding the workflow available in the proposed solution.

The Contractor must provide documentation to accompany the software solution. Three types of documentation are required (end user, system admin, and technical):

- End user documentation
- End user online help
- System administrator documentation
- System documentation
- Technical documentation

The Contractor must provide the documentation listed below in both an electronic format and as hard copy. Documentation updates due to upgrades or other modifications to the system must be provided throughout the term of the contract and any maintenance period while the license is active. The Contractor must notify the State of any discrepancies or errors in the documentation promptly upon identification.

Documentation to be provided must include, at a minimum:

- End user documentation
- End user online help
- System administration documentation
 - Include documentation of issues/solutions frequently encountered by the system administrator
 - Level of effort and anticipated down time
 - Anticipated frequency and requirements of patches, minor and major fixes
 - Special requirements such as browser components that could affect capabilities or performance of the system
- Technical documentation
 - System administrator manual
 - Data dictionary
 - FAQ or support information for frequent issues users may encounter
 - Detailed list of client browser components required by the application
 - Operations manual
 - System documentation and specifications

Training and Documentation Deliverables

- Provide training plan.
- Provide training as outlined above.
- Provide user interface and user experience documentation.
- Provide documentation as outlined above.

State Responsibility

- The State will work directly with the Contractor in the development of all training materials
- Provide trainers for train the trainer sessions
- Provide an Administrator for Administrator trainer

Contractor Responsibility

- Work directly with Michigan to develop a state specific training plan. This could include user's guides, training guide and administration guides.

Acceptance Criteria

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

H. Maintenance, Support, and Operation Services:

The MAPS (PMP) Solution is a SaaS solution and will be hosted by the Contractor.

Maintenance and Support

The Contractor will be solely responsible for maintaining and supporting the solution and all related infrastructure for LARA and LARA's external users in accordance with the provisions of **Section 6 Service Availability and Section 6, Support and Maintenance Services in the Contract Terms.**

Maintenance and support will commence upon successful acceptance of the completed Performance Warranty period.

Contractor must provide a maintenance and support plan. The Maintenance Plan must include:

- Required application maintenance activities and time frames.
- A technology roadmap for the proposed system showing a three (3) year plan for new software version releases, support window, and sun-setting.
- A description of any maintenance and support features that are provided in addition to those specified in this document and Section 6, Support and Maintenance Services in Contract Terms.
- A detailed list of any third-party tools required by the application and describe how they will be supported over the System Development Life Cycle (SDLC).

Contractor will provide a dedicated toll-free number for LARA staff and PMP users from the prescriber (and delegate), dispenser, law enforcement and regulatory communities.

In addition, Contractor will provide access to a web-based form that LARA staff and program users from the prescriber/delegate, dispensers, law enforcement and regulatory agency communities can use to submit service requests/inquiries.

Customer Support: Contractor will provide 24 hours a day, 7 days a week, 365 days a year customer support through the Customer First Center (CFC). Contractor will provide support via telephone and web form. In addition, Contractor will provide email support to LARA personnel responsible for PMP Administration.

System Support: Contractor will provide 24 hours a day, 7 days a week, 365 days a year system support. This includes, but is not limited to assistance and ongoing support regarding problems/issues, guidance in the operation of the SaaS solution, and identification and correction of possible data or solution errors. Support will be in the form of a live operator via phone and a dedicated Client Relationship Manager available via email.

Problem Tracking and Resolution: Problems will be classified as to criticality and impact and resolution as described in Section 6 of the Contract Terms.

Contractor will provide direct tie-in between the customer support systems and customer issue tracking, and software development lifecycle and ticket tracking therein.

Release Management System: The contractor will provide a notification of system scheduled maintenance, to be performed outside of the regularly scheduled maintenance window, seven (7) days prior to the scheduled maintenance period. Appriss' regularly scheduled maintenance window takes place on Wednesday mornings from 4 am EST through 6 am EST.

Acceptance Criteria

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

1.200 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

Note: the project approved Governance Model will be followed for all decision and escalation points. The approval of the Governance Model will be provided by the Contractor PM, CRM, and SME and the State PM, IT Manager, and BPL Director

A. Contractor Staff – Key Personnel:

Resource Name	Shellie Nall
Role	Contractor Security Officer
Key Personnel	Yes
Address	10401 Linn Station Road Louisville, KY 40223
Email	snall@appriss.com
Phone	502.815.5577

Resource Name	Jessica Radcliffe
Role	Project Manager / Single Point of Contact
Key Personnel	Yes
Address	10401 Linn Station Road Louisville, KY 40223
Email	jradcliffe@appriss.com
Phone	502.815.5568

The SPOC role's duties include, but not be limited to:

- Supporting the management of the Contract,
- Ensuring that all defined contractor responsibilities in this scope of services are completed appropriately,
- Serving as the point person for all project issues,
- Assessing and reporting project feedback and status,
- Escalating project issues, project risks, and other concerns,
- Facilitating dispute resolution, and
- Updating the state of performance under the terms and conditions of the Contract.

Resource Name	Paul Forst
Role	Technical Subject Matter Expert
Key Personnel	Yes
Address	10401 Linn Station Road Louisville, KY 40223
Email	pforst@appriss.com

Phone	502.815.3819
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The duties of the technical subject matter expert will include, but are not limited to:

- Working with DTMB personnel to complete the DTMB 170 and the EASA worksheet
- Configuring the software appropriately for use by LARA
- Completing system testing of the software as configured for use by LARA
- Providing support during user acceptance testing
- Overseeing and supporting the implementation process

Resource Name	Nicole Dubree
Role	Client Relationship Manager (CRM) / Contractor Service Manager
Key Personnel	Yes
Address	10401 Linn Station Road Louisville, KY 40223
Email	ndupree@appriss.com
Phone	502.815.5761

The duties of the Client Relationship Manager will include, but are not limited to:

- Responsible for conducting or coordinating training sessions
- Day-to-day communications regarding training and other logistics
- Serves as the main point of contact after the implementation period, for the duration of the contract
- Works closely with the State of Michigan for continued program success

B. On Site Work Requirements

1. Location of Work

Any work performed at a State facility rather than at a contractor facility will be executed at the following address:

LARA – Ottawa Building
Bureau of Professional Licensing
611 Ottawa Street, 3rd Floor
Lansing, MI 48909

Should contractor staff need to work on site at a State facility, the State will provide the following resources for the Contractor's use:

- Work space
- Minimal clerical support
- Desk
- Access to copiers and fax machine

2. Hours of Operation:

- Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.
- The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
- Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

3. Travel:

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

4. Additional Security and Background Check Requirements:

Contractor must present certifications evidencing satisfactory Michigan State Police Background checks ICHAT and drug tests for all staff who will work on site in a State facility.

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

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The State project team will consist of a DTMB project manager, LARA subject matter experts (SMEs), and a DTMB contract manager. Prior to system implementation, LARA will identify a MAPS administrator.

State Project Manager

DTMB will provide a project manager. The project manager is a DTMB employee who works in the ePMO IT Program Management Office.

The DTMB project manager will provide the following services:

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

Name	Agency/Division	Title
Laura Brancheau	DTMB	Project Manager
Tim Gajda	DTMB Agency Services	IT Manager

Subject Matter Experts

The subject matter experts (SMEs) representing the business units involved will provide the vision for the business design and how the application will support the vision. They will be available on an as-needed basis.

The SME's will be empowered to:

- Resolve project issues in a timely manner
- Review project plan, status, and issues
- Resolve deviations from project plan
- Provide acceptance sign-off
- Utilize change control procedures
- Ensure timely availability of State resources
- Make key implementation decisions, as identified by the Contractor's project manager, within 48-hours of their expected decision date.

Name	Agency/Division
Kim Gaedeke	BPL Director

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

Name	Agency/Division	Title
Malathi Natarajan	DTMB	Contract Administrator

System Support Resource

The system support resource will be a DTMB technical support person. If the solution is hosted by the State, this resource will serve as a liaison with the appropriate DTMB server team. Regardless of where the solution is hosted, this resource will also serve as a liaison with the contractor company's technical support personnel. NOTE: For this program it will not be hosted by the state as the Contractor will be responsible for handling all hosting needs and requirements once the new system is established for MAPS.

1.203 OTHER ROLES AND RESPONSIBILITIES

The State may provide other DTMB staff as needed to support completion of the Statement of Work, which may include:

- System Administrators: grant and deny access to system

1.300 Project Plan

1.301 PROJECT PLAN MANAGEMENT

Project Plan

Project Management Plan (PMM 0102) includes necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

1. In particular, the Preliminary Project Plan includes a MS Project schedule or equivalent (check the SUITE/PMM standard):
 - a. A description of the deliverables to be provided under this contract.
 - b. Target dates and critical paths for the deliverables.
 - c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
 - d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
 - e. Internal milestones
 - f. Task durations

Note: A Final Project Plan will be required as Stated in Schedule A, Section 1.301 Project Control.

Orientation Meeting

Within fourteen (14) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Performance Review Meetings

The State will require the Contractor to attend monthly meetings, at a minimum, to review the Contractor's performance under the Contract. The meetings will be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Project Control

1. The Contractor will carry out this project under the direction and control of DTMB and LARA.

2. Within fourteen (14) working days of the execution of the Contract, the Contractor will submit the final Project Management Plan (PMM 102) to the State project manager for final approval. This project plan must be in agreement with Schedule A, Section 1.104 Work and Deliverables, and must include the following:
 - The Contractor's project organizational structure.
 - The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
 - The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
3. The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
 - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
 - Staffing tables with names of personnel assigned to Contract tasks.
 - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all services to be performed within the next two business weeks, updated bi-weekly.
 - Updates must include actual time spent on each task and a revised estimate to complete.
 - Graphs showing critical events, dependencies and decision points during the course of the Contract.
 - b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.302 PROJECT REPORTS

Reporting formats must be submitted to the State's Project Manager for approval within five (5) business days after the execution of the contract resulting from this RFP. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract.

Contractor will provide a bi-weekly Project Update Report on the overall status to implement the Solution, which will include:

- Weekly Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Action Item status
- Issues
- Change Control
- Repair status
- Maintenance Activity

1.400 Project Management

1.401 ISSUE MANAGEMENT

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

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

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

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

Level 1 – Subject Matter Experts (SME's)

Level 2 – Project Managers / Business Owner

Level 3 – Executive Sponsor

The Contractor shall also maintain a defects log for software defects identified by the State. The defects log must be communicated to the State's Project Manager on an agreed upon schedule, with email notifications and updates. The defects log must be updated and must contain the following minimum elements:

- Description of each defect
- Defect identification date
- Priority for fixing defects (to be mutually agreed upon by the State and the Contractor)
- Contractor resources assigned responsibility for fixing each defect
- Estimated date for fixing each defect
- Description of the fix to be applied

1.402 RISK MANAGEMENT

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

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

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the contract resulting from the upcoming RFP. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

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

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

1.403 CHANGE MANAGEMENT

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

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

issuance of a Contract Change Notice by the DTMB-Procurement, risk non-payment for the out-of-scope/pricing products and/or services.

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

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

Change Control Procedures

Methods Used to Initiate Change Requests

The following methods may be used to outline proposed changes, in order to initiate a change request:

- A telephone conversation between the Project Manager and/or Project Sponsor, and the customer.
- An email to the Project Manager and/or Project Sponsor from any individual approved by the customer to submit change requests
- Meeting minutes recorded during customer meetings

Change Request Format

A Change Request Form shall be used and should include the specific change(s) requested, along with any approval already given by the Project Sponsor and the customer for the change if the change was not initiated by the customer.

All change requests will be maintained in a Change Control Log.

Preliminary Analysis Ownership and Responsibilities

A Change Request must be appropriately analyzed to determine the impact to the project. The Project Manager will be responsible for ownership for coordinating the primary analysis to determine if the Change Request is possible, given any limitations on schedule, scope, or resources.

Detailed Analysis Ownership and Responsibilities

The deliverable owner most affected by a potential change will be assigned the responsibility of conducting a detailed analysis to determine if the Change Request is possible, given any limitations on schedule, scope, or resources. This analysis will be provided to the Project Manager in a timely manner to allow for discussions with and recommendations to the Project Sponsor and the customer.

Change Request Approval

If the change request receives initial approval by the Project Manager and client, the Project Manager will then formally submit the change request to the Change Control Board. If the Change Control Board approves the scope change, the Project Manager and Customer’s Project Manager will then formally accept the change by signing the project change control document. Upon acceptance of the scope change by the Change Control Board and Project Sponsor the Project Manager will update all project documents and communicate the scope change to all project team members and stakeholders.

1.404 COMMUNICATION MANAGEMENT

Communication management is defined as the process to communicate the appropriate level of information to the multiple levels of Project Stakeholders throughout the life of the project.

1.500 Acceptance

1.501 CRITERIA

- Documents are dated, provided in Microsoft versions equivalent to State software policies, and adhere to all professionally acceptable grammatical standards.
- Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
- Draft documents are not accepted as final deliverables.
- The documents will be reviewed and accepted in accordance with the requirements of the Contract.
- DTMB will review documents within a mutually agreed upon timeframe.

- Approvals will be written and signed by the PM, IT manager, and BPL Director.
- Issues will be documented and submitted to the Contractor.
- After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.

Software Deliverables

Deliverable approval process detailed in the Contract Terms has been followed and met. See Section 4. Service Preparation, Testing and Acceptance in the Contract Terms

1.502 FINAL ACCEPTANCE

Final acceptance is expressly conditioned upon completion of ALL deliverables/milestones identified in Section 1.104 Work and Deliverables, completion of ALL tasks in the project plan, completion of ALL applicable inspection and/or testing procedures, and the certification by the State that the Contractor has met the defined requirements. Final acceptance will be given after the expiration of the Warranty Period if all outstanding issues have been resolved to the State's satisfaction. See also the Contract Terms for further details.

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

Method of Payment

- Services will be paid on sign-off of identified project milestones, less identified holdbacks. Please see Schedule F – Pricing, Table 2: Project Work and Deliverables Cost Detail, regarding the milestones for MAPS (PMP) project. A milestone is defined as complete when all of the deliverables within the milestone have been completed and accepted. Failure to provide deliverable by the identified date may be subject to liquidated damages as identified in section 1.502 Final Acceptance.
- Software subscription (One-time cost for the subscription to the Contractor's proposed software package) will be purchased as needed, to support software implementation. Please see Schedule F – Pricing, Table 1: One-Time Project Cost Summary, Item A - Base Software Package, regarding the software subscription cost.
- Software Licensing, Maintenance and Support will be paid for the installed software, starting for the period after the warranty period has expired. Please see Schedule F – Pricing, Table 4: Software Licensing, Maintenance and Support.
- Future service engagements will be paid according to a defined schedule in the individual engagement statement of work.
- Service Credits may be exchanged for training conferences, services, equipment, or deducted from State's payment due to Contractor.

Extended purchasing program volume requirements are not included, unless stated otherwise. See SaaS Terms and Conditions, Section 22.5.

Travel

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

Statements of Work and Issuance of Purchase Orders

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

1. Background

2. Project Objective
3. Scope of Work
4. Deliverables
5. Acceptance Criteria
6. Project Control and Reports
7. Specific Department Standards
8. Payment Schedule
9. Travel and Expenses
10. Project Contacts
11. Agency Responsibilities and Assumptions
12. Location of Where the Work is to be performed
13. Expected Contractor Work Hours and Conditions

Invoicing

Contractor will submit properly itemized invoices to

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

DTMB-Accounts-Payable@michigan.gov

. Invoices must provide and itemize, as applicable:

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

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

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

1.602 HOLDBACK

The State shall have the right to hold back an amount equal to 10% of all amounts invoiced by Contractor for Services / Deliverables. The amount held back shall be released to Contractor after the State has granted Final Acceptance.

Attachment 1 - Key Personnel Resume Requirements

Requirement
Minimum 2 years of experience with the vendor company.
Documented experience in successfully leading the implementation of the proposed solution software to be installed at least two times.
Documented experience in configuring the proposed solution to meet the customer's requirements at least two times.
Documented experience in successfully implementing an interface between the solution software and another application/system.
Documented experience creating test cases.
Documented experience in conducting unit, integration, system and user acceptance testing.
Documented experience in defect management. To include identifying, documenting, tracking and resolving defects.
Minimum 5 years working in an IT classification.
Minimum of 30 credits of education in an IT curriculum.
Minimum 5 years of experience in verbal and written communication with clients and technical staff in English. Excellent verbal and written communication skills required.

Schedule B - Data Security Requirements



Appriss Information
Security Program.pdf

Schedule C – Data Backup Plan

Full backups are taken once every 36 hours, retained locally for 1 week and offsite for 3. Off-site backups are encrypted locally then transferred to AWS S3 encrypted storage. Appriss utilizes redundant high bandwidth AWS direct connections to ensure the fastest possible data transmission and recovery. From the point of full backup, and until the next backup, every database update transaction is recorded in Appriss' transaction redo log.

PMP AWARxE data storage is housed in a Virtual Private Cloud located in Amazon's AWS US East data center. When data is imported into a PMP AWARxE RDS database in AWS, it is also replicated to a separate Amazon Availability Zone using Amazon's multi-AZ RDS replication functionality. This creates a replicated database within the same VPC but in a different physical availability zone at the data center for the purpose of high availability. Data is also backed up daily using Amazon's automated RDS backup feature that enables point-in-time recovery for a database instance.

The daily backups have a 14-day retention period. In addition to the daily automated backup, Amazon RDS archives database change logs. This enables Appriss to recover the State's database to any point in time during the backup retention period, up to the last ten minutes of database usage (i.e. an RPO of 10 minutes). Amazon RDS stores multiple copies of data. If for any reason a single-AZ DB instance becomes unusable, it will be possible to use point-in-time recovery to launch a new DB instance with the latest restorable data. This allows for an RTO value of 90 minutes.

The databases and applications are replicated and redundant via the separate data centers with the backup location on hot standby. The configuration settings, databases, and file systems are encrypted and backed up to Amazon S3 for real-time access and recovery.

Appriss services also operate in the AWS US East (N. Virginia) region:

- Amazon cloud computing resources are housed in highly available data center facilities in different areas of the world (for example, North America, Europe, and Asia). Each data center location is called a region.
- Each region contains multiple distinct locations called Availability Zones, or AZs. Each Availability Zone is engineered to be isolated from failures in other Availability Zones, and to provide inexpensive, low-latency network connectivity to other zones in the same region. By launching instances in separate Availability Zones, applications are protected from the failure of a single location.

Data Retention

PMP AWARxE supports configuration of data retention periods and will be configured to accommodate the State of Michigan's retention period. In general, once a retention period is established and configured into the system, a daily process first calculates the cutoff date for retention as of that date, and then identifies records with fill dates that have surpassed the cutoff date. The identified records are then purged. An audit trail of the data purged is kept.

Schedule D - Data Conversion Plan

DATA CLEANSING, CONVERSION, AND UPLOAD

The Contractor shall ensure that all data that has been collected by previous data management system in addition to user information is cleansed, converted and uploaded into MAPS database. The Contractor must submit a data conversion plan with the information elements listed below. The document should conform to the high level acceptance criteria listed in Schedule A, Section 1.501.

The data conversion plan shall include, but not be limited to the following;

- A. An overview of the activities and services that the Contractor will provide, the assumption on which the plan is based, and the roles and responsibilities for individuals and organizations involved in the conversion effort.
- B. A description of the objectives to be addressed in the data conversion, which includes but is not limited to:
 1. Identifying the approximate number and source of record or documents to be converted,
 2. Description of the procedure(s) used to for error identification and resolution.
 3. Archived data impact.
- C. A data conversion strategy for the conversion effort, which includes but is not limited to:
 1. Needed roles and number of staff required
 2. Conversion method with descriptions of any automated method that requires minimal intervention from MAPS staff.
 3. Mechanism for identifying and reporting conversion errors.
 4. Method to reconcile converted data and differentiate between converted data and new system data.
 5. Description of the capability to automatically reverse or undo a conversion.
- D. Conversion preparation and procedures, which include but are not limited to:
 1. Source specifications – identify the file and/or database name and description, data source, file structure, conversion rules, dependencies, access requirements, data format, and conversion acceptance criteria for each source.
 2. Destination specifications – identify the name, data source, access requirements, and data format for each destination.
 3. Intermediate processing requirements – identify the cleansing, validating, and initiating requirements.
 4. Data element mapping – provide a mapping of the source to destination, considering intermediate processing requirements.
 5. Data conversion tools and scripts – identify the necessary tools and scripts to perform data conversion, intermediate data processing, and loading cleansed data into the destination data repository. Includes both automated procedures (conversion programs) and manual procedures (data entry procedures) and define each script necessary.
 6. Testing – identify conversion verification procedures and activities required for system testing. Identify the testing tools and scripts, and the validation and verification of resulting test data, in preparation for data loading.
- E. Provide a timeline and describe the schedule of activities to complete conversion at implementation.

Schedule E - Business Continuity and Disaster Recovery Plan

Contractor's Business Continuity and Disaster Recovery Plan is as follows.

Revision History

Date	Revision	Purpose
03/01/10	1.0	Initial document created by Vic Smither
4/20/10	1.1	Minor edits by Eric Pullen during review
10/01/10	1.2	2010 Update post table-top review
06/03/11	1.3	Updated contact information
06/2013	1.4	Updated contact information
01/2015	1.5	No changes

Review History

Date	Name	Title	Signature
06/03/11	Brian Oldham	CTO	
06/03/11	Eric Pullen	Dir. Of IT	
01/2015	Shellie Turner	CSO	

Plan Introduction

The Appriss Disaster Recovery Plan is designed to provide immediate response and subsequent recovery from any unplanned business interruption, such as system compromise, computer equipment outage, loss of utility service, or catastrophic event such as a major fire.

The Contingency and Disaster Recovery Plan addresses the elements necessary to ensure continuity of certain services provided by Appriss to minimize the impact of potential catastrophes by:

- Reducing the likelihood of disaster through preventive measures, which encompass the areas of the facility, personnel, maintenance, security, equipment, communications, and software.
- Planning a structured response to the event and eventualities that may beset the Appriss products, ensuring that not only the procedures, but also the responsibilities are well defined.

The Contingency and Disaster Recovery Plan documents the strategies, personnel, procedures, and resources that Appriss will use to respond to any short- or long-term business interruption. Specific details on incident response and subsequent business recovery actions and activities are included within the respective scenario sections. Employees may be members of two or more teams.

System Name

The entire system is simply called “The Platform” and refers to all pieces and parts that make up all of the services that we provide our customers. The major subset that is used by all systems is called the “Core System” and is at the center of all applications provided to our customers.

System Description

Appriss, Inc. is comprised of several products including but not limited to VINE, PMP, RiskCheckNow, Methcheck, and Justice Exchange. At the core of these products is what is referred to “Core System” which is comprised of the hardware, operating system, systems applications, communications, email, archiving, storage, backup, and disaster recovery of the Core System.

How to Use the Plan

This plan provides information about handling a disaster recovery incident at the Linn Station facility. Since Appriss has several applications that are critical systems, disruption or degradation of service is of paramount importance to be restored. Since not all applications systems are of a critical importance, only those deemed that way will be restored first. Other applications will be restored as deemed necessary or when the Linn Station facility has been returned to regular service.

Strategy Overview

The alternate facility that will support all Appriss systems is located at 2351 Nelson Miller Parkway Suite 103 Louisville, Kentucky 40223. Once a person authorized to do so has declared a disaster, the IT Core group will be contacted to begin the restoration. The actions plan dictates the steps necessary to bring up the priority systems. Since the VSR's and Appriss Operations Center (AOC) are located at the disaster recovery site they will operate as normal.

Alternatively, if there is a disaster at the recovery site, we will move all necessary operation staff (AOC & VSR's) to our primary facility at 10401 Linn Station Road Louisville, KY 40223.

Disaster Recovery Phases

There are three main phases of a disaster recovery: response, recovery, and restoration. Appriss disaster recovery will be handled through the execution of these phases as described below.

- Response. Activities immediately following the identification of a disaster situation. Includes notification of executive management, formal declaration of a disaster, mobilizing personnel, and meeting to plan the handling of the situation.
- Recovery. Activities for interim or temporary processing until the system or facility can be fully restored. This includes moving processing to another location or using an interim process. Recovery activities may not always be applicable in some scenarios or in the case of others may be of very short duration.
- Restoration. Activities that bring the system back to its normal processing mode.

Appriss Processing Strategies

This section provides information about strategy for restoring processing elements of the CORE platform and can apply to any of the threat scenarios where a particular CORE element is affected.

Data Processing Strategy

The main database is backed up disk-to-disk and disk to tape, then moved off site for storage at Data Vault. In addition, there is an active Oracle server that processes the log file updates from the production Oracle system so that it is always active and up to date. The log files are put on the disaster recovery storage system that is capable of holding all necessary database files for the critical systems. This system is kept under maintenance and constantly being monitored by the AOC. The backup tapes are taken off site daily and stored at The Data Vault 13201 Data Vault Drive Louisville, Kentucky 40223. There are several IT personnel that are authorized to request tapes to be released and delivered to the Nelson Miller Parkway facility.

Travis Ackery
Jim Apple
Victor Smither

Application Component Strategy

Most of Appriss application servers are running on Citrix Xen virtual servers, which are ready to load the appropriate servers with Novell SLES or Microsoft Sever depending on the application. All physical servers are stored in the “build room” at the disaster recovery site. Once the servers are built, the Applications Core Team will be notified.

Data Communication Strategy

Currently Appriss has three different Telecommunications carriers with diverse entry paths at both the Linn Station Facility and at the Nelson Miller facility. Two high-speed links (Metro Gigabit Ethernet) connects the two sites and allows for data transfer and data replication. There are load balancers, switches, and routers on site at both locations that can be configured when a disaster has been declared.

Restoration Prioritization Strategy

Restoration prioritization will be reviewed yearly and verified with the applications managers to ensure that all contracts are being met. All new and existing renewals of contract SLA’s should involve the Director of IT to ensure that the appropriate hardware and systems are available to ensure adherence to the contract.

See Appendix F for restoration priorities.

Disaster mode operations

Procedure Training

The Core Management Team will be responsible for providing training to any staff member not familiar with the elements of the Disaster Recovery Plan. The Core Management Team should enlist any additional members necessary for training and documentation. This includes Security, Facilities, Support, and Development. Resource Plan for Operating in the Contingency Mode

The CTO will ensure this plan has been reviewed and that each member of the Core Management Team will review plan with their team annually.

Roles, Responsibility, and Authority

Only a member of the senior team can authorize a start of the disaster recovery procedure. The disaster recovery Crisis Team upon authorization will drive the recovery of the Core System. The team members are Travis Ackert, John Rice, Jim Apple, and Ed Scott. The Director of IT shall be the disaster recovery captain. The hierarchical organization of notification procedures is shown below:

Table 1: Contingency Plan Implementation Notification Procedures

CONTINGENCY PLAN IMPLEMENTATION NOTIFICATION PROCEDURES	
1	Incident occurs at the Linn Station Facility.
2	Incident is reported to Director of IT via the AOC or IT.
3	Director of IT to call CTO
4	CTO calls CEO or President for authorization.
5	CEO or President contacts the other members of the senior team.
6	CTO contacts Director of IT and Chief Security Officer.
7	Director of IT contacts management of the Core Team.
8	Core Team Management contacts each member of his or her team.

Management Team

Each business unit team will be notified of the activation of disaster recovery mode by their senior team VP. This notification should include any steps necessary to implement their own disaster recovery plans once the CORE system is operational. All coordination of the disaster will go through the CTO or the Director of IT.

Damage Assessment Team

Once the disaster process for the Core Team is completed a damage assessment should be performed on the cause of the outage and repairs started. If there is physical damage to the Linn Station facility, only the Director of IT can permit access to the building. The Director of IT will work the landlord (NTS), fire, police, and utility companies to determine the access permitted. Once approval to enter the building the Appriss Facility Manager will access the building and determine what items can be salvaged and what needs to be taken to the Nelson Miller facility. Utility, fire, and Law enforcement phone numbers are located in Appendix A.

Team Assignment

Each Core Manager is responsible for assigning tasks to each member of his team, as is each business unit team. Because the disaster recovery site is currently being used for the AOC and VSR's there is not enough space for all the departments to have a desk to work from. Teams should secure verification from the Director of IT before any team member arrives as the site.

Contingency Teams

This section describes the personnel designated to manage contingencies.

Management Team

Senior Team

- Mike Davis - CEO
- Rick Simpson - CFO
- Brian Oldham – CTO
- Tom Seigle – President of Public Safety
- Paul Colangelo – President of Information Services

The Core Management Team includes:

- Ed Scott – Vice President of Core Technology
- Travis Ackert - Director of Information Technology
- Jim Apple - Director of Quality
- Ed Scott – Manager of Core Software
- Stacy Murphy - Manager of Core Tools
- Shellie Turner- Chief Security Officer

Preparedness Procedures

Preparedness procedures include ongoing, normal day-to-day business operations, including incident prevention activities and maintaining items necessary for the recovery program. In addition, they include recommended regularly scheduled plan review and enhancement activities that address business requirements, recovery strategy and personnel training issues. A description of preparedness procedures is provided below:

- Ensure that the documented team plans, including all identified recovery resources and procedures, are maintained in a current state of readiness.
- Maintain a current copy of the Disaster Recovery Plan and Emergency Contact List at home and office.
- Ensure that all team members and alternates maintain a current copy of the contingency plan and contact list
- Ensure that all recovery team personnel consider recovery preparedness a part of their normal duties.
- Provide periodic training on recovering from threat scenarios
- Ensure that backup and offsite rotation activities for vital records, including PC media, are being performed.
- Maintain the Contingency and Disaster Recovery Plan, including all procedures, checklists and team rosters, in and up-to-date condition.

Contacts Report

The AOC management shall contact all the customers, clients, and regulatory agencies (internal and external) which should be contacted. In addition, the following contacts should be called.

Customer Name:

Contact Name: NTS
Office Phone: 502-429-9850
Address: 10172 Linn Station Road Louisville, KY 40223

Preparedness Procedures

Ensure that daily operating activities are fully supported by recovery capabilities on an ongoing basis. The Core Managers Team is responsible for recovery preparedness and employee training within his/her area of responsibility. This includes:

- Maintain a current copy of the Contingency and Disaster Recovery Plan and Emergency Contact List at home and office.
- Ensure that all team members and alternates maintain a current copy of the Plan.
- Ensure that recovery preparedness is part of normal duties – rehearse the steps for recovery on a periodic basis, including verification of security features
- Ensure that backup and offsite rotation activities for vital records, including PC media, are being performed.
- Participate in the overall Recovery Plan Exercise Program, as required.

Technical Support Management Team

The Technical Support Team includes:

- Brian Oldham – CTO
- Bob Popeck – Manager of AOC (Strategic)
- Josh Bruner – Director of Customer Support

Responsibility Summary

The Technical Support Team's restoration responsibilities are to:

- Keep the Management Team advised of the status of the team's progress.
- Keep customers informed of the status of our recovery efforts
- Ensure all gateway systems are ready to recover once system is fully operational
- Perform resyncs of appropriate agencies when system is fully operational

Preparedness Procedures

Ensure that daily operating activities are fully supported by the team's recovery capabilities on an ongoing basis. The Technical Support Team is responsible for recovery preparedness and employee training within his/her area of responsibility.

- Maintain a current copy of the Contingency and Disaster Recovery Plan and Emergency Contact List at home and office.
- Ensure that all team members and alternates maintain a current copy of the Plan and Contact List
- Ensure that restoration preparedness is part of normal duties – rehearse the steps for recovery on a periodic basis, including verification of security features
- Ensure that backup and offsite rotation activities for vital records, including PC media, are being performed.
- Participate in the overall Recovery Plan Exercise Program, as required.
- Annually, perform the following plan enhancement procedures:
 - Review recovery requirements
 - Review recovery strategies and supporting procedures to ensure they still adequately address the business requirements.
 - Conduct a team “notification” test and document results for audit purposes.
 - Conduct a team “walk-through” test and document results for audit purposes.
 - Conduct an audit of all recovery resources identified as being stored offsite.

First alert notification summary

Notification of a potentially disruptive incident may come from any of several different sources, depending upon the nature of the incident and time of day.

The following procedures summarize typical notification flow and initial actions.

For any person who becomes aware of a potential incident within the facility, the following instructions apply:

1. Perform all appropriate emergency notification actions, e.g., sound fire alarm.
2. If appropriate, notify immediate supervisor, manager, and director and provide the following information:
 - a) Name
 - b) Description of incident
 - c) Preliminary report of damages and injuries
 - d) Information regarding any attempted or actual notification contacts
 - e) Phone number and location where point of contact can be reached
3. Report to the Initial Assembly Point or the Crisis Management Center as soon as the emergency permits.

In the event of a building evacuation or utility failure:

1. Perform all required emergency response action (Refer to the Emergency Response Plan).
2. Report to the Initial Assembly Point or the Crisis Management Center.

Plan Maintenance

The Contingency and Disaster Recovery Plan is only as valid as the information it contains. To ensure that the plan can be used effectively in an emergency, it must be accurate and complete. Therefore, it is imperative that the plan be periodically reviewed and updated. Accordingly, each team leader is responsible for the identification of all modifications and enhancements that may be required to continually and accurately reflect their team's recovery responsibilities and procedures.

When changes to the Plan need to be performed, the responsible team will input the identified changes to their corresponding plans. When complete, copies of the required changes will be forwarded to the Contingency Plan Coordinator (member of the Management Team) for review. It will be the responsibility of the Recovery Coordinator to review the proposed change(s) and verify that appropriate management approval has been received for the proposed change.

If the change is of a technical nature, reflects a change in recovery logistics, or affects a different recovery team, the Recovery Coordinator will submit the proposed revisions to all affected teams for their notification and/or approval, if such approval is warranted. The Recovery Coordinator will distribute required copies of newly enhanced section(s) to all affected teams.

Upon receipt of a newly enhanced section, each affected team leader should immediately replace all copies of their old section of the plan with the newly enhanced section.

Update this plan for any of the following circumstances:

- Changes to department personnel identified within the Team Composition Report
- Significant changes to recovery requirements
- Significant changes to recovery procedures, such as the addition of new business functions, support systems, new computer applications, new business practices,
- receiving orders via new electronic sources, or organization changes
- Annually, perform the following plan enhancement procedures:
- Review recovery requirements, defined in the Application Report.
- Review recovery strategies and supporting procedures to ensure they still adequately address the business requirements.
- Conduct a team "notification" test and document results for audit purposes.
- Conduct a team "walk-through" test and document results for audit purposes.
- Conduct an audit of all recovery resources identified as being stored offsite.
- Participate in the overall Recovery Plan Exercise Program, as required

Plan Distribution

The Contingency and Disaster Recovery Plan is distributed to authorized personnel to assist in the definition and understanding of responsibilities and procedures related to a business disruption. Therefore, this plan is intended for an individual's use only while an employee of the Department. It is considered confidential and as such should be protected from disclosure. Upon any change of employment status, it is each individual's responsibility to return their assigned copy and all duplicates, and duplicate parts thereof, to their respective management. No one outside of Appriss, with the exception of authorized contractors, will be permitted to read, review, copy or audit the plan without prior written approval of the Director of IT or CTO.

Personnel Notification Procedure

After the Recovery Plan has been officially activated, use this procedure in conjunction with the Team Composition Reports to alert personnel. Record the results of telephone calls on the Telephone Log.

Procedure: Place calls. Record contact information.

If contact is made, say **“May I speak with (individual)?”** If the individual is available, provide the following information:

Brief description of the problem

Location of the Crisis Management Center: _____

Phone number at the Crisis Management Center: _____

Action required as noted by Management Team:

- Inform personnel to make no public statement regarding the situation.
- Inform personnel that no calls are to be made to other employees. (This will avoid premature notification to families of personnel working at the time of the disaster.)
- Record the call and pertinent details on the Telephone Log

If the individual is not available, say **“Where may I reach (individual)?”** If at any location other than work, get phone number, make call and provide the above information.

If individual is at work, indicate you will reach the individual at work. (DO NOT DISCUSS THE DISASTER SITUATION WITH THE PERSON ANSWERING THE PHONE.) Notify the Management Team immediately.

Record the call and pertinent details on the Telephone Log.

If no answer:

- Record the time attempted contacts were made in the Telephone Log
- Periodically call again, until contact is made
- Record the call and pertinent details on the Telephone Log

Recovery Status Report Form

Purpose: To provide status of the Recovery phase to the Management Team

(MAKE COPIES OF THIS FORM)

After the Recovery Plan has been activated, you are required to submit periodic Status Reports.

DATE: _____ **TIME:** _____

NAME: _____

Comments:

Conclusions:

Personnel Location Control Form

Purpose: Maintain centralized tracking of all recovery personnel.

Procedure: Make copies of this form and complete after plan activation.

Complete this form indicating work location of recovery personnel. Continue to update the information throughout each day during the recovery operation. As updates are made, send a new copy to the Crisis Management Center for their use in tracking of all recovery personnel.

Location Assignment Code:

- 1. Stationed at the Crisis Management Center
- 2. Report to alternate work location
- 3. Report to disaster site to assist with salvage efforts
- 4. Stay home until further notice

Date: _____ **Issued By:** _____

PERSONNEL LOCATION CONTROL FORM					
Name	Contact Status	Location Assign. Code	Phone Number	From	To

Computer Equipment Status Form

Computer Equipment Incident					
No.	Description of Problem	Physical Damage	Cabling Damage	Operational	Estimated Repair Date

Incident Response Reporting Worksheet

Incident Response Reporting Worksheet

Purpose: To gather data during the response, recovery, and restoration phases of a contingency. The information can be incorporated into the final Incident Response Report.

Instruction: Fill out as much information about the incident as possible.

Background Information:

- Time and date of discovery
- Team members assigned to handle incident
- Type of Incident (What type of threat predicated this event?)
- Equipment/Service Affected

Incident Handling Tasks:

- Response Actions: (include notification procedures)
- Recovery Actions:
- Restoration Actions:
- Administrative Tasks:
- After Action Report:

APPENDIX A - Emergency Contact List

Albert Oil – Fuel for Generators
11700 Diode Court
Louisville, KY 40299
Office: 502-267-9181

Eric Pullen – Director of IT
Appriss, Inc.
10401 Linn Station Road, Suite 200
Louisville, KY 40223
Office: 800-816-0491 x3876 or 502-815-3876
Cell: 502-817-6558

Jeffersontown Police Department - Physical Security
10410 Taylorsville Road
Jeffersontown, KY 40299
Office: 502-267-0503 or 911

Louisville Water Company - Water
550 S. Third St.
Louisville, KY 40202
Office: 502-583-6610

Louisville Gas and Electric Company - Gas or Electric
220 West Main Street
P. O. Box 32010
Louisville, KY 40232
Office: 502-589-3500

Middletown Fire Department - Fire
10217 Shelbyville Road
Louisville, KY
Office: 502-429-6777

APPENDIX B – hosted environment recovery list

- Order network and blade hardware for re-build (2 weeks)
- Firewall
- c-Class Chassis
- c-Class blades (6-465 & 2-685)
- EVA4x00 start kit with 9.6TB (with switches)
- Rack/install network, blade, and EVA hardware (4 hours)
- Setup network for hosted (3 hours)
- Setup FC network for hosted (3 hours)
- Build VMWare host (start with 1, grow to 2) (6 hours to build)
- Restore VMWare hosts (or rebuild). (6+ hours each)
- Build any real HW for customers (3 hours each)
- Restore real HW for customers (6+ hours)

APPENDIX C – appriss corporate recovery list

- Accounting system
- Payroll

APPENDIX D – recovery assumptions

- Email will be available at NMP for all staff located there, but other staff can have ability to send but no old mail
- Jabber will be unavailable, but all staff will use Google Talk as a backup
- DSI is a part of the Hosted environment and will follow its recovery schedule
- DSI could lose up to 24 hours of transactions
- Will NOT recover AX on Jboss (AX passthru will be recovered)
- Will NOT recover old TDD/TTY
- Will NOT recover TTS (Nuance for text to speech)
- Will NOT have redundancy (FSNR, Oracle, ...)
- Will NOT recover the document converter for ICOTS
- Will NOT recover MQ
- Will NOT recover FrontRange
- Will NOT recover inbound RAS (approx 20 agencies)
- Will NOT recover VINE DMZ Gateway (approx 10-15 agencies)
- Will NOT recover VINE Gateway DB server
- Will NOT recover portal.appriss.com
- Will NOT have DEV, QA or PREP
- VNS will have its own DR plan
- Will NOT recover site deployment tools, deployment will be manual
- Clonezilla will not be available for gateway deployments, and must be rebuilt from scratch
- Queued email on local MTA will be lost, but marked as successful.
- Will NOT recover drive letters: I: J: K: L: and U: (the windows file servers).
- The above items will be in a degraded state that will last for 2 months
- The wiki and frontrange database will be restored from 24 hours ago (losing the last day of data).

Schedule F – Pricing

Table 1: Summary of the Project Cost Items			
One-Time Project Cost Summary			
Item	Project Cost(s)	Cost (\$)	Comments
A.	Base Software Package One-time cost for the subscription to the vendor's proposed software package.	\$10,000	Test environment set-up costs.
B.	Implementation Give breakdown in Table 2	\$160,000	See Table 2 for cost breakdown
On-Going and Future Project Costs			
Item	Project Cost(s)	Cost (\$)	Comments
C	Software Subscription Includes solution software Give breakdown in Table 4	\$2,633,750	Annual PMP AWAxE subscription fee includes maintenance and support costs.
D	Maintenance and Support Give breakdown in Table 4	\$279,750	PMP AWAxE software maintenance and Support is included in the annual software subscription fees.
E	Multi-factor Authentication Project	\$125,000	Future project not to exceed \$125,000. Any third party charges incurred will be treated as pass through cost to the state.
	Total Project Cost	\$ 3,208,500	

Table 2: Project Work and Deliverables Cost Detail

Category	Resources Required (Contractor to identify each IT classification)	Total # of hours (Contractor to identify # of hours per resource)	Hourly Rate (List rate for each resource)	Milestone cost (\$)	Comments
Configuration				\$70,700	
Customizations (Provide a line item below for each customization listed in the Requirements tables. Add more customization rows if needed)				\$34,275	
Data conversion, Migration, Interfaces/Integration and Testing				\$33,850	
Training (Give breakdown in Table 3)				\$3,225	
Go-Live				\$13,300	
Documentation (Give breakdown in Table 3)				\$4,650	
Combined Total Implementation Costs (configuration, Customization, testing and interfaces/integration, Go live and Knowledge Transfer)				\$160,000	

Table 3: Training, Documentation and Knowledge Transfer Breakdown

No.	Category	Resources Required (Contractor to identify IT classification)	Total # of hours (# of hours per resource)	Total cost (\$) (Transfer total from this table to Table 1)	Comments (Explain how these costs were identified)
Training					
B	Required Training				
	End User: Train-the-Trainer			\$3,225	
	Onsite	Business Analyst	40	\$3,000	Flat \$3,000 fee for onsite classroom training
	Webinar	Business Analyst	3	\$225	Webinar set-up, production and follow-up documentation
	System Admin Training			\$0.00	
	Onsite	Business Analyst	40	\$0.00	System Admin training is included in the PMP AWARe license fee
	Webinar	Business Analyst	3	\$0.00	System Admin training is included in the PMP AWARe license fee
B	Optional Training				
	Additional End User Train-the-Trainer			\$3,250	
	Onsite	Business Analyst	40	\$3,000	Flat \$3,000 fee for onsite classroom training
	Webinar	Business Analyst	3	\$225	Webinar set-up, production and follow-up documentation
	Additional System Admin Training			\$3,250	
	Onsite	Business Analyst	40	\$3,000	Flat \$3,000 fee for onsite classroom training
	Webinar	Business Analyst	3	\$225	Webinar set-up, production and follow-up documentation
	Construction Contractor Training	n/a		\$0.00	No construction required

Table 3: Training, Documentation and Knowledge Transfer Breakdown

No.	Category	Resources Required (Contractor to identify IT classification)	Total # of hours (# of hours per resource)	Total cost (\$) (Transfer total from this table to Table 1)	Comments (Explain how these costs were identified)
Training					
	Project Manager Training	Business Analyts		0.00	Project Manager training will be included with Admnnistrator Training
Documentation					
B	End User Documentation	Program Manager Business Analyst	5 10	\$1,300	Program Manager hourly rate of \$110 x 5 hours plus Business Analyst hourly rate of \$75 x5 hours
	End User Online Help	Business Analyst	0	0.00	End User Online Help is included in the PMP AWARxE license fee
	System Administration Documentation	Program Manager Business Analyst	5 10	\$1,300	Program Manager hourly rate of \$110 x 5 hours plus Business Analyst hourly rate of \$75 x5 hours
	Technical Documentation	Program Manager Software Engineer	5 10	\$2,050	Program Manager hourly rate of \$110 x 5 hours plus Software Engineer hourly rate of \$150 x 10 hours
	Total Cost			\$4,650	

Note: The State anticipates that all BPL LARA employees (approximately 150 people) may use MAPS. In addition, LARA has approximately 1,000 external partners using the current MAPS solution, and that number is anticipated to increase with the new solution.

No.	Cost Categories	Software Cost (\$)	Comments
C.	Software Licensing		Annual PMP AWAxE SaaS software license fees include maintenance and support (help desk, release management and technical support included)
	First Year	\$376,250	
	Second Year	\$376,250	
	Third Year	\$376,250	
	Fourth Year	\$376,250	
	Fifth Year	\$376,250	
	Sixth Year	\$376,250	
	Seventh Year	\$376,250	
	Total Software Licensing	\$2,633,750	
D.	Software Maintenance and Support – to include help desk, release management and technical support		Annual PMP AWAxE SaaS software license fees include maintenance and support (help desk, release management and technical support included)
	First Year (begins after 90-day warranty period)	\$0.00	
	Second Year	\$55,950	
	Third Year	\$52,220	
	Fourth Year	\$48,490	
	Fifth year	\$44,760	
	Sixth Year	\$41,030	
	Seventh Year	\$37,300	
	Approved Maintenance Plan SEM 301	\$0.00	
	Total Software Maintenance/Support	\$279,750	
	Combined Total	\$2,913,500	

Table 5: Volume Discount Structure

NOTE: THE VOLUME DISCOUNT STRUCTURE IS NOT INCLUDED IN THE PROJECT COST SUMMARY (TABLE 1). THE RATES QUOTED IN TABLE 4 WILL BE USED FOR CALCULATING DISCOUNTED LICENSING COSTS AS ADDITIONAL USERS OR AGENCIES ARE ADDED.

Table 4

24,000 – 40,000 users	\$6 per prescriber per year
40,001 + users	\$5 per prescriber per year

Rate Card

Position	Hourly Rate
Project Manager	\$110.00
Business Analyst	\$75.00
Data Analyst	\$75.00
Data Interface Programmer	\$100.00
Product Manager	\$150.00
Software Engineer	\$150.00
Quality Assurance Engineer	\$100.00
Software Architect	\$175.00

Deliverables Worksheet				
Deliverable	Position	Hourly Rate	Hours	Cost
Configuration	Project Manager	110.00	70	\$7,700.00
	Business Analyst	75.00	150	\$11,250.00
	Data Analyst	75.00	0	\$0.00
	Data Interface Programmer	100.00	0	\$0.00
	Product Manager	150.00	55	\$8,250.00
	Software Engineer	150.00	170	\$25,500.00
	Quality Assurance Engineer	100.00	75	\$7,500.00
	Software Architect	175.00	60	\$10,500.00
Customization - Connectivity to BPL/LARA licensing system, License 2000 (L2K)	Project Manager	110.00	15	\$1,650.00
	Business Analyst	75.00	40	\$3,000.00
	Data Analyst	75.00	0	\$0.00
	Data Interface Programmer	100.00	0	\$0.00
	Product Manager	150.00	40	\$6,000.00
	Software Engineer	150.00	60	\$9,000.00
	Quality Assurance Engineer	100.00	50	\$5,000.00
	Software Architect	175.00	55	\$9,625.00
Data Conversion, Migration, Interfaces/Integration and Testing	Project Manager	110.00	35	\$3,850.00
	Business Analyst	75.00	70	\$5,250.00
	Data Analyst	75.00	160	\$12,000.00
	Data Interface Programmer	100.00	60	\$6,000.00
	Product Manager	150.00	25	\$3,750.00
	Software Engineer	150.00	0	\$0.00
	Quality Assurance Engineer	100.00	30	\$3,000.00

	Software Architect	175.00	0	\$0.00
Training	Project Manager	110.00		\$0.00
	Business Analyst	75.00	43	\$3,225.00
	Data Analyst	75.00	0	\$0.00
	Data Interface Programmer	100.00	0	\$0.00
	Product Manager	150.00	0	\$0.00
	Software Engineer	150.00	0	\$0.00
	Quality Assurance Engineer	100.00	0	\$0.00
	Software Architect	175.00	0	\$0.00
Go-Live	Project Manager	110.00	30	\$3,300.00
	Business Analyst	75.00	0	\$0.00
	Data Analyst	75.00	0	\$0.00
	Data Interface Programmer	100.00	0	\$0.00
	Product Manager	150.00	0	\$0.00
	Software Engineer	150.00	0	\$0.00
	Quality Assurance Engineer	100.00	100	\$10,000.00
	Software Architect	175.00	0	\$0.00
Documentation (Training, End User Documentation, End User Online Help, System Administrator Documentation and Technical Documentation)	Project Manager	110.00	15	\$1,650.00
	Business Analyst	75.00	20	\$1,500.00
	Data Analyst	75.00	0	\$0.00
	Data Interface Programmer	100.00	0	\$0.00
	Product Manager	150.00	0	\$0.00
	Software Engineer	150.00	10	\$1,500.00
	Quality Assurance Engineer	100.00	0	\$0.00
	Software Architect	175.00	0	\$0.00