

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

625 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 38028
 LANSING, MI 48909

CHANGE NOTICE NO. 10
 to
 CONTRACT NO. 071B9200192
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
HP Enterprise Services, LLC 6015 West St. Joseph Highway, Suite 101 Lansing, MI 48917	Cathy Scarpaci	cathy.scarpaci@hpe.com
	PHONE	CONTRACTOR'S TAX ID No. (LAST FOUR DIGITS ONLY)
	(586) 260-8894	2737

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Chad Hardin	517-241-7114	hardinC1@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	517-284-7044	hatchd@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 10, 2009	April 9, 2014	2, 1 Year Options	April, 9, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		October 9, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
440,000,000.00		0.00	440,000,000.00	
DESCRIPTION: Effective April 7, 2016 the attached Transition Plan is adopted by both parties. The revised expiration date above is the end date for the Transition Period and is not an extension of the contract. Cathy Scarpaci replaced Jamie Trierweiler as the Primary Contact. Chad Hardin replaced David Hatch as the Program Manager/CCI. Name of Contractor has been changed to HP Enterprise Services, LLC from EDS, an HP Company.				



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

DAVID B. BEHEN
DIRECTOR

April 7, 2016

Mr. Rick Barnes
HP Enterprise Services, LLC
6015 West St. Joseph Highway, Suite 101
Lansing, MI 48917

Re: Transition Plan for Contract No. 071B9200192

Dear Mr. Barnes:

As you are aware, Contract No. 071B9200192 (the "**Contract**") between HP Enterprise Services, LLC ("**HPES**") and the State of Michigan (the "**State**") will expire on April 9, 2016. In accordance with Sections 1.042 and 2.170 of the Contract, the State is requesting HPES's commitment to the following transition plan, which details the roles and responsibilities of HPES and the State moving forward (the "**Transition Plan**").

Transition Plan

Transition Period

The transition period will begin on April 9, 2016 and continue through October 9, 2016 (the "**Transition Period**"). The State reserves the right to extend the Transition Period if required to meet internal business needs. The State will give HPES at least 30-days' prior written notice of its intention to extend the Transition Period, and any extension will be considered part of the Transition Period.

Funding

There is funding allocated for the Transition Period, but the State reserves the right to add additional funding, if required, during the Transition Period. The State shall notify HPES if the State reasonably believes the funding allocated for the Transition Period is insufficient to cover anticipated transition costs.

State Transition and Continuing Contractual Responsibilities

The State will continue to timely pay HPES, at the Contract rates, for all issued and outstanding HPES Purchase Orders, including SOWs and maintenance, during the Transition Period, as well as for any new Purchase Orders, including SOWs and maintenance, issued during the Transition Period. Payment by the

State may extend beyond the Transition Period, but no new Purchase Orders will be issued after expiration of the Transition Period. The State reserves the right to issue new Purchase Orders from any new contract(s) that result from the current solicitation that replaces this contract.

In accordance with the Contract, the State shall reimburse HPES for all reasonable transition costs for HPES Transition Responsibilities set forth below. For the HPES Transition Responsibilities, the State shall pay HPES a time and materials rate of a Project Analyst at \$133.85 per hour. All HPES Transition Responsibilities shall be considered complete upon delivery to and validation by the State. HPES shall invoice the State monthly for HPES Transition Responsibilities for hours incurred during the prior month. Upon expiration or termination of the Transition Period for any reason, HPES shall invoice the State for any actual unpaid hours of transition work.

HPES Transition Responsibilities

During the Transition Period, HPES shall perform the tasks listed in the HPES Transition Responsibilities section below ("HPES Transition Responsibilities").

To the extent purchased under the MMCC contract, HPES will provide the following information via electronic delivery within three weeks, unless otherwise noted, from the date of the execution of this Transition Plan:

- Account information for State agreements, specifically contact information and account credentials for the software agreement holders for Microsoft, Adobe, Symantec, and other enterprise software agreements. This will be provided in an Excel spreadsheet with column headers for each field.
- A list of active software and maintenance agreements. The report should list OEM / Publisher, product title, start date, end date, SOM PO#, and cost. This will be provided in an Excel spreadsheet with column headers for each field.
- A report of all active SOW engagements by agency, work location, when applicable will include the candidate's name, supplier, rate, rate exception granted, job classification, SOM PO#, original start date, current end date, and hiring manager. This will be provided in an Excel spreadsheet with column headers for each field.

On a monthly basis:

- Open Purchase Order Report which includes the SOM PO#, PO Amount, Remaining Balance Due, and the Outstanding Items that have not been shipped. This will be provided in an Excel spreadsheet with column headers for each field.
- Monthly Software Maintenance Renewal Report in Excel.
- Monthly Server Hardware Maintenance Renewal Report in Excel.

Within two weeks of the end of the Transition Period:

- Full archival history dump by category at the end of the Transition Period (every transaction), within two weeks of the end of the Transition Period. A separate file will be provided for each calendar year. This will be provided in an Excel spreadsheet with column headers for each field.
- A list of suppliers in MiDeal for the last 12 months, including point of contact and contact information, as it is available. This will be provided in an Excel spreadsheet with column headers for each field.

HPES estimates the number of hours required for the work above to be:

- April – 20 hours
- May – 70 hours
- June – 20 hours
- July – 20 hours
- August – 20 hours
- September – 70 hours
- October – 20 hours

An estimated total HPE Transition Responsibilities costs of \$32,124; however, this total represents an estimate only and actual charges shall be billed monthly as incurred. HPES will provide monthly reports of the hours spent in HPE Transition Responsibilities. If hours are expected to exceed the estimates, or the State request additional services for transition other than those required herein, the parties will mutually agree in writing to the scope of additional transition responsibilities and any rate changes (if necessary) prior to the performance of the additional services.

HPES Continuing Contractual Responsibilities

Additionally, HPES will continue to do business with the State (under the terms of the Contract, which shall remain the same and in effect for the Transition Period) during the Transition Period ("**HPES Continuing Contractual Responsibilities**"), which includes the following responsibilities:

- Process new and existing purchase Purchase Orders, including SOWs, and maintenance.
- To the extent reasonably possible, provide access to key personnel from HPES to assist with transition – specifically Phil Kelso, and the current HPES team which has been supporting the State.
- HPES will continue to maintain adequate staff to support the State's anticipated needs, as set forth in this Transition Plan. If the State requests additional transition responsibilities beyond those set forth in this Transition Plan and such request requires additional personnel or other resources in excess of HPES's current staffing, HPES will, at State expense, add resources through the Contract, and State shall pay HPES using mutually agreed upon time-and-material rates.

Mr. Rick Barnes
Page Four
April 7, 2016

- HPES will complete all in-process requests by the contractual Service Level Agreement (SLA) date. HPES will provide weekly status reports of all in-process requests indicating where each requisition is in the process. If there are any in-process requests which, in HPES's judgment, cannot be completed by the transition period, or the SLA, those requests will be made to the new MMCC contract(s) for completion.
- HPES will maintain communication with the State through October 9, 2016 and provide any additional reporting data as required by the State, and will be reimbursed for any additional reporting requirements beyond those set forth herein at the hourly rate listed above for a Project Analyst.

Further, HPES will continue to do business with the State (under the terms of the Contract) after the Transition Period for approved Purchase Orders, including SOWs, and maintenance issued during the Transition Period.

Should HPES have any questions regarding its continuing performance under the Transition Plan, please refer them to David Hatch, DTMB Procurement. Mr. Hatch can be reached at 517-284-7044 or hatchd@michigan.gov.

The State's formal agreement with the Transition Plan as described in this letter is evidenced by the below signature of the Director, IT Procurement.

Sincerely,



William Pemble
Director, IT Procurement
Department of Technology Management and Budget

Please sign and return, confirming HPE's agreement with the Transition Plan as described in this letter.



Rick Barnes

April 7, 2016

Date

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

CHANGE NOTICE NO. 9
 to
CONTRACT NO. 071B9200192
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
EDS, an HP Company 6015 West StreetSt. Joseph Highway, Suite 101 Lansing, MI 48917	Jamie Trierweiler	Jamie.trierweiler@hp.com
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	(517) 392-3314	2737

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	David Hatch	517-284-7044	Hatchd@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	517-284-7044	Hatchd@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 10, 2009	April 9, 2014	2, 1 Year Options	April, 9, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☐ No ☒ Yes	☒	☐	One year	April 9, 2016
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$360,000,000.00		\$80,000,000.00	\$440,000,000.00	

DESCRIPTION:

Effective April 1, 2015 this contract utilizes the second option year extending the contract to April 9, 2016 per the State of Michigan extension offer letter of February 20, 2015 and agreed to by HP on March 9, 2015. The contract value is INCREASED by \$80,000,000.00 based on historical spend rates. HP will maintain the 1% markup pricing for the Microsoft Enterprise Licensing Agreement. The State of Michigan will add a Salesforce.com Enterprise Licensing Agreement per the terms of the contract under section 1.405 ENTERPRISE VOLUME PURCHASE PROGRAMS & SOFTWARE AGREEMENTS. Primary Contact for HP is now Jamie Trierweiler and primary signatory for HP is now Richard W. Barnes per the attached letter dated March 11, 2015. Program Manager for the State is changed to David Hatch.

All other terms, conditions, pricing, and specifications remain the same. Per contractor and agency agreement, DTMB Procurement approval, and approval of the State Administrative Board on March 31, 2015.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

DAVID B. BEHEN
DIRECTOR

February 20, 2015

HP Enterprise Services, LLC
Attn: Andy Tonkovich
District Manager

Subject: MMCC Contract #071B9200192 - Extension

Dear Mr. Tonkovich,

The State of Michigan (SoM) and HP Enterprise Services, LLC (HP) have enjoyed a very good partnership and experience since the Michigan Master Computer Contract (MMCC) contract was awarded back in 2009. In 2012, our teams came together again and agreed upon a mutually beneficial deal.

With this in mind, the SoM has reached agreement on an offering that we believe is also mutually beneficial to both parties for the final option year available on the contract. The essential terms of the offer include:

- The SoM will extend the MMCC contract for the full year remaining on the contract.
- The SoM will use the MMCC contract as an enterprise contract vehicle for making Salesforce available to the agencies. Known agencies expressing interest in contracting with Salesforce include: Department of State, Workforce Development, Department of Natural Resources, Michigan State Historic Preservation Office, Public Service Commission, Michigan Economic Development Corporation, Michigan State Housing Development Authority, and Michigan Health Information Network Shared Services.
- HP will maintain the current Microsoft markup pricing at 1%.
- All other prices, terms, and conditions will remain the same.

The State's signature on this letter makes it a formal offer in regards to the aforementioned contract. Please sign and return this letter as your acknowledgement and agreement to these terms. Upon receipt of this letter back in our office, the SoM will process the Change Notice and officially update the contract.

Thank you for HP's dedication to providing the SoM quality services these past years. We hope that you will seriously consider bidding on the replacement master contract when it becomes available.

HP's duly authorized signee:

Richard A. Tonkovich

Richard A. Tonkovich

Title and Date:

District Manager, March 9, 2015

Sincerely,

Bill Pemble

William Pemble, IT Division Director
DTMB Procurement

C: Jeff Brownlee, SoM Procurement Director, DTMB
Sharon Maynard, SoM Procurement Sourcing Director, DTMB



HP State & Local
Enterprise Services
6015 W. St. Joseph Hwy
Suite 101
Lansing, MI 48917

March 11, 2015

David Hatch
DTMB – Procurement
Buyer, IT Division
Constitution Hall – 1st Floor
525 West Allegan
Lansing, MI 48913

RE: Hewlett-Packard - MMCC Primary Contact / Signatory

Dear Mr. Hatch,

In response to your email requesting the above information, please use the following:

- Primary Point of Contact: Jamie Trierweiler, jamie.trierweiler@hp.com, (517) 392-3314
- Signatory for Contracts: Richard W. Barnes, rick.barnes@hp.com, (586) 260-9044

For questions, feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Jamie Trierweiler'.

Jamie Trierweiler
Account Manager

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

CHANGE NOTICE NO. 8
 to
CONTRACT NO. 071B9200192
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
EDS, an HP Company 6015 West Street St. Joseph Highway, Suite 101 Lansing, MI 48917	Lewis Jones III	lewis.jones@eds.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 490-9313	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Reid Sisson	517-241-1638	sissonr@michigan.gov
BUYER	DTMB	David Hatch	517-284-7044	Hatchd@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 10, 2009	April 9, 2014	2, 1 Year Options	April, 9, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☐ No ☐ Yes	☐	☐		April 9, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$0		\$360,000,000.00		
Effective 9/8/2014, the attached Statement of Work (SOW) adding resources as supplemental services to complete migration for the Department of Corrections to Microsoft Dynamics CRM is incorporated into this contract. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, and the approval of DTMB Procurement.				



Statement of Work Authorization

SOW #:	2014027 ver3
Project:	DELL MS SERVICE Dynamics CRM 2011 based OMS
Function/Description of SOW:	Dynamics CRM 2011 based OMS
Estimate Submitted By:	Jamie Trierweiler
Date Submitted:	09/29/2014

1 SUMMARY OF SERVICE

Dell will provide the services as specifically described herein (the “Services”), which include the following:

- The State of Michigan’s Department of Corrections (MDOC) recently migrated from an existing Offender Management System (OMS) to a Dynamics CRM 2011 based OMS. MDOC utilized Dell Services to assist in the **planning and data migration tasks associated with this effort.**
- To further align with MDOC’s Microsoft Dynamics adoption strategy, the following applications have been targeted to be converted to Microsoft Dynamics CRM as outlined in a Phase 2 rollout plan.

Release 1

Bureau of Health Care Services
Crime Victims
Detainers
Document Access System (DAS)
Electronic Monitoring Center (EMC)
OMNI Warden's Reporting
OMNI Probationers Migration to OMS
Parole Board Information System (PBIS)
Substance Abuse Test
Visitor Tracking System (VTS)
WEB Most Wanted

Release 2

Litigation Tracking System (LTS/AIPC)
Personnel Action Tracking System (PATs)

Release 3

Contract Management
Formal Count
Offender Callout Management System (OCMS)
Offender Education Tracking System (OETS)
Security Threat Group (STG)
Time Keeping Unit (TKU)
Training and Development System (TADS)
Trust Accounting and Payroll System (TAPS)
Interface with NorthPointe Compas

- Dell will provide both technical and functional Microsoft Dynamics CRM expertise for the rollout of the additional applications.

2 SCOPE OF SERVICE

2.1 Staff Augmentation

2.1.1 Introduction

Dell will supply a CRM Technical Consultant, a Technical Consultant, and a CRM Project Manager to Customer to function as a supplemental resource in Customer's current I/T organization, working at the direction of the Customer, for the Supported Site.

The scope of this project will be requirements planning, design, CRM UI configuration and development and data migration/integration assistance for MDOC to move their existing applications outlined above in Phase 2 to Dynamics CRM.

Dell will also provide a CRM Technical architect for approximately 400 hours of analysis to determine complexity, dependencies and overall deployment strategy. Dell will then work with MDOC for 3200 **hours** to assist in the development and deployment of the applications outlined above.

With respect to Data Migration assistance, Dell assumes MDOC will export the data in a format designed jointly by Dell Services and MDOC which will adhere to the following criteria:

- ✓ Every table will need to have a unique ID (primary key)
- ✓ Every child table that has an associated parent table will need to have a foreign key
- ✓ Date time fields need to be in one (1) format throughout the system
- ✓ Data in all the tables has to be in human readable format and not be encrypted using any means of encryption key
- ✓ All the drop down values will need to be mapped to an integer value in the target system
- ✓ All phone numbers will be migrated as is and customer will have to provide formatted values if required
- ✓ All string values will be migrated as is and customer will have to provide formatted values if required
- ✓ No documents or attachments will be migrated
- ✓ Record owners will need to be mapped to an existing system user in the target system

2.1.2 Detailed Description

Resources with the knowledge, skills and abilities listed below will be provided by Dell and will be directed solely by Customer.

Dynamics CRM Business Requirements Review

- Business Process Review
- Application Fit/Gap analysis

Dynamics CRM Application Design

- User Interface Design
- Workflow Design
- Reporting Design

Dynamics CRM Application Development

- User Interface Development
- Workflow Development
- Report Development

Data migration activities from MDOC applications to Dynamics CRM will include:

- Analysis of data
 - o Data that needs to be migrated
 - o Source of data that needs to be migrated
 - o Data conversion needs
 - o Definition of templates to be used for import/migration
- Analysis and definition of deployment time line
 - o Identify what data needs to be prioritized for migration
 - o Identify deployment dependencies
 - o Identify plan of phases of migration for phase one deployment
 - o Identify and prioritize known tasks
- Define 'data team' members and accountabilities
 - o Identify people
 - o Identify members accountable for:
 - Data conversion (SOM)
 - Creation of data templates (Dell)
 - Data definition (SOM/Dell)
 - Documentation of data definition (Dell)
 - Data cleansing (SOM)
 - Data quality and integrity pre-migration (SOM)
 - Data quality and integrity post-migration (SOM/Dell)
 - Creation of flat files or spreadsheets used for migration (SOM)
 - Installation of SCRIBE (Dell)
 - Data mapping (Dell)
 - Development of SCRIBE packages (Dell)
 - Implementation of SCRIBE packages (Dell)
 - Deployment of initial data (Dell)
 - Definition of on-going data integration needs (SOM)
 - Documentation of on-going data integration (Dell)
 - Training for SCRIBE and data migration management (Dell)
 - QA/data validation of data migration(s) (SOM)
 - Milestone and documentation sign-off (SOM)

- Documentation
 - o Data migration plan
 - o Data migration templates
 - o Data definition (include data retention requirements)
 - o Data conversion
 - o Identified data integrations and data gaps
 - o Data migration task lists
 - o Data migration issues
- 'Data Development' and Deployment
 - o Create flat file and/or spreadsheet templates
 - o Installation of SCRIBE into SOM environment
 - o Manage system(s) access
 - o Manage data access
 - o 'Develop' import files (to be used by SCRIBE)
 - o Develop SCRIBE migration packages
 - Data load packages
 - Data build packages
 - Ex. Data coming from multiple sources needs to be joined prior to migration
 - Ex. Data needs to be formatted prior to migration
 - Data integrity packages
 - Ex. De-duplication prior to migration
 - o Unit test import files prior to import
 - o Executing SCRIBE jobs to load data from SOM created data files to SCRIBE
 - o Executing data migration using SCRIBE
- Quality Assurance of data migration
 - o Develop test plans to validate successful data migration
 - o Perform test scripts to validate
 - o Manage sign-off on production environment deployment
- Definition and implementation of SCRIBE migration schedules
- Short-term maintenance of SCRIBE migration packages and on-going migrations
- Project Management
 - o Weekly project review including status report
 - o Bi-weekly review of project risks

2.2 DTMB/MDOC Customer Responsibilities

DTMB/MDOC (SOM) agrees generally to cooperate with Dell in its delivery of the Services.

DTMB/MDOC agrees to the following responsibilities:

- 1) Prior to the start of this SOW, Customer will indicate to Dell in writing a person to be the single point of contact. All Services communications will be addressed to such point of contact (the "Customer Contact").
- 2) Dell shall not be responsible for any delays in completing its assigned tasks to the extent that they result from Customer's failure to provide such timely documentation, materials and assistance.
- 3) The SOM Contact will ensure the Services personnel have reasonable and safe access to the Project site, a safe working environment, an adequate office space, and parking as required.
- 4) SOM will inform Dell of all access issues and security measures, and provide access to all necessary hardware and facilities.
- 5) SOM will have team resources available for planning, analysis, and development efforts
- 6) SOM will have team resources available for planned dependencies
- 7) SOM will have resources available for development efforts

- 8) SOM will have managed accessibility for the Dell team resources to necessary hardware
- 9) SOM will have managed accessibility for the Dell team resources to necessary software
- 10) Obtain licenses as needed
- 11) Ensure resources can access software as needed
- 12) All team members will oblige to meeting task due dates with exceptions for unforeseen delivery circumstances
- 13) Any unforeseen circumstances and/or discoveries will be communicated to the team and project manager(s) in a reasonable amount of time so that introduced risks can be mitigated

2.3 Assumptions

Dell has made the following specific assumptions while specifying the Services detailed in this SOW:

- 1) The provision of the Services does not include the development of any intellectual property created solely and specifically for the Customer under this SOW.
- 2) At the completion of each phase, Dell will re-address and potentially revise budget and schedule estimates based on findings from each phase. If Dell recommends revising the budget or schedule estimates, the Customer will be notified immediately and a proper course of action determined before moving on to the next phase. A draft schedule for project phase completion deadlines will be provided at the project kick off meeting.
- 3) Dell assumes all third-party software, including Microsoft products, used on this Project performs error-free as specified by its manufacturer. If issues arise with third-party software during the course of this Project that negatively impacts the Project's requirements, schedule or budget, Dell will notify the Customer as soon as possible. With Customer approval Dell will work with the manufacturer to understand and potential resolve or work around any issues on a time and material basis outside the scope of this Project.
- 4) Timely access to Customer's team. Dell assumes that the services provided as part of this statement of work will be delivered as defined by the agreed upon project schedule. Any significant delays in the delivery of these services, such as those due to the unavailability of Customer resources, extended review or approval cycles, and so on may result in changes to the schedule or budget, and will be brought to the attention of the Customer immediately.
- 5) Appropriate network credentials, building access and workspace for the Dell team.
- 6) Dell assumes that the services provided as part of this statement of work will be delivered as defined by the agreed upon project schedule. Any significant delays in the delivery of these services, such as those due to the unavailability of Customer resources, extended review or approval cycles, and so on may result in changes to the schedule or budget, and will be brought to the attention of the Customer immediately.
- 7) Migration is limited to data only. Migration of attachments will be a separate effort involving utilizing applications such as Sharepoint

2.4 Out of Scope

For the avoidance of doubt, the parties acknowledge that the following activities are not included in the scope of this SOW.

- 1) Any services, tasks or activities other than those specifically noted in this SOW.
- 2) Any Dell training or certification services not specifically described in this SOW.
- 3) Except as set forth herein, Dell is not responsible (including financial responsibility) for any Customer and/or third party personnel, hardware, software, equipment or other assets currently utilized in the Customer's operating environment.
- 4) Migration of attachments into Dynamics CRM 2011

Upon request by Customer, Dell will provide a proposal for such out of scope services pursuant to the Change Management Process as defined in Section 6.

2.5 Schedule / Timeline / Milestones

Resource(s) associated with these Services shall be available to Customer for fifty (50) business weeks. (Subject to any applicable maximums and/or minimums). Such resource(s) will be available to Customer within the Service Hours as specifically detailed in Section 4.6 herein.

2.6 Service Hours

Dell intends to provide the Services during the scheduled hours stated below (the “Service Hours”).

This Service will be provided daily, during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, Customer local time. Total hours worked will be forty hours per week, excluding local holidays, unless other arrangements have been made in writing between Dell and Customer.

2.7 Personnel Skills and Qualifications

Dell, will, at its sole discretion, determine the number of personnel and the appropriate skill sets necessary to complete the Services.

Dell has identified the following initial resource levels for these Services. Key responsibilities for the resources are identified below.

CRM Project Manager (PM)

- Single point of contact and accountability for successful delivery of the Services.
- Maintain focus on time, cost and scope.
- Coordinate and facilitate kick-off, status, deliverable review and closeout meetings.
- Establish and manage the Services schedule, communications and status reporting.
- Provide status calls and status reports based upon agreed project governance plan.
- Identify, monitor and manage Services risk, issues and escalations.
- Facilitate change management as needed.
- Confirm the Services delivered are in accordance with the SOW.
- Obtain deliverable and Services completion acceptance from Customer.
- Leads deliverable reviews and phase completion calls.
- Monitor the Services budget and invoices.
- Manage the Customer relationship.
- Track and status progress against milestones (if milestones are noted within SOW).
- All Project management activities will be conducted remotely.

CRM Technical Architect

- Facilitate requirements documentation and analysis around application architecture.
- Provide subject matter expertise around advanced application configuration and development.
- Assist in the design of advanced integration, migration and customization requirements.
- Draft technical architecture documentation.
- Provide technical leadership to the Services team.

Work with the Technical Consultant to define and validate the architecture and create the technical design of the solution that the Technical Consultant will build out.

CRM Technical Consultant/Technical Consultant

- Understand server architecture, technology and product requirements.
- Perform day-to-day execution of technical tasks.
- Participate in technical requirements sessions, documentation, and analysis.

- Review functional requirements documents.
- Participate in design meetings to define technical solution, if included in Service scope.
- Create technical specification documents, if included in Service scope.
- Define and perform unit testing, if included in Service scope.
- Identify and help resolve Service risks and issues.
- Provide input to status reports.
- Identify need for possible change requests and discuss with Customer and Dell Project Manager.

3 PRICING

This section describes the methodology for determining invoice amounts (the “Charges”) for the Services provided under this SOW. State of Michigan hereby agrees to pay the Charges in accordance with the Invoicing and Payment terms of the Agreement and as further supplemented within this SOW to HP

Charges shall be as follows:

3.1 Hourly Charges

Dell will invoice the applicable Hourly Charges in accordance with this SOW, irrespective of whether those charges were incurred prior to the Effective Date. The Hourly Charges will be invoiced on a monthly basis based upon the actual number of hours (subject to any applicable minimums) expended by Dell in the prior billing period multiplied by the applicable hourly rates as set forth in the table below:

Hourly Service Rates Table (USD)

Resource Title	Within Service Hours	Outside Service Hours	Estimated Hours	Estimated Charge
CRM Technical Architect	\$214.50		400	\$85,800.00
CRM Technical Consultant	\$190.30		1600	\$304,480.00
Technical Consultant	\$190.30		1600	\$304,480.00
CRM Project Manager	\$179.30		353	\$63,292.90
TOTAL HOURLY ESTIMATE				\$758,052.90

For Services performed based on hourly rates, estimates are provided for planning purposes only.

Specified Minimums:

- Forty (40) hours over a consecutive five (5) day period.
- Eight (8) Hours per Day

3.2 Purchase Order Amount

The Total amount to be noted on the Purchase Order provided to HP for DELL for this SOW is: USD **\$758,052.90**

3.2.1 Pricing Clauses:

- 1) Pricing – The terms of this SOW (including but not limited to the pricing) shall be valid for thirty (30) days following initial delivery date (“Initial Delivery Date”) of this SOW to Customer. In the

event this SOW is executed by Customer and returned to Dell after such thirty (30) day period, Dell may, in its sole discretion, (i) accept the SOW on the stated terms or (ii) reject the SOW and provide Customer with a revised SOW setting forth any necessary updates to the terms of the previous SOW.

- 2) The price for the Service is based on Customer's environment as disclosed to Dell. If the assumptions, client responsibilities and parameters within the scope of the Service used to develop the SOW are found to be incorrect or have changed, the parties agree to pursue resolution through the Change Management Process set forth in this SOW.
- 3) If any of the volumetric assumptions used in this SOW (including, time on task, locations, service consumption, and/or configuration factors and excluding estimated hours or expenses) relied upon by Dell vary by +/- five (5%) percent, Dell has the right to adjust the pricing to reflect such changes.
- 4) Taxes - All prices are in USD and are exclusive of all applicable taxes.

4 CHANGE MANAGEMENT PROCESS

The Change Management Process ("Change Management Process") is the process that governs changes to the scope of the Service during the Term of this SOW, as described below. The Change Management Process may be used to modify the Service described in this SOW.

Changes permitted to be made pursuant to this Change Management Process will be limited to changes to Section 3 (Summary of Service) and Section 4 (Scope of Service) and adjustments in Section 5 (Pricing) associated with changes to Sections 3 and 4 of this SOW.

Either party may request a permitted change in the Scope of the Service by completing a Change Order Form at

http://www.dell.com/downloads/global/services/sd/Request_for_Change_RFC_Form.pdf

The receiving party will review the proposed Change Order and will (i) approve it, (ii) agree to further investigation, or (iii) reject it. Changes agreed pursuant to the Change Management Process will not be effective until mutually executed by both parties.

Any desired modifications to this SOW which are not permitted above in this Section 6, will require that a written amendment to this SOW or a new SOW be mutually executed by the parties.

5 OTHER PROVISIONS

- 1) If a conflict arises between the terms of the Purchase Order, SOW and Agreement, the following order of precedence shall be followed: first, the SOW; second, the Agreement; and third, the Purchase Order (if any). Provided, however, in no event will any terms and conditions contained in any Purchase Order apply irrespective of whether such terms and conditions are in conflict with or merely ancillary to any terms and conditions in the SOW or Agreement.
- 2) Dell (1) does not warrant or guarantee and Customer shall be solely responsible for any particular result or solution to Customer's particular needs or any work product of Dell supplied personnel; and (2) shall have no responsibility for any claims that work product of any Dell supplied personnel under this SOW infringes the intellectual property of any third party.
- 3) Dell is supplying qualified staff to augment the Customer's work force for any project the Customer deems necessary. Customer will exclusively determine project objectives, methodologies, and scheduling of the work. Accordingly, notwithstanding anything to the contrary in the Agreement, Dell (1) does not warrant or guarantee and Customer shall be solely responsible for any particular result or solution to Customer's particular needs or any work product of Dell supplied personnel; and (2) shall have no responsibility for any claims that work

product of any Dell supplied personnel under this SOW infringes the intellectual property of any third party.

- 4) In the event the Consultant is unavailable (for vacation, training, etc.) another Consultant will be identified and communication to the Customer will occur before the outage.
- 5) Notwithstanding anything to the contrary in the Agreement, Customer acknowledges and agrees that the resources and any services provided by such resources shall be provided "as is", and Customer expressly disclaims the right to seek any damages from Dell in connection with this SOW and to receive the benefit of any warranties or indemnification which may be available under the Agreement.

6 GENERAL

Dell shall not be responsible for any delay or failure to provide Service to the extent caused by: (1) failures by Customer to perform its responsibilities under this SOW; (2) materially inaccurate assumptions; (3) a defect, deficiency or failure with respect to Customer's network, systems, software, data or other equipment; or (4) modifications to Customer's network, systems, or other equipment made by a party other than Dell or its representatives. In the event that either party becomes aware of the occurrence of one or more of the foregoing events, they shall notify the other party accordingly. Notwithstanding such occurrence, Dell may, following discussion with Customer regarding the impact of such incident, continue to provide the Service and shall use commercially reasonable efforts to perform the Service under this SOW. Customer shall reimburse Dell for its reasonable additional costs of providing the Service and out of pocket expenses for such efforts and only to the extent attributable to the items defined above.

DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager Approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed and clearly indicate the State of Michigan assigned Purchase Order.

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

This purchase order is a release from Contract Number 071B9200192. This purchase order, statement of work, and the terms and conditions of Contract Number 071B9200192 constitute the entire agreement between the State and the Contractor

Signatures:



Robert Bartholomew, East District Director
State & Local Enterprise Services, Inc

08/11/2014

Date

Concurrence:

DTMB

____/____/____
Date

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

CHANGE NOTICE NO. 7
to
CONTRACT NO. 071B9200192
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
EDS, an HP Company 6015 West Street St. Joseph Highway, Suite 101 Lansing, MI 48917	Lewis Jones III	lewis.jones@eds.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 490-9313	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Reid Sisson	517-241-1638	sissonr@michigan.gov
BUYER	DTMB	Reid Sisson	517-241-1638	sissonr@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 10, 2009	April 9, 2014	2, 1 Year Options	April, 9, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☐ No ☒ Yes	☒	☐	1 Year	April 9, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$90,000,000.00		\$360,000,000.00		
Effective immediately, this contract is hereby utilizing the first option year to April 9, 2015 and is INCREASED by \$90,000,000.00. Also effective immediately, Section 2.280 Extended Purchasing is hereby revised as follows:				
The Contract will be extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal . Upon mutual written agreement between the State of Michigan and the Contractor, this Contract may be extended to (a) State of Michigan employees, or (b) other states (including governmental subdivisions and authorized entities).				
All other terms, conditions, pricing and specifications remain the same.				
Per vendor and agency agreement, the approval of DTMB Procurement and the approval of the State Administrative Board on September 13, 2013.				

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

November 2, 2012

CHANGE NOTICE NO. 6
to
CONTRACT NO. 071B9200192
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
EDS, an HP Company 6015 West Street St. Joseph Highway, Suite 101 Lansing, MI 48917	Lewis Jones III	lewis.jones@eds.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 490-9313	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Reid Sisson	517-241-1638	sissonr@michigan.gov
BUYER	DTMB	Reid Sisson	517-241-1638	sissonr@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 10, 2009	April 9, 2014		April, 9, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$60,000,000.00		\$270,000,000.00		
Effective October 30, 2012, this contract is hereby INCREASED by \$60,000,000.00. Please note that the vendor has updated their address. Also effective immediately, Section 2.02 is amended to include the following: Section 291 of the fiscal year 2013 Omnibus Budget, PA 200 of 2012, requires verification that all new employees of the Contractor and all new employees of any approved Subcontractor, working under this Contract, are legally present to work in the United States. All Contractors shall perform this verification using the E-verify system (http://www.uscis.gov/portal/site/uscis). The Contractor's signature on the Contract is the Contractor's certification that verification has and will be performed. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, the approval of DTMB Procurement and the approval of the State Administrative Board on October 30, 2012.				

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

October 20, 2011

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B9200192
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR EDS, an HP Company 930 West Holmes Road Lansing, MI 48910 Email: lewis.jones@eds.com	TELEPHONE Lewis Jones III (517) 490-9313
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1638 Reid Sisson
Contract Compliance Inspector: Reid Sisson	
MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE	
CONTRACT PERIOD: From: April 10, 2009 To: April 9, 2014	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT IS EXTENDED TO THE LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE(S):

Effective immediately, this contract is amended to revise Section 1.204 (Kiosk Equipment) as follows:

The Contractor will be required to acquire kiosk equipment. Kiosk components may include, but not limited to:

- ☐ Touch-screen LCD monitor
- ☐ Small form-factor PC
- ☐ Receipt Printer, including power supply
- ☐ Thermal Printer for License or Tag, including power supply
- ☐ Pin Entry-Pad
- ☐ Magnetic-stripe Card Reader
- ☐ Network Router
- ☐ Uninterruptable Power Source
- ☐ Barcode Scanner
- ☐ Audio Amplifier and Speakers
- ☐ Industrial Keyboard and Trackball Combo
- ☐ Side security panels
- ☐ Graphics

Contract No. 071B9200192

This contract is also capable of working with 5-Point or other kiosk vendors to provide additional kiosk configurations that would provide State of Michigan self-service terminals configured for specific applications.

Please also note that the buyer has been CHANGED to Reid Sisson. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per agency request and DMTB Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$210,000,000.00

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

January 26, 2010

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B9200192
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR EDS, an HP Company 930 West Holmes Road Lansing, MI 48910 Email: lewis.jones@eds.com	TELEPHONE Lewis Jones III (517) 490-9313
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: Reid Sisson MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE	
CONTRACT PERIOD: From: April 10, 2009 To: April 9, 2014	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT IS EXTENDED TO THE LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE(S):

Effective immediately, the Contract Compliance Inspector is CHANGED. The new Contract Compliance Inspector is:

Reid Sisson
Enterprise Portfolio Management Office
Constitution Hall
525 West Allegan Street
Lansing, MI 48913
(517) 241-1638
sissonr@michigan.gov

All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per agency request.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$210,000,000.00

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

November 25, 2009

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B9200192
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR EDS, an HP Company 930 West Holmes Road Lansing, MI 48910 Email: lewis.jones@eds.com	TELEPHONE Lewis Jones III (517) 490-9313
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: Mary Ladd MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE	
CONTRACT PERIOD: From: April 10, 2009 To: April 9, 2014	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT IS EXTENDED TO THE LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE(S):

Effective immediately, the phone number for the vendor is changed. The number for Mr. Lewis Jones III is now 517-490-9313. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor request.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$210,000,000.00

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

September 21, 2009

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B9200192
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR EDS, an HP Company 930 West Holmes Road Lansing, MI 48910 Email: lewis.jones@eds.com	TELEPHONE Lewis Jones III (517) 272-5657
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: Mary Ladd MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE	
CONTRACT PERIOD: From: April 10, 2009 To: April 9, 2014	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT IS EXTENDED TO THE LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE(S):

Effective immediately, contract is amended to include Article 6, Terms and Conditions for American Recovery and Reinvestment Act of 2009, PUB.L.111-5. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor and agency agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$210,000,000.00.

Article 6

Terms and Conditions for American Recovery and Reinvestment (ARRA) of 2009 Funded Contracts

6.000 Sub-Recipients Requirements

Contractor shall include these terms, including this requirement, in any of its subcontracts or subgrants in connection with projects funded in whole or in part with funds available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

6.010 Reporting & Registration Requirements (Section 1512)

Division A, Title XV, Section 1512 of the ARRA outlines reporting requirements. Not later than ten calendar days after the end of each calendar quarter, the State must submit a report that, at a minimum, contains the information specified in Section 1512 of the ARRA. It is imperative all contracts involving the use of ARRA funds include requirements that the Contractor supply the State with the necessary information to provide these reports (see RFP Section 1.042 Reports) in a timely manner.

The Contractor's failure to provide complete, accurate, and timely reports shall constitute an "Event of Default". Upon the occurrence of an Event of Default, the state department or agency may terminate this contract upon 30 days prior written notice if the default remains uncured within five calendar days following the last day of the calendar quarter, in addition to any other remedy available to the state department or agency in law or equity.

6.020 Buy American Requirement (Section 1605)

6.022 Required Use of American Iron, Steel, and Other Manufactured Goods

(a) **Definitions.** As used in this Section 6.020 —

"Designated Country" means Aruba, Australia, Austria, Belgium, Bulgaria, Chile, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and United Kingdom.

"Designated country iron, steel, and/or manufactured goods" mean iron, steel and/or a manufactured good that:

- (1) Is wholly the growth, product or manufacture of a Designated Country; or
- (2) In the case of a manufactured good that consists in whole or in part of materials from another country, has been substantially transformed in a Designated Country into a new and different manufactured good distinct from the materials from which it was transformed.

"Domestic iron, steel and/or manufactured good" is iron, steel and/or a manufactured good that:

- (1) Is wholly the growth, product or manufacture of the United States; or
- (2) In the case of a manufactured good that consists in whole or in part of materials from another country, has been substantially transformed in the United States into a new and different manufactured good distinct from the materials from which it was transformed. There is no requirement with regard to the origin of components or subcomponents in manufactured goods or products, as long as the manufacture of goods occurs in the United States.

"Federal Agency" means the department or agency of the federal government that awarded funds to the State of Michigan from the ARRA that finance the project described in this RFP.

"Foreign iron, steel and/or manufactured good" means iron, steel and/or manufactured good that is not domestic or Designated country iron, steel and/or manufactured goods.

"Manufactured good" means a good brought to the construction site for incorporation into the building or work that has been--

- (1) Processed into a specific form and shape; or
- (2) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

"Public building" and "public work" means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants,

highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

“Steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) Domestic preference.

- (1) This term and condition implements:
 - (i) Section 1605(a) of Division A, Title XVI of the ARRA by requiring that all iron, steel, and manufactured goods used in the public building or public work are produced in the United States; and
 - (ii) Section 1605(d) of Division A, Title XVI of the ARRA, which requires the application of the Buy American requirement in a manner consistent with U.S. obligations under international agreements. The restrictions of Section 1605 of the ARRA do not apply to Designated country iron, steel, and/or manufactured goods procured for projects with an estimated value of \$7,433,000 or more.
- (2) The Contractor shall use only domestic or Designated country iron, steel and/or manufactured goods in performing work funded in whole or in part with funds available under the ARRA, except as provided in subparagraphs (3) and (4) of this paragraph (b).
- (3) The requirement in paragraph (2) of this Section 6.022(b) does not apply to the material listed by the Federal Agency as follows:

[List applicable excepted materials or indicate “none”]

- (4) The Federal Agency may add other iron, steel, and/or manufactured goods to the list in paragraph (b) (3) of this Section if the Federal government determines that—
 - (i) The cost of the domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the cost of the overall project by more than 25 percent;
 - (ii) The iron, steel, and/or manufactured good is not produced, or manufactured in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
 - (iii) The application of section 1605 of the ARRA would be inconsistent with the public interest.

(c) Request for determination of inapplicability of Section 1605 of the ARRA.

- (1) Request for determination of inapplicability
 - (i) Any Bidder’s request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b) (4) of this Section shall include adequate information for Federal Agency evaluation of the request, including—
 - (A) A description of the foreign and domestic iron, steel, and/or manufactured goods;
 - (B) Unit of measure;
 - (C) Quantity;
 - (D) Cost;
 - (E) Time of delivery or availability;
 - (F) Location of the project;
 - (G) Name and address of the proposed supplier; and
 - (H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(3) of this term and condition.
 - (ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this Section.
 - (iii) The cost of iron, steel, and/or manufactured goods material shall include all delivery costs to the construction site and any applicable duty.
 - (iv) Any Contractor’s request for a determination submitted after ARRA funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before the funds were obligated. If the Contractor does not submit a satisfactory explanation, the Federal Agency need not make a determination.
- (2) If the Federal Agency determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the ARRA applies, the State will amend the contract to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the

exception is nonavailability or public interest, the amended contract shall reflect adjustment of the contract amount, redistribution of budgeted funds, and/or other actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the State shall adjust the award amount or redistribute budgeted funds by at least the differential established in 2 CFR 176.110(a).

- (3) Unless the Federal Agency determines that an exception to section 1605 of the ARRA applies, use of foreign iron, steel, and/or manufactured goods is noncompliant with section 1605 of the American Recovery and Reinvestment Act.

(d) Data.

To permit evaluation of requests under subparagraph (b)(4) of this Section based on unreasonable cost, the Bidder shall include the following information and any applicable supporting data based on the survey of suppliers:

FOREIGN AND DOMESTIC ITEMS COST COMPARISON				
	Description	Unit of Measure	Quantity	Cost (Dollars)*
	Item 1:			
	Foreign steel, iron, or manufactured good	_____	_____	_____
	Domestic steel, iron, or manufactured good	_____	_____	_____
	Item 2:			
	Foreign steel, iron, or manufactured good	_____	_____	_____
	Domestic steel, iron, or manufactured good			
List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary. Include other applicable supporting information. * Include all delivery costs to the construction site.				

6.024 Notice of Required Use of American Iron, Steel, and Other Manufactured Goods

REQUIRED USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS—SECTION 1605 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

(a) Definitions.

“Designated country iron, steel and/or manufactured goods,” “domestic iron, steel and/or manufactured goods,” “Federal Agency,” “Foreign iron, steel and/or manufactured good,” “Manufactured good,” “public building and public work,” and “steel,” as used in this Section, are defined in Section 6.022(a).

(b) Requests for determinations of inapplicability.

A prospective Bidder requesting a determination regarding the inapplicability of section 1605 of the ARRA should submit the request to the Federal Agency in time to allow a determination before submission of applications or proposals. Bidders should provide a copy of this request to DMB. The prospective applicant shall include the information and applicable supporting data required by paragraphs (c) and (d) of Section 6.022 of this RFP in the request. If Bidder has not requested a determination regarding the inapplicability of Section 1605 of the ARRA before submitting its application or proposal, or has not received a response to a previous request, the applicant shall include the information and supporting data in the application or proposal. The Federal Agency is sole entity authorized to make determinations regarding the inapplicability of Section 1605 of the ARRA.

(c) Evaluation of project proposals.

If the Federal Agency determines that an exception based on unreasonable cost of domestic iron, steel, and/or manufactured goods applies, the State will evaluate a project requesting an exception to the requirements of section 1605 of the ARRA by adding to the estimated total cost of the project 25 percent of the project cost, if foreign iron, steel, or manufactured goods are used in the project based on unreasonable cost of comparable manufactured domestic iron, steel, and/or manufactured goods.

(d) Alternate project proposals.

- (1) When a project proposal includes foreign iron, steel, and/or manufactured goods, other than Designated country iron, steel and/or manufactured goods, not listed in paragraph (b)(3) of the Section 6.022, the Bidder also may submit an alternate proposal based on use of equivalent domestic iron, steel, and/or manufactured goods.

- (2) If an alternate proposal is submitted, the Bidder shall submit a separate cost comparison table prepared in accordance with paragraphs (c) and (d) of Section 6.022 of this RFP for the proposal that is based on the use of any foreign iron, steel, and/or manufactured goods for which the Federal Agency has not yet determined an exception applies.
- (3) If the Federal Agency determines that a particular exception requested in accordance with paragraph (b) of Section 6.022 of this RFP does not apply, the State will evaluate only those proposals based on use of the equivalent domestic or designated country iron, steel, and/or manufactured goods, and the Contractor shall be required to furnish such domestic or designated country items.

6.030 Wage Rate Requirements (Section 1606)

All laborers and mechanics employed by contractors and subcontractors on projects funded in whole or in part with funds available under the ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality, as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40 of the United States Code. (See ARRA Sec. 1606 & RFP Section 2.204 Prevailing Wage). The Secretary of Labor's determination regarding the prevailing wages applicable in Michigan is available at <http://www.gpo.gov/davisbacon/mi.html>.

6.040 Inspection & Audit of Records

The Contractor shall permit the United States Comptroller General or his representative or the appropriate inspector general appointed under section 3 or 8G of the Inspector General Act of 1998 or his representative (1) to examine any records that directly pertain to, and involve transactions relating to, this contract; and (2) to interview any officer or employee of the Contractor or any of its subcontractors/subgrantees regarding the activities funded with funds appropriated or otherwise made available by the ARRA.

6.050 Whistle Blower Protection for Recipients of Funds

Contractor shall not discharge, demote or otherwise discriminate against an employee for disclosures by the employee that the employee reasonably believes are evidence of: (1) gross mismanagement of a contract or grant relating to Covered Funds; (2) a gross waste of Covered Funds; (3) a substantial and specific danger to public health or safety related to the implementation or use of Covered Funds; an abuse of authority related to implementation or use of Covered Funds; or (5) a violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) or grant, awarded or issued relating to Covered Funds. In this Subsection, "Covered Funds" shall have the same meaning as set forth in Section 1553(g)(2) of Division A, Title XV of the ARRA.

- (a) Recipient must post notice of the rights and remedies available to employees under Section 1553 of Division A, Title XV of the ARRA. (For the Michigan Civil Service Whistle Blowers Rule 2-10 link to: http://www.michigan.gov/mdcs/0,1607,7-147-6877_8155-72500--,00.html)
- (b) The Contractor shall include the substance of this clause including this paragraph (b) in all subcontracts.

6.060 Funding of Programs

The Contractor acknowledges that the programs supported with temporary federal funds made available by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, will not be continued with state financed appropriations once the temporary federal funds are expended.

6.070 Fixed Price- Competitively Bid

Contractor, to the maximum extent possible, shall award any subcontracts funded, in whole or in part, with ARRA funds as fixed-price contracts through the use of competitive procedures.

6.080 Segregation of Costs

Contractor shall segregate obligations and expenditures of ARRA funds from other funding. No part of funds made available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 may be comingled with any other funds or used for a purpose other than that of making payments for costs allowable under the ARRA.

6.090 Publication

All contract solicitations funded in whole or in part with ARRA funds will be posted on the www.bid4michigan.com website. All contracts resulting from the ARRA will be published on the State of Michigan's Recovery Web site, www.michigan.gov/recovery.

Contractor shall include the Michigan Recovery logo on all signage or other publications in connection with the activities funded by the State of Michigan through funds made available by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

6.100 Buy Michigan Preference

A preference is given to products manufactured or services offered by Michigan-based firms if all other things are equal and if not inconsistent with federal statute (see MCL 18.1261).

6.110 Non- Discrimination

The Contractor shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and other civil rights laws applicable to recipients of Federal financial assistance (see RFP Section 2.201 Non-Discrimination).

6.120 Prohibition on Use of Funds

None of the funds made available under this contract may be used for any casino or other gambling establishment, aquarium, zoo, golf course, swimming pools, or similar projects.

6.130 False Claims Act

The Contractor shall promptly refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor or other person has committed a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds.

6.140 Conflicting Requirements

Where ARRA requirements conflict with existing state requirements, ARRA requirements control.

6.150 Job Opportunity Posting Requirements

Contractor shall post notice of job opportunities created in connection with activities funded in whole or in part with ARRA funds in the Michigan Talent Bank, www.michworks.org/mtb.

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

May 20, 2009

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B9200192
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR EDS, an HP Company 930 West Holmes Road Lansing, MI 48910 Email: lewis.jones@eds.com	TELEPHONE Lewis Jones III (517) 272-5657
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: Mary Ladd MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE	
CONTRACT PERIOD: From: April 10, 2009 To: April 9, 2014	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT IS EXTENDED TO THE LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE(S):

Effective immediately, the vendor name on this contract is changed to EDS, an HP Company. Additionally, the attached Software Services Table is added to the end of Appendix H: Pricing 3) Software Cost Model.

AUTHORITY/REASON(S):

Per vendor and agency agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$210,000,000.00.

Service Description (Price quoted includes all travel related expenses)	Estimated Quantity of Hours	Hourly Rate to State by Year						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Senior Software Support Technician Should have at least 2-3 years of experience as a junior technician troubleshooting software on personal computers and servers. Possess skills required for deploying large-scale software installations.	1	\$99.00	\$99.00	\$99.00	\$105.00	\$105.00	\$110.00	\$110.00
Junior Software Support Technician Should have 1-2 years of experience troubleshooting personal computer and server software. Should have experience participating in large-scale software installations.	1	\$78.00	\$78.00	\$78.00	\$85.00	\$85.00	\$90.00	\$90.00
Associate Software Support Technician Should have some experience working with and loading personal computer software.	1	\$55.00	\$55.00	\$55.00	\$60.00	\$60.00	\$65.00	\$65.00

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

April 9, 2009

NOTICE
OF
CONTRACT NO. 071B9200192
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Saber Software Consultants, Inc. 930 West Holmes Road Lansing, MI 48910 Email: lewis.jones@eds.com		TELEPHONE Lewis Jones III (517) 272-5657		
		CONTRACTOR NUMBER/MAIL CODE		
		BUYER/CA (517) 373-3993 Dale N. Reif		
Contract Compliance Inspector: Mary Ladd MICHIGAN MASTER COMPUTING CONTRACT -- STATEWIDE				
CONTRACT PERIOD: From: April 10, 2009 To: April 9, 2014				
TERMS	SHIPMENT			
.....				
F.O.B. N/A	SHIPPED FROM N/A			
MINIMUM DELIVERY REQUIREMENTS N/A				
MISCELLANEOUS INFORMATION:				

TOTAL ESTIMATED CONTRACT VALUE: \$210,000,000.00.



STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Department of Information Technology

Michigan Master Computing Contract
Contract Number 071B9200192

Buyer Name: Dale N. Reif
Telephone Number: (517) 373-3993
E-Mail Address: reifd@michigan.gov

Table of Contents

ARTICLE 1 – STATEMENT OF WORK	23
1.000 PRODUCT IDENTIFICATON	23
1.001 PROJECT REQUESTED	23
1.002 BACKGROUND	23
SCOPE OF WORK AND DELIVERABLES	23
1.003 IN SCOPE	23
1.004 OUT OF SCOPE	24
ROLES AND RESPONSIBILITIES	24
1.005 CONTRACTOR ROLES & RESPONSIBILITIES & STAFF	24
1.006 ROLES & RESPONSIBILITIES OF THE STATE	26
PROJECT PLAN	28
1.007 CONTINUOUS IMPROVEMENT PLANS	28
1.008 ESCALATION PROCESS	28
1.009 ACCESSIBILITY – COMPLIANCE WITH SECTION 508	29
1.010 AUDITING	29
1.011 MOST FAVORED CUSTOMER	30
1.012 ENVIRONMENTAL (GREEN) REQUIREMENTS	30
1.013 LEASING	31
1.014 CAPITAL LEASE – Servers	31
1.015 STATE ADMINISTRATIVE FEE	31
1.016 Michigan Delivering Extended Agreements Locally - MiDEAL PROGRAM	32
1.017 PRICING	32
Order Processes	32
1.018 ORDER PROCESSING	33
1.019 ORDER STATUS	33
1.020 ORDER TRACKING	33
1.021 ORDERING – OFFLINE	33
1.022 PROCESS FOR OBTAINING QUOTES	33
1.023 SUBSTITUTIONS	34
1.024 ITRAC	34
1.025 STATEMENT OF WORK PROCESS	35
1.026 PRODUCT WEB CATALOG	35
1.027 REQUEST TO ADD (RTA) PROCESS	37
1.028 Delivery in General	37
1.029 STANDARD DELIVERY	38
1.030 EXPEDITED DELIVERY	39
1.031 SHIPMENT NOTIFICATION	39
1.032 ACCEPTANCE CRITERIA FOR DELIVERY	39
1.033 BAR-CODING	40
1.034 PACKING SLIP	40
1.035 RFID TAGS	40
1.036 RETURN POLICY	41
1.037 PRODUCT RECALL NOTIFICATIONS	42
1.038 ASSET MANAGEMENT	43
1.039 SERVICE PROVIDER MANAGEMENT	43
1.040 DATA RECOVERY SERVICES	43
1.041 PROJECT AND IMPLEMENTATION PLAN	43
1.042 TRANSITION AT END OF CONTRACT	45
REPORTS	46
1.043 DAILY REPORTS	46
1.044 WEEKLY REPORTS	46
1.045 MONTHLY REPORTS	47
1.046 QUARTERLY REPORTS	48
1.047 AD-HOC REPORTS	49
1.048 SERVICE LEVEL AGREEMENTS	49
1.200 PERSONAL COMPUTERS AND PERIPHERALS	50
1.201 PERSONAL COMPUTER REQUIREMENTS/DELIVERABLES	50
1.202 MONITORS	51
1.203 PERIPHERALS	52
1.204 KIOSK EQUIPMENT	52
1.205 PC ASSET TAGGING	52
1.206 LOADING OF STATE HARD DRIVE IMAGE	53
1.207 EVALUATIONS UNITS	53
1.208 REQUIRED NOTIFICATIONS	54
1.209 INSTALLATION AND OTHER SERVICES	54
1.210 WARRANTY OF NEW EQUIPMENT	56

1.211	WARRANTY AND MAINTENANCE OF EXISTING EQUIPMENT	56
1.212	WARRANTY AND MAINTENANCE PROCESS	56
1.213	EXTENDED WARRANTY AND MAINTENANCE	57
1.214	OPTIONAL WARRANTY SELF SERVICE PROVIDER	57
1.215	PC MANUFACTURERS AVAILABLE THROUGH THIS CONTRACT	58
1.300	SERVER, PERIPHERALS AND DATA CENTER SUPPLIES AND SERVICES	59
1.301	REQUIREMENTS/DELIVERABLES	59
1.302	MAJOR SERVER HARDWARE MANUFACTURERS	59
1.303	MAJOR SERVER HARDWARE STANDARD REVIEW PERIOD	60
1.304	MISCELLANEOUS HARDWARE AND PERIPHERALS	60
1.305	SERVER PERIPHERALS AND SPARE PARTS	61
1.306	SERVER Hardware/Software Requirements	61
1.307	PROCESS FOR OBTAINING SERVER QUOTES	62
1.308	SERVER HARDWARE SERVICES REQUIREMENTS	62
1.309	SERVER SERVICES REQUIREMENTS	65
1.400	SOFTWARE	72
	SOFTWARE REQUIREMENTS	72
1.401	SOFTWARE PACKAGING	72
1.402	VERSIONS	72
1.403	SOFTWARE DELIVERY	72
1.404	UPGRADES	72
1.405	ENTERPRISE VOLUME PURCHASE PROGRAMS & SOFTWARE AGREEMENTS	73
1.406	LICENSE TRACKING	73
1.407	MICROSOFT SOFTWARE	73
1.408	WARRANTY	73
1.409	SOFTWARE SUPPORT/ MAINTENANCE	73
Article 2 - Terms and Conditions		76
2.000	Contract Structure and Term	76
2.010	Consents and Approvals	77
2.020	Contract Administration	77
2.030	General Provisions	80
2.040	Financial Provisions	81
2.050	Taxes	82
2.060	Contract Management	82
2.070	Subcontracting by Contractor	84
2.080	State Responsibilities	85
2.090	Security	85
2.100	Confidentiality	86
2.110	Records and Inspections	87
2.120	Warranties	88
2.130	Insurance	90
2.140	Indemnification	92
2.150	Termination/Cancellation	94
2.160	Termination by Contractor	96
2.170	Transition Responsibilities	96
2.180	Stop Work	97
2.190	Dispute Resolution	97
2.200	Federal and State Contract Requirements	98
2.210	Governing Law	99
2.220	Limitation of Liability	99
2.230	Disclosure Responsibilities	99
2.240	Performance	101
2.250	Approval of Deliverables	104
2.260	Ownership	107
2.270	State Standards	108
2.280	Extended Purchasing	108
2.290	Environmental Provision	109
2.300	Deliverables	110
2.310	Software Warranties	110
2.320	Software Licensing	112
2.330	Source Code Escrow	112

Appendix A: Statement of Work Form

Appendix B: Asset Reporting Requirement for the SOM

Equipment purchased from the PC Section:

Equipment purchased from Server Section:

Purchase from the Software Section:

PC Warranty Replacement Report

ITAM Catalog

Appendix C: ITRAC Requirements
Appendix D: Current SOM Asset Recovery Service
Appendix E: Server Quote
Appendix F: Software and Maintenance
Appendix G: Ordering Offline
Appendix H: Pricing

- 1) PC Cost Model
- 2) Server Cost Model
- 3) Software Cost Model

Definitions	
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
CPM	Contract Program Manager– responsible for the implementation and administration of the overall contract.
Days	Means calendar days unless otherwise specified.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DIT	Michigan Department of Information Technology
DMB	Michigan Department of Management and Budget
EDI	“Electronic Data Interchange,” meaning an electronic process for invoicing
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
ITAM	Information Technology Asset Management
ITRAC	The State’s web application for requesting and tracking IT commodity purchases.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
MMC Governance Committee Meeting	A monthly meeting with each individual category Contractor will be held with MDIT personnel to discuss contract issues, service level agreements (SLAs), required reports, and other issues.
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
MAIN	“Michigan Administrative Information Network”
MMC	Michigan Master Computing Contract
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
OAS	MDIT Office Automation Services
OEM	Original Equipment Manufacturer
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
PCI	Payment Card Industry (See Section 2.093)
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does

	not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
SLA	Service Level Agreement
Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
SOM	The State of Michigan
SPOC	Single Point of Contact
SSL	Secure Socket Layer - a protocol for transmitting private documents via the Internet . SSL uses a cryptographic system that uses two keys to encrypt data – a public key known to everyone and a private or secret key known only to the recipient of the message.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.

ARTICLE 1 – STATEMENT OF WORK

1.000 PRODUCT IDENTIFICATION

1.001 PROJECT REQUESTED

This contract is for the procurement of commodities and limited services. Commodities include PC and peripherals, servers, server components and server infrastructure and related software. The Contractor will provide a procurement solution that offers the State an order-to-delivery solution including an electronic order entry system, electronic approval and a simple end-to-end order tracking capability for all State users. This Contract is intended for the use of all extended purchasing MiDEAL members.

1.002 BACKGROUND

In 1995, the State of Michigan entered into a single master contract for end user computing (EUC) to replace numerous small contracts for individual agencies. The Contract provided hardware, software, training, and services for end user computing and included items such as desktop computers, printers, laptop computers, and training for desktop software applications such as Word, Excel, etc. This concept allowed the State to take advantage of its enterprise buying power and reduce the administrative costs of maintaining numerous contracts. The EUC contract was re-bid in 2003 and became known as the Michigan Master Computing Contract (MMCC).

Desktops: The State of Michigan currently has over 55,000 PCs within its infrastructure. In many cases the State has standardized on a four (4)-year refresh rate for desktop hardware. The State has purchased a significant number of PCs in the last 4 years from the current MMC Contract.

Servers: The State of Michigan currently has over 3,600 servers within its infrastructure. Over 2,174 of these servers are located within the State's hosting centers, with the remainder located in varying locations within Michigan. These servers currently are used to host enterprise applications, enterprise web services, as well as network file and print services for all State Departments. The size of these servers may vary from an enterprise server that may host an application that has thousands of clients to a work group file and print server. The majority of our servers are attached to an enterprise storage area network (SAN), or network attached storage (NAS) others have direct attached storage. Many of the servers are partitioned and may have multiple processors, and many are clustered. The State also has implemented an enterprise backup solution along with virtual tape. The majority of our hosted servers utilize the enterprise solutions for storage and backup. All standalone backup devices on legacy servers will be phased out over time. The State has recently started the implementation of virtual server technology using VMware. The State supports many server-based operating systems, including Windows (varying levels), Unix, Linux, and Netware.

Software: There are currently in effect various master statewide contracts to procure commercial-off-the-shelf (COTS) software for government agencies and institutions, and over 500 individual agreements for other named software packages, including proprietary software. See Appendix F for a full listing of software publishers available through this contract.

SCOPE OF WORK AND DELIVERABLES

1.003 IN SCOPE

This contract is intended as a mandatory use contract. However, the State reserves the right to purchase commodities and services outside of this contract when it determines that an item's pricing is not competitive. The contract consists of the following products and services:

- PC's, peripherals, and PC related support services
- A recycle/disposal program that includes hardware and peripherals
- Servers, associated peripherals, and server racking infrastructure
- Software including operating system software

- Limited integration, installation, and implementation services in support of the commodities purchased through this contract.
- Citrix, FileNet, Remedy, Data Recovery, and Data Center Cleaning services

The Contractor will provide these products and selected support to MDIT, which in turn will offer these products and/or services to all State departments and agencies within the executive branch. Departments and agencies within the legislative and judicial branches of the State will have the option of procuring under the Contract.

A more detailed description of the commodities, services and deliverables sought by the State is provided in the sections that follow.

The procurement process has the following goals and objectives:

- Web-based, self-service purchasing environment that extends product selection and order initiation to MDIT employees and MDIT Clients using a Product Web Catalog.
- Ability to integrate acquisition of products from this contract in to the State's enterprise and legacy systems (MAIN, etc.) as a future goal of the State.
- To acquire reliable and proven products, effective support, timely deliveries, professional customer support services and fair market prices for commodities and support.
- A dynamic pricing arrangement that fluctuates with the market trends within State- managed programs. The pricing arrangement shall allow the State of Michigan to take advantage of price reductions in a timely manner.
- Manage information technology acquisitions at an enterprise level in order to reduce direct and hidden costs associated with information technology ownership. The contract will capture information, provide reports, and incorporate tools to facilitate the management of the enterprise.
- Continue to Reduce the cost of IT equipment by consolidating requirements
- Leverage the State's buying power.
- Standardize on a limited number of Desktop configurations within a category.

1.004 OUT OF SCOPE

The following items are outside the scope of this contract:

- LAN/Telecommunication equipment and software
- Procurement of output management services for digital copiers, faxes, scanners, printers, and multi-functional office devices
- Staff augmentation as it relates to consultants and specific tool or product sets not mentioned in this contract
- Software development, customization, enhancements and/or modifications
- Enhancements altering the functionality, and/or adding new functions not related to a maintenance modification

ROLES AND RESPONSIBILITIES

1.005 CONTRACTOR ROLES & RESPONSIBILITIES & STAFF

The Contractor is responsible for:

- Providing industry knowledgeable advice in the areas of PC computing, server, software, and contract related products and services for the Department of Information Technology.
- The Contractor will work with the State to identify emerging technologies as appropriate. The information technology product(s) will be added to the contract through the Request to Add (RTA) process.
- Maintain current contract pricing for all products on the contract on a daily basis within the Product Web Catalog.
- Ensure that the technology and prices are current and competitive. The pricing arrangement should allow the State of Michigan to take advantage of price reductions.
- Monitor and actively resolve issues with delivery dates, quality of products/services, mean time between failure after repairs, billing/invoicing, and other service level agreements.

- The Contractor shall immediately notify the MMC Contract Administrator when products are constrained or otherwise unavailable so that the MMC Contract Administrator can work with the Contractor to find an appropriate means to resolve these issues.
- Ensure the product invoicing is correct and based upon State of Michigan current price at the time of the order.
- Contractor shall collect administrative fees as described in the State Administrative Fee section and the MiDEAL Program Fee section.
- The Contractor shall have sufficient support staff located in Michigan to provide contracted products and services necessary to meet the requirements of this Contract. Key personnel must be available to meet in Lansing, Michigan, on an as needed basis during normal business hours to resolve issues related to services. The State will **not** provide such a site to the Contractor(s). In addition, the State will **not** reimburse the contractor for travel or expenses.
- Contractor must provide an after-hours method of contact for emergency or mission critical operations support.
- The Contractor, its subcontractors and subcontracted staff shall comply with all security standards and the security access requirements for individual State facilities.
- The Contractor shall maintain an electronic inventory of all acquisitions purchased off this Contract. The data is the property of the State and will be available to the State upon request or termination/expiration of the Contract. The following is the minimum data required:
 - State Purchase Order Number
 - Ship to Data (from the Purchase Order)
 - Bill to Data (from the Purchase Order)
 - Item Description (include make, model, type and version)
 - Serial Number
 - Order Date
 - Date Shipped
 - State of Michigan (SOM) price
 - Agency the Order was placed for
- The Contractor shall have a process in place with the manufacturers whereby the State can directly contact the OEM's so that the State may uniquely configure hardware, obtain technical or warranty support, obtain technical guidance or expertise, and obtain information for the basis of the quotes as defined later in this document.
- As part of on-going product refresh, Contractor will provide new product models of equivalent or superior function relevant to end of life models. Contractor must inform MDIT Contract Administrator of any product refresh in advance. MDIT Contract Administrator has final authority to approve the configuration and pricing of product before being added to the contract/catalog.

- **Technical Support**

The Contractor shall have a process in place where the State and MiDEAL authorized personnel can obtain technical support for all products and services on this contract. (Example: toll free technical support lines). Traditionally these companies offer specific telephone support services to companies that purchase hardware and software. These services will usually involve technical support questions about a specific configuration requirement or technical support that will be in place that will assist in the support of the hardware and software purchased from this contract.

Key Personnel

The State has identified the following as Key Personnel for this contract:

- Contract Program Manager (CPM)
- Single Point of Contact (SPOC)

Contract Program Manager (CPM): The Contractor shall designate a CPM to oversee all aspects of the Contract including the management of all vendor personnel. The CPM is considered to be Key Personnel to the Contract and must have a minimum of 3 years of experience in

contract/project management similar to a contract of this size and scope and also be capable of addressing the State's diverse needs. Other desirable qualifications include supporting and/or managing computing; and developing and implementing procedures for problem identification reporting, tracking and resolution pertaining to orders, product delivery and warranty services as defined in this document. The CPM will work closely with the designated personnel from the State. The CPM will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The CPM to oversee all aspects of the statewide contract for the commodity awarded, including the management of all customer representatives and personnel identified in Contractor's proposal. The CPM's responsibilities include, at a minimum:

- Manage Contractor's subcontractors
- Develop the initial project plan and schedule, and update as needed for the contract implementation and administration of the contract.
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day activities of the contract team
- Assess and report project feedback and status
- Escalate issues, risks, and other concerns
- Review all deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare documents and materials

The State of Michigan and the Contractor shall jointly agree on the individual fulfilling this role.

Single Point of Contact (SPOC): The Contractor will identify a SPOC for MDIT/MiDEAL authorized personnel to call to obtain order and delivery statuses and to resolve issues (such as configurations, price, returns, inquiries, delivery status questions, etc.), billing/invoicing issues, warranty work, technical advice and remedial maintenance.

Access to the SPOC will be provided through a toll free line to the State and MiDEAL Members. The toll free number will be available after business hours for warranty and maintenance agreements requiring after business hour support up to 24x7x365 coverage.

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

The SPOC is considered Key Personnel to the Contract and must have a minimum of 3 years of experience in supporting activities related to this position. The SPOC qualifications should include supporting and/or managing computing; developing and implementing procedures for problem identification reporting, tracking and resolution pertaining to orders, product delivery and warranty services as defined in this document.

Organizational Chart

The Contractor will provide, and update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show escalation paths and lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.

1.006 ROLES & RESPONSIBILITIES OF THE STATE

The State shall assign a MMC Contract Administrator or designee as a single point of contact for all communications. The MMC Contract Administrator or designee shall:

- Serve as the Point of Contact between the Contract Program Manager and all other individuals participating in this contract.
- With the Contract Program Manager, administer Project Change Control in accordance with the contract.

- Chair the monthly MMC Governance Committee Meeting with key Contractor staff.
- Obtain and provide information, data, decisions and approvals as it relates to the contract.
- Be responsible for SOM contract related issue management
- Provide subject matter experts as needed to achieve goals and schedules.
- Review and approve MMC Product Web Catalog(s) price increases and new product lines.
- Review and approve Contract product and support offerings including service levels, delivery times, performance metrics, cost basis and price.
- Identify points of contact and advocates for MDIT clients as it relates to this contract.
- Recommend membership on the MMC Governance Committee.
- Organize Contract related meetings as needed.

The State shall assign a MMC Catalog Administrator or designee as a single point of contact for all catalog related decisions and communications. The MMC Catalog Administrator or designee shall:

- Serve as the Point of Contact between the Contract Program Manager and all other individuals participating in this contract as it relates to the product Catalog.
- Attend the monthly MMC Governance Committee Meetings.

The State shall assign a MMC Governance Committee comprised of State members who will provide guidance to the MMC Contract and Catalog Administrator(s) relating to Standards and technical matters for Software, Desktops and Servers acquired from this contract.

Mutual Cooperation

The success of the MMC Contract is dependent upon mutual cooperation between the Contractor and the State. Therefore, to enable the efficient and timely performance of the Contract, the State shall have the responsibilities set forth below, as well as those responsibilities set forth elsewhere in this Contract:

- Cooperating with the Contractor by providing timely approvals, acceptances, consents and information;
- Participating in meetings upon appropriate notice;
- Providing the Contractor with (i) timely notice of changes in State policies; (ii) timely clarification of State policies and procedures upon reasonable request by the Contractor; and (iii) timely provision of any other information or resources that may affect the Contractor's performance under the Contract; and
- To the extent the Contractor shall be required to cooperate with the State's agents and/or other contractors, the State shall require all of its third party providers to be subject to the same confidentiality, security and other requirements applicable to the Contractor.

PROJECT PLAN

1.007 CONTINUOUS IMPROVEMENT PLANS

Updates and Reviews

The Contractor shall promptly update all written plans, procedures, web catalog and schedules to reflect changes to the Contract. In addition, at least four (4) times each year at the MMC Governance Committee meeting during the term of the Contract, senior representatives of the Contractor shall meet with the Purchasing Operations, MMC Contract Administrator and other representatives of the State, to review changes implemented during the previous quarter and discuss possible changes to be implemented during the coming quarter. At such meetings, the Contractor should present recommendations to the State on the direction of MMC Contract that the Contractor believes would significantly reduce costs, improve service or enhance operability or reliability.

Customer Satisfaction Survey

Once every twelve (12) months during the term of the Contract, the Contractor shall conduct a Customer Satisfaction Survey. The survey shall include selected representatives associated with the day-to-day activities from State of Michigan Agencies and key senior management. The MMC Contract Administrator will determine the final list of participants. The Contract Program Manager will work with the MMC Contract Administrator to determine the appropriate timing for future surveys.

The results of the Annual Customer Satisfaction Survey will be sent electronically to the Director of Enterprise Portfolio Management Office, MMC Contract administrator, MMC Catalog Administrator and members of the MMC Governance Committee. This report will be used to improve the overall performance of the Contract. An action plan will be jointly developed and approved within forty (40) business days after the results of the survey have been provided to the State.

New Process Initiatives

The State and Contractor agree that from time-to-time it will be necessary to take corrective action or implement process improvement, both proactively and reactively, to improve the delivery and quality of Service to the State or to meet changing business needs. These corrective actions and/or process improvements may be in response to the availability of new and emerging technologies, issues arising from the normal, ongoing delivery of services under the Contract, action plans as a result of the annual Customer Satisfaction Survey, or fundamental changes in how the State delivers its services

1.008 ESCALATION PROCESS

The Contractor must have a management support plan that provides for the orderly escalation of Contract related issues to the next highest level of support, including third party hardware and software resources as deemed necessary to resolve an issue. As a part of the problem escalation process, the Contractor shall have a written procedure to notify the State at regular intervals of the progress made in tracking and resolving issues not resolved through standard operating procedures. The State and the Contractor will define and improve the escalation process and the escalation metrics.

Escalations are an integral part of the Contractor's field service program. Internally, thresholds are established during the set up of a trouble ticket, which automate internal escalations to progressively higher levels of management. The management notifications are accomplished through messaging, which provides the manager with client and severity information. EDS' internal escalation process is multitiered (as shown in the table below) to provide access to higher levels of management. Escalation contacts within the manufacturers will also be maintained on the MMCC Web Product Catalog. To request an escalation on a service case, perform the following:

- Identify the serial number of the system involved and the vendor repair case number.
- Identify the date of the original service call and the customer contact name.
- Call Contractor contacts shown in the table below to escalate the case.

If problem resolution does not occur using this process, the issue will be escalated to the Contractor's MMCC leadership chain. The leadership chain is comprised of Lansing-based, senior executives from the Contractor and our partners who are capable of drawing on the complete resources within each of the firms to resolve all MMCC issues.

ESCALATION	NAME	TITLE	PHONE
Level 1	EDS Contact	EDS Customer Assistance Center	800 777 8923
Level 2	Philip Kelso	EDS Single Point of Contact	517 272 5952
Level 3	Lewis Jones III	EDS Contract Program Manager	517 272 5657
Level 4	Bob Bartholomew	EDS Account Executive	517 272 5939

In addition to EDS' internal escalation process, the table below identifies the escalation process to be used with our vendor partners.

TYPICAL TIME FRAME	EDS TECHNICAL SUPPORT	EDS MANAGEMENT ESCALATION	STATE CLIENT
0 to 8 Hours (NBD)	Service Engineer (SE)	Level 1	Customer Service Center (CSC)
	ESCALATION BEGINS		
9 to 12 Hours	SE, Manufacturer (MFR)	Level 1, Level 2	CSC
13 to 14 Hours	SE, MFR, District Supervisor (DS)	Level 1, Level 2, Level 3	CSC, MMC Contract Administrator (CA)
15 to 16 Hours	SE, MFR, DS	Level 1, Level 2, Level 3, Level 4	CSC, MMC CA, MDIT Executive
Each additional 2 hours until completion	SE, MFR, DS	Level 1, Level 2, Level 3, Level 4	CSC, MMC CA, MDIT Executive

1.009 ACCESSIBILITY – COMPLIANCE WITH SECTION 508

The State of Michigan conforms with federal laws and policies relating to the Rehabilitation Act, Section 508 Electronic and Information Technology Accessibility Standards. Section 508 addresses various means of disseminating information, including computers, software, and electronic office equipment.

Contractor warrants that the Hardware offered will meet the State's accessibility standards.

1.010 AUDITING

Contractor must provide for an audit of the web pricing and invoicing to insure Contract compliance. Contractor will conduct, at its own expense, an annual audit to verify pricing is in compliance with the contract. The auditing firm or independent third party will be selected by mutual agreement between MDIT and the Contractor. The MMC Contract Administrator will identify the items to be audited at the quarterly MMCC Governance meeting. If it is determined that items were charged at more than the agreed pricing, Contractor will refund or issue credit to the State for the overcharges. Contractor will also identify and implement procedures to avoid further overcharges.

Due to the wide range of audits and the varying complexity, the Contractor will provide an independent audit covering fees of up to \$20k annually per each Contract year. In addition, the Contractor will supply any necessary reports or data for the audit with no additional cost to the State.

1.011 MOST FAVORED CUSTOMER

During the first calendar quarter of each year, the Contract Project Manager (CPM) will communicate with each Contractor Account Executive (AE) having responsibility for Contractor's State and local (non-healthcare) accounts in the U.S. The communication will describe products of manufacturers (i.e. Dell, Sun), types of services (where the Contractor is only performing the procurement on the behalf of State and local (non healthcare) clients), comparable purchase levels, contractual terms and pricing under the Contract and will require that the AE notify the CPM of any pricing exceptions. The CPM will promptly notify the State's MMC Contract Administrator of any exceptions (excluding any State administered fees), then immediately work with manufacturer/vendor to adjust discount(s) as soon as practical. Prior to March 15th of each year, the AE responsible for the State of Michigan will certify that this process has been executed by the CPM to verify compliance with the Most Favored Customer Process.

1.012 ENVIRONMENTAL (GREEN) REQUIREMENTS

1. Contractor must be a participant in the Climate Savers program – www.climatesaverscomputing.org.
2. Contractor shall offer products and services meeting the State's directive for energy efficiency, recycling, environmentally sound disposal and low-toxicity materials. (See Executive Directive 2007-22 at <http://www.michigan.gov/gov/0,1607,7-168-36898-180298--,00.html>)
3. Desktop products shall meet U.S. Environmental Protection Agency Energy Star Program 4.0 and EPEAT Silver specifications. For the Energy Star and EPEAT program product specifications see the Energy Star Website at <http://www.energystar.gov> and www.epeat.net.
4. The State of Michigan requires that the Contractor's products be Energy Star compliant, be so labeled, and the Contractor document the energy savings the State can expect to realize per year, by implementing suggested devices. The devices must also minimize the amount of overhead needed during operation including heating and air conditioning.
5. Power management features shall be activated on all devices, where applicable.
6. Contractor shall identify and offer power-state management tools where the cost of the tools may be recovered within months of their implementation through savings in energy costs.
7. Contractor shall identify and offer a disposal program that ensures maximum value is obtained for old equipment. Such programs may include recycling of the devices through refurbishment, redeploying the equipment in another jurisdiction and/or recycling of parts or materials of the equipment. This program must meet zero landfill requirements and follow State of Michigan program guidelines. See Appendix D - Current SOM Asset Recovery Service.
8. Contractor will have an environmental improvement program that focuses on each of the following areas:
 - a. reduction/minimization/avoidance of the use of toxic and hazardous constituents (cadmium, chromium, mercury, and/or lead);
 - b. compliance with international directives such as the European Union's Directive "Restriction of Hazardous Substances", reduction of chlorinated plastics (PVC) and brominated flame retardants;
 - c. certification by independent third party eco-labelling programs (TCO, Blue Angel, and Nordic Swan);
 - i. Contractors must specifically identify equipment or peripheral model numbers that have been certified and the type of certification obtained. In addition, they must list the model numbers of units being submitted for certification as well a schedule for any remaining units.
 - ii. Contractors must describe how certified units are labelled and identified as such on the Website.
 - d. Migration to the use of recyclable, non-toxic packaging.
9. Manufacturer should offer a free packaging take back program where the packaging material can be collected/returned to manufacturer or recycler for reuse or recycling at the State's option. As an option, Contractor may propose bulk packaging such as shipping an order in one pallet without individual packaging of equipment.

10. Manufacturers must provide a publicly available written corporate environmental policy consistent with the all aspects of the policy requirements laid out in the ISO 14001 standard.

“**ISO 14001**” is the conformance standard within the family of ISO 14000 documents developed by the International Organization for Standardization (ISO) in Geneva, Switzerland. Similar in structure to the ISO 9000 quality management system standard, ISO 14001 outlines key requirements companies should comply with in order to operate in an environmentally responsible manner. Utilizing ISO 14001, companies can merge environmental programs into one coherent system to efficiently manage all environmental activities. In short, ISO 14001 provides organizations with a way to demonstrate to their customers that their environmental processes and impact are effectively managed, continually improving, and part of the corporate management system. For more information, please refer to www.iso.org.

Financial/Accounting/Pricing

1.013 LEASING

At any point during the term of the Contract, the State may require a leasing alternative for commodities. The request for a leasing alternative will be initiated by the RTA process. The Contractor shall furnish a leasing alternative that addresses the total cost of ownership in acquisition, installation, maintenance, removal and disposal of the leased asset. It is understood that the Contractor will likely engage an external leasing provider(s) approved by the State to provide the financing component of the total cost of ownership lease approach. The State, Contractor, and external leasing provider, shall mutually agree on the term of the lease, residual values, and requirements. The Contractor may be required to furnish both Capital and, if available, Operating Lease alternatives. Operating Lease options will be consistent with GASB standards, the term shall not exceed 75% of the useful life of the equipment, nor shall the present value at the beginning of the lease will not equal or exceed 90% of the purchase price. It is understood that Operating Leases are not available for all products or for all terms of use.

1.014 CAPITAL LEASE – Servers

The State reserves the right to acquire complex server purchases through a lease for purchase arrangement. When the State plans a lease for purchase, it will be noted on the purchase order. These complex servers generally will exceed \$50,000.00 each. When the State determines the need to acquire servers via a lease for purchase, the servers must go through a Standard State Performance review prior to releasing payment for the leased servers to insure that the complex servers perform as required. Payment terms for a capital lease purchase are subject to the Contractors original invoice payment terms.

1.015 STATE ADMINISTRATIVE FEE

The Contractor must collect an Administrative Fee on the commodity sales transacted under this Contract. The Contract must remit the Administrative Fee in U.S. dollars within thirty (30) days after the end of the quarterly sales reporting period. The Administrative Fee equals one percent (1%) of the total quarterly commodity sales reported for both State Purchases and MiDEAL purchases. All commodities quoted through this contract vehicle must include the Administrative Fee.

The Contractor must pay the Administrative Fee collected by issuing a check. To ensure the payment is credited properly, the Contractor must identify the check as an "Administrative Fee" and include the applicable State BPO number, report amount(s), and reporting period covered.

Contractor must forward one check payable to Treasurer, State of Michigan, to the following address:

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

Upon payment, the Contractor shall electronically communicate completion of this task to the MDIT Contract Administrator.

1.016 Michigan Delivering Extended Agreements Locally - MiDEAL PROGRAM

Contractor agrees to honor orders from State of Michigan authorized MIDEAL members for the purchase of commodities and services in accordance with the terms and prices of this Contract. It is the responsibility of the Contractor to ensure the non-state agency is an authorized MIDEAL member prior to extending the State Contract price. Inasmuch as these are non-state agencies, all purchase orders will be submitted by, and invoices will be billed to, the authorized MIDEAL member who will remit payment on a direct and individual basis. A complete list of the MiDEAL members is located at www.michigan.gov/buymichiganfirst.

The MiDEAL Portal will be made available within thirty (30) calendar days of Contract signing.

1.017 PRICING

Standard mark-up and discounts are based on product category by manufacturer as described in **Appendix H**. Mark-up percentages by manufacturer must be offered on all similar products by that manufacturer. Initial manufacturer mark-up recommendations will be submitted by the Contractor and approved by the MMC Contract Administrator. The MMC Contract Administrator must approve any exceptions to standard manufacturer mark-up.

Quoted prices should be the Contractor's best possible offering to the State. Prices must be inclusive of all standard-shipping charges. Bundled prices should be clearly identified so the State has a clear understanding of what is and is not included in the price.

Contractor must provide Fixed Hourly Labor Category Rates that include all direct and indirect costs and profit for the Contractor to perform services required under the Contract or a Statement of Work issued under the Contract. The indirect costs shall include all costs that would normally be considered general and administrative costs and/or routine travel costs, or which in any way are allocated by the Contractor against direct labour hours as a means of calculating profit or recouping costs which cannot be directly attributable to services required. Rates should remain consistent with the cost model in Appendix H.

Contractors must inform and assist the State, as necessary, at no charge, to take advantage of special offers, promotions, bundles or rebate programs that are offered by manufacturers or the Contractor.

The Contractor shall obtain quotes for all eligible educational discounts and pass the discounts to all eligible entities for all eligible purchases.

The Contractor must offer all upgrade offers from the manufacturer to the State as well as competitive upgrade offers. The Contractor must also make available documentation for all products, as well as media, and manufacturer subscription or support.

Contractor must inform and assist the State/MiDEAL members, as necessary at no charge, to take advantage of all educational discounts, special offers, promotions, new releases, bundles, rebates, availability of site licenses or master upgrade programs that are offered by publishers/manufacturers or the Contractor and pass the benefits to the SOM/MIDEAL purchasing entity.

If there are any price reductions during the term of the contract, the State shall pay the reduced price for any hardware or software ordered after the reduction takes place.

If there are pricing increases during the term of the contract, the State shall be provided justification from the Contractor, in writing, before the increases will be accepted by the State.

The State reserves the right to re-negotiate pricing at any time during the term of the contract.

The State expects that the total price for all services and software will not exceed the GSA price, if available for the product.

Order Processes

1.018 ORDER PROCESSING

Upon receipt of an approved order by fax or any other approved means by the State /MiDEAL member, the order process will fully validate the order to make sure that each product is still valid and that each price is correct. For all valid orders, the order amount shall be the lower of the Web Catalog price or the quoted price.

After the order is validated, the order process will send an electronic acknowledgement to the original requester(s).

1.019 ORDER STATUS

The procurement solution will provide the State with a quick and easy method to determine the status of any order at any time. The system will automatically generate an e-mail notification to multiple e-mail addresses when the Contractor accepts a user's order and when the user's order changes status. The e-mails can be generated at multiple points in the process and the Contractor will customize them to meet the needs of the State. The information will also be available to the State through the Website as well.

1.020 ORDER TRACKING

Contractor will provide an order tracking process that allows authorized individuals to quickly and conveniently track orders without having to navigate among multiple systems. It will provide for ongoing automated communication from order entry through the delivery of the product. Each order in the process will be classified as pending, back-ordered and/or shipped. Once an order has been shipped, authorized individuals will be able to click on the order, see the quantity that was shipped and all of the tracking information associated with each line shipped.

For major carriers, authorized individuals can click on the tracking number and the system will punch out to the appropriate carrier's shipment tracking site and display the current tracking information.

Contractor must provide at a minimum:

- Track order status easily on the portal page
- Track requisition status through approval process as a future goal
- Track orders and promise dates
- Change or cancel orders for designated staff
- View complete order history
- E-mail alerts to keep users informed
- Access complete online returns process

1.021 ORDERING – OFFLINE

The State requires an offline ordering capability in case of a disaster. The State must be able to mail or fax the order form to the Contractor (See Appendix G, Ordering Offline). This process is an exception and the ordering process described in this Contract must be followed for all other procurements.

1.022 PROCESS FOR OBTAINING QUOTES

Contractor shall provide:

1. The Quote Desk and order process must be located in the United States and available through a toll free number with an on-line presence. It also must:
 - Be staffed Monday through Friday from 8:00 to 5:00 pm EDT to assist the State with orders for complex products, non-standard items or user support as needed.
 - Insure that quotes are also available after normal State Business Hours or on State Holidays in the event the State experiences an emergency situation. A process must be defined for obtaining these by the Contractor.
 - Be staffed with Contractor personnel who have experience in providing such service.
2. 80% of the time, quotation requests received by the Contractor before noon should be returned to the State by the end of the next business day and in all cases not to exceed four (4) business days of the submitted request; this SLA will be measured quarterly.

3. All quotes, except quotes for servers and or server components from the major manufacturers, will be valid for a period of thirty (30) calendar days from the date the quote is received by the State of Michigan, but will work with individual manufacturers to extend the quote to forty (40) calendar days.
4. Quotes for servers and server components from the major manufacturers will be valid for a period of sixty (60) calendar days from the date the quote is received, subject to the following:
 - Quotes will be subject to change if any quoted component becomes unavailable.
 - For any quote request, where the manufacturer requires the State to sign a licensing agreement, the Contractor must furnish the licensing agreement as an attachment to the quote.
 - Authorized MDIT/MiDEAL personnel will make all requests for quotes.

1.023 SUBSTITUTIONS

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

Substitutions may be made in the following circumstances:

- The equipment is not available because the manufacturer has discontinued its production. This particular part number has been dropped.
- The equipment is not available due to a documented national constraint or backlog experienced throughout the marketplace. This does not simply mean a particular re-seller is having trouble getting a product through its usual distributor.

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

1.024 ITRAC

The State has a web application used for reporting and tracking IT commodity purchases. The Contractor must provide a file that contains the common commodities that are ordered by the State. The following items are required on the file:

- 1) Incremental updates must be received daily (Monday-Friday 6 PM EST)
- 2) A full load file must be received weekly (Friday 6 PM EST)
- 3) The file must be transferred to the MDIT Data Exchange Gateway using secure FTP services.
- 4) The length of "Description" field cannot exceed 255 characters and must support the addition of a 4-character identification code used to match commonly purchased items. Example: "E01-"
- 5) The catalog file structure or format may be changed as a new design is implemented in the ITRAC system.
- 6) The file must be a text file with data elements delimited by tab characters and contain the following data elements:
 - OPERATION_CODE
 - ITEM_NUMBER
 - MANUFACTURER
 - DESCRIPTION
 - CATEGORY
 - SKU
 - PRICE
 - AGENCY_APPROVED

The State would like to move to a more direct catalog interface such as a web service interface so that ITRAC can access the catalog directly and pull extracts upon request using a nightly batch process.

1.025 STATEMENT OF WORK PROCESS

Any services listed herein, with the exception of standard Warranty/Maintenance services, will be secured through a separate Statement(s) of Work. See Appendix A for the Statement of Work Form.

Services purchased from this Contract must be related to the installation, integration or implementation of products purchased from this contract and of a temporary nature of six (6) months or less. The expectation is that service costs will be 50% or less of the total project/product cost. Services for data migration and customization are not available under this Contract. Both the MMC Contract Administrator and DMB will approve exceptions.

MDIT will issue the completed Statement of Work to the Contractor. The Contractor will develop and propose in writing a solution, including price that shall be valid for thirty 30 calendar days. The signed proposed solution will be submitted to MDIT Contracts and Procurement Services in ten (10) business days from request, reviewed and, if acceptable, MDIT Contract and Procurement Services will submit it to the MDIT client for signature.

Unless other arrangements have been mutually agreed upon between MDIT and the Contractor, the Contractor shall provide all materials; computer support services and equipment necessary to complete each approved Statement of Work.

1.026 PRODUCT WEB CATALOG

The Contractor must provide and maintain an electronic, web-based catalog (portal). The Contractor and the MDIT Catalog Administrator will mutually agree upon the specific information placed on the Product Web Catalog. Review and approval of the Product Web Catalog will be the responsibility of the MDIT Catalog Administrator. The State must approve all additions, deletions, or changes to the State specified products listed on the Product Web Catalog unless specified differently below. The portal will meet the following requirements:

- 1) The Product Web Catalog must be available via the Internet and accessible on a 24 X 7 X 365 basis except for the time frames as scheduled for maintenance windows. The Contractor will provide prior notice of the maintenance windows.
- 2) The site must use SSL certificates on the Web servers. These should be class 3 Digital ID's issued by Verisign or equivalent.
- 3) Upon Contract award, the Contractor will request an audit to achieve PCI compliance standards set forth by the State. The expectation is that the Contractor will be compliant when the State is ready to accept and process procurement card transactions.
- 4) The site should use 1024-bit strength or better encryption in the generation of the public keys web-based catalog available via the Internet. The State and the Contractor will determine the requirements for the Product Web Catalog including access levels, views, and appropriate security.
- 5) Complex password methodology is required.
- 6) Provide a single point of online access to the products covered by this contract. Enable users to access a catalog via multiple views based on login describing all items available under the program.
 - a) For the State Agencies (executive branch) catalog view, only approved products meeting the State's standards will be available to most users. Super users will be able to view the entire product catalog.
 - b) At the Judiciary or Legislative (non-executive) branch catalog view, only products appropriate to the contract may be included.
- 7) A user must be able to browse the product catalog and build an order by filling a "shopping cart" with products. For each product, the system will provide a quoted State price in effect at the time the order is created. The portal will provide the following order entry features:
 - a) User can create multiple shopping carts
 - b) Shopping carts will allow for flexible State-defined entry fields for administrative purposes

- c) Unique cart identifier
 - d) Side-by-side product comparisons when available
 - e) Extensive search capabilities
 - f) Full product catalog per selected view
 - g) View previous shopping carts/orders with the ability to copy a previous shopping cart/order into a new shopping cart/order.
 - h) Shopping carts/orders will be maintained for a minimum period of 90 days.
 - i) Punch-out to OEM supplier catalogs on the Contract to obtain detailed product specifications, FAQ's, problem resolution, etc., and allow for custom configurations and import into the shopping cart when offered by the OEM. The Contractor will meet with manufacturers to develop a similar service with manufacturers in addition to Dell.
 - j) Where possible, user views of the catalog will include standard accessories and peripheral items that are applicable and compatible with each product approved under the contract.
 - k) Create a proposed order consisting of systems, accessories and other products. (a draft order - "shopping cart" or "eQuote").
 - l) Change, update, copy and delete a proposed order including the individual systems or items of a proposed order.
 - m) Ability to add notes or special instructions
 - n) Allow any authorized user to e-mail a proposed order to any e-mail address.
 - o) Allow any authorized user to import or otherwise insert into their orders a proposed order created by a different user.
 - p) The ability for the State to generate predefined reports from the Web catalog database as needed.
 - q) Allow any authorized user to initiate asset recovery services as described in Appendix B - Current SOM Asset Recovery Services. The Contractor will meet with manufacturers to develop a similar service with manufacturers in addition to Dell.
 - r) Allow authorized requestors to change a shopping cart into an order.
 - s) Search, browse, review order status and details – including proposed orders.
 - t) Provide the option for email notification of order confirmation and order status – including:
 - confirmation of order placement on the Website
 - confirmation of acceptance of a valid order - this notification shall include an estimated shipping date(s).
 - notice of shipment of the order – this should include the tracking number of the shipper (FedEx, UPS, etc.)
 - u) E-mail notification shall provide space for multiple e-mail notification addresses
- 8) Approval of all product updates to the catalog is the responsibility of the MDIT Catalog Administrator and the Contractor will handle product updates in the following manner:
- a) Any price decrease changes to products currently in the Product Web Catalog will be updated daily and without prior approval by the MDIT Catalog Administrator.
 - b) Upon notification to the MDIT Catalog Administrator, any products made end of life by a manufacturer and without replacement product will be removed from the catalog by the Contractor. Warranty and maintenance services will not be affected by removal of the product from the catalog.
- 9) The Contractor is responsible for providing, as a minimum, nightly batch processing of catalog changes from manufacturer feeds providing real-time products and pricing updates.
- 10) Contractor, promptly upon commercial announcement of new components that can be technically and economically substituted or added for/to items listed in the current Product Web Catalog, shall offer said items for addition or substitution to the Product Web Catalog. These item(s) may be accepted at the option of the State, provided at least equivalent performance or significantly enhanced performance at no additional cost per unit.

1.027 REQUEST TO ADD (RTA) PROCESS

The RTA process is a process by which MDIT is able to submit a request to the Contractor to have hardware, peripherals, software products, and server equipment added to the Contract and/or Product Web Catalog.

MDIT is the process owner of the RTA process for these Contracts. All requests will be initially sent or routed to MDIT Catalog Administrator for processing. MDIT evaluates the request and will send those approved RTA requests and associated documentation to the Contractor for quoting. All RTA's, for the executive branch, will be submitted by the MDIT Catalog Administrator. All RTA's for the MiDEAL members must first be approved by the MDIT Contract administrator to ensure the items are appropriate for the contract.

1. Requests for additions, deletions, exceptions and/or revisions may be generated by the MDIT Catalog Administrator.
2. The State may initiate a request to add a product by providing functional requirements for the product to the Contractor.
3. If the State seeks to add a named product to the catalog, a quote will be requested from the Contractor.
4. The Contractor must respond within four (4)-business days with a price quote for the submitted request. The State and the Contractor will mutually agree to extend the time for large and/or complex requests. If the price quote or offering is not acceptable to the MDIT Catalog Administrator, the State may purchase outside the Contract.
5. Upon receiving the Contractor's recommendation, the MDIT Catalog Administrator shall make the final decision to purchase. Approval will be to add the product, purchase as a one-time buy or allow the State to purchase outside of the Contract. In the case of a catalog addition, the updated information shall be included in the nightly batch processing of catalog changes.
6. Contractor will work with the State to develop a standard grid to be used by the State to analyze the products identified by the Contractor as meeting the desired functionality.
7. The Contractor, Contract Administrator and the Catalog Administrator will work together to determine how products are defined in the Web Catalog. Additions, deletions and/or revisions to that product set will require the approval of the State.
8. Any new product(s) to be added to the Product Web Catalog that is not a direct replacement of a product currently in the catalog must follow the Request to Add procedure. At a minimum, the Contractor must provide the following information to the MDIT Catalog Administrator:
 - Manufacturer Name
 - Product Name and Description
 - Version (software only)
 - Contractor Part Number
 - Manufacturer Part Number, if different
 - Contractor Cost Basis
 - Markup
 - Contract Price

DELIVERY

1.028 Delivery in General

The Contractor must deliver the product as listed on the Product Web Catalog. Contractor shall provide prepaid delivery, FOB (the delivery destination specified in the Purchase Order) to any State eligible customer located within the State's geographic boundaries. Unless otherwise specified within an individual order, the following shall be applicable to all orders issued under this Contract.

- (a) SHIPMENT RESPONSIBILITIES - Services performed under this contract shall be delivered "F.O.B. Destination, within Government Premises."
- (b) DELIVERY LOCATIONS - Specific locations will be provided by the State or upon issuance of individual purchase orders.

FOB Destination as used in this contract: The term FOB destination shall mean delivered and accepted at an identified agency destination-receiving site, with all charges for transportation paid by the Contractor. These charges are to be built into the price of each item. **If inside delivery or moving of equipment is required, these charges can be quoted at the time of purchase and added to the price of the product.**

1.029 STANDARD DELIVERY

The Contractor will deliver the server or other equipment from this contract as listed on the purchase order within 20 business days of receipt of the State's purchase order, unless the Purchase Order specifies a longer timeframe for delivery. Inside delivery will be included in the item price on the quotation. All equipment delivered will be fully configured, bootable and ready to operate.

Other product Delivery: The Contractor must deliver the product(s) as listed on the Product Web Catalog within ten (10) Business Days of receipt of valid Purchase Order, unless the Purchase Order specifies a longer timeframe for delivery. Elapsed delivery time will be measured from the time an order is accepted by the Contractor to the time product is delivered to the site identified in the purchase order. All PC equipment delivered will be fully configured, bootable and ready to operate.

All Products: The Contractor will send e-mail notifications to the State delivery contact e-mail address, the purchase order contact email address and alternative contact e-mail on the purchase order, concerning shipment and expected delivery dates. The State will use this information to enable staff to schedule installation in advance of equipment receipt. E-mail notification will also be used to schedule receiving functions at the State's receiving locations.

All items shall be delivered within the timeframe(s) stated on a purchase order. (The State has defined dock delivery times in many locations.)

The Contractor shall be solely responsible for assuring that deliveries are made to personnel authorized to accept delivery on behalf of the State. Any losses resulting from the Contractor's failure to deliver the product to authorized personnel shall be borne exclusively by the Contractor.

Elapsed delivery time will be measured from the time an order is accepted by the Contractor to the time product is received by the receiving staff identified in the purchase order.

Contractor shall identify all special packaging, handling, storage and transportation requirements that would impact the safe and secure handling/storage of the deliverable items, including, but not limited to: weight, volume, stacking considerations, temperature, humidity, altitude, shock and vibration parameters.

Contractor must ship the equipment with all corresponding operating manuals; software licenses, as ordered; media; and setup guides, unless otherwise agreed to by the State in advance of shipment.

Server Site Preparation: Contractor shall provide any specific equipment environmental specifications required. The specifications shall be in sufficient detail to ensure the installed equipment will operate efficiently. The State will prepare the site in accordance with the specifications provided by the Contractor.

The delivery of servers to a State office is recognized as the first step in an installation process for MDIT. The Contractor is not automatically provided with shipping information or shipping dates by its vendor partners. The manufacturers directly handle this aspect of the process. The Contractor or its partners and the State will establish a process to send e-mail notifications to the State staff, whose contact information is located on the Purchase Order (PO), to notify them of standard or expedited delivery dates during the execution of the MMC Contract. The Contractor and its vendor partners will provide server products, to include a complete set of original documentation necessary to utilize and maintain the equipment ordered, if requested by the State.

1.030 EXPEDITED DELIVERY

The State may submit rush orders via facsimile or any other means to the Contractor up until a 2:00 P.M. Eastern Standard Daylight Time cut-off. The orders will be placed by MDIT Procurement via facsimile or any other means at the sole election of MDIT and delivered either Overnight or Second Day. The State will pay the Expedited Shipping fees. The contractor will make every attempt to minimize the expedited charges to the State of Michigan.

If expedited shipping is required by the State, additional charges may apply for:

- Standard Overnight (delivery by 3:00 PM the next day)
- Priority Overnight (delivery by 10:30 AM the next business day)
- Saturday Delivery (delivery by 12:00 PM)

All expedited delivery charges should be included in the quote and described as such. Expedited delivery that occurs as a result of the Contractor's shipping error will be free of charge.

1.031 SHIPMENT NOTIFICATION

The Contractor will send e-mail notifications to multiple State e-mail addresses concerning shipment and expected delivery dates. The State will use this information to enable MDIT teams to schedule installation in advance of equipment receipt. E-mail notification will also be used to schedule receiving functions at the State's receiving locations.

1.032 ACCEPTANCE CRITERIA FOR DELIVERY

Equipment discovered to be defective or failing to conform to the specifications, may be rejected upon initial inspection, or at any later time if the defects contained in the equipment or non-compliance with the specifications was not reasonably ascertainable upon initial inspection.

For all equipment not meeting the State's criteria as a Major Server Hardware acquisition, products will be considered accepted when delivery of product is made to the specified delivery address AND complete packing slips with applicable serial numbers are provided and signed for. The Contractor is responsible to ensure that copies of the signed initial receiving documents are forwarded to the State before payment will be authorized. Contractor will work with major manufacturers and delivery organizations to identify process and information improvements and present to the State for review.

For equipment meeting the State's criteria for a Major Server Hardware acquisition will be noted as such on the State's Purchase Order. A Major Server Hardware acquisition will be defined as: Any Server where the purchase price exceeds \$50,000. Installation will be performed by State Staff, authorized contractors, or on-site vendor Server engineers. Acceptance of the equipment will occur when the:

- Equipment has operated for fourteen (14) consecutive days with out any problems.
- Quality and level of operation is consistent with the published specifications for the system.
- System documentation including user and system manuals is complete and on file at the State.

The Contractor is responsible to ensure that copies of the signed receiving documents are forwarded to the correct authorized personnel before payment will be authorized upon completion of the above review process. It will be the responsibility of the State to communicate any installation or hardware issues to the contractor that may impact payment prior to the end of the 14-day installation process. Contractor will work with major manufacturers and delivery organizations to identify process and information improvements and present to the State for review.

When installation services are not included in the purchase, the product will be considered accepted when delivery of the product is made to the specified delivery address together with complete packing slips. Packing slips must include both model number(s) and serial number(s) where applicable. Both of these conditions must be met for the Contractor to invoice for the equipment and for payment authorization to occur.

If equipment is discovered to be defective or failing to conform to the specifications, it may be rejected upon initial inspection or within 20 business days of receipt, if the defects contained in the equipment or non-compliance with the specification are not reasonably ascertainable upon initial inspection. To the extent that the OEM's, the Contractor and the Contractor's partners accept this term, Contractor accepts this condition.

PACKAGE LABELS AND PACKING SLIPS

1.033 BAR-CODING

The Contractor must provide the following information on the vertical face of packages containing IT assets in a standard bar code format:

- State of Michigan Purchase Order Number
- Model Number(s)
- Serial Number(s)

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

1.034 PACKING SLIP

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

- a. State of Michigan, Purchase Order Number or MIDEAL P.O. as appropriate
- b. Purchaser's Name (Contact Name)
- c. Ship to address
- d. Special Shipping information (time frames, delivery information etc).
- e. Order Date
- f. Shipped from (Vendor) information
- g. Shipping Carriers Name
- h. Carriers Tracking Number
- i. Date Shipped
- j. Total Number of Packages
- k. Serial Number if applicable
- l. Item / Part Number
- m. Line item description from the Purchase Order
- n. Quantity ordered
- o. Quantity included in shipment and whether Contractor considers the delivered item to be a partial or full satisfaction of the requirement

1.035 RFID TAGS

The Contractor supports the State's interest in using RFID tags for asset control and management. Toward this goal, the Contractor has selected RR Donnelly as its partner to meet the RFID requirement specified by the State. As with implementing any new system, there are processes that need to be in place before the system can operate properly.

The Contractor, RR Donnelly and the State will define the RFID tagging process to meet the specifications. The RFID tagging process should include the following items in its development:

- Passive RFID labels (standard tags) work best on surfaces that are paper or plastic and are non-metal or non-liquid. Since a majority of the assets to be tagged are metal, special tags that have a foam backing ranging in thickness from 1/8-inch to 3/8-inch are required. This standard will result in increased costs since these tags require testing to make sure the selected reader will properly read the tag elements.
- Due to the type of adhesive used on most RFID tags and the possibility of damage to the tags in shipping, the tags cannot be placed on the outside of the carton and then removed and placed on the asset. It is possible to include tags on the outside of the carton with a duplicate set inside the carton to apply to the asset, along with specific instructions on how to apply the tags.
- The type of tag required depends upon the type of hand-held reader purchased. The Contractor can modify the tag to read the longest range; however, it must be determined up

front if the State's purpose it to read the tags as received or by going from asset to asset or through a more long-range approach (walking down hallways to capture the assets).

- The State will assess and determine the proper placement of the asset tag. The Contractor and the State will determine, by asset type, where the tag should be placed. Tag size and placement will be asset dependent.
- In addition, we will assess the placement of existing assets on-site within the State of Michigan to facilitate a consistent approach to asset management.

Once the above items are agreed upon, the Contractor can move forward to meet the RFID tag specifications. Each tag must be unique and include: the vendor identifier, SOM PO (11 characters), SOM PO Date (10 characters), model number and serial number. The Contractor and its partner, RR Donnelly, will implement a quality process during production that will make sure each RFID tag is readable with proper data at the time of shipment.

The Contractor will conduct an asset-tagging test at a Hosting Center and the Depot at no cost to the State. Based on the test results, the manufacturers will present its cost of the solution to the State. The Contractor will recommend a tagging solution to meet the State's needs. The cost of RFID asset tagging will be included in the costs as a value-added item in the price proposal.

1.036 RETURN POLICY

The Contractor will provide a hardware return policy that protects the State from any financial obligation and/or costs arising from the delivery of incorrect or wrong and damaged products.

1. All equipment dead on arrivals (DOAs) will be replaced with new equipment and treated as a Second Day Rush order delivery at no additional cost to the State, or at the State's option, the Contractor will repair the equipment per the terms of the equipment warranty if still in warranty status.
2. All Software media dead on arrivals (DOAs) will be replaced with new software and treated as a Second Day Rush order delivery at no additional cost to the State. The Contractor must pay for any return shipping and waive all restocking fees.
3. The Contractor will pay all shipping and handling costs for mistakes made by the vendor or its suppliers. If a mistake has been made by the State, the State will only pay for shipping and handling costs to return the product.
4. Contractor shall refund to the State within 20 business days of receipt of the returned Hardware, the purchase price of the returned Hardware, including shipping costs if the invoice has been paid. If the State has made an error in ordering, the State will pay for the shipping and handling costs to return the product. For all unopened packages, the State has 20 business days to notify the Contractor to return the product. If a product has already been paid for, the Contractor will refund the State the purchase price of the product upon receipt of the vendor refund. If the product has not been paid for, the Contractor will cancel the invoice and will work with the vendor to receive the credit.
5. No restocking fees will be charged to the State for returns that are returned within the agreed upon 20 business days of receipt of the product by the State of Michigan.

For certain products, a restocking fee may be charged. The Contractor will work with the State to limit the fee.

6. Products failing to meet the requirements of the P.O. shall be considered non-conforming goods and subject to return to the Contractor for replacement at the State's option, and at the Contractor's expense.
 - a. When a product fails to meet requirements, it must be removed by the Contractor from State premises within ten business days of notification of rejection by State.
 - b. Upon rejection notification, risk of loss of the rejected or non-conforming product shall remain with the Contractor.
 - c. Rejected items not removed by the Contractor within ten business days of notification shall be regarded as abandoned by the Contractor, and the State shall have the right to dispose of the items as its own property.

- d. Contractor shall promptly reimburse the State for any and all costs and expenses incurred in storage or effecting removal or disposition.
7. It is the State of Michigan's, Depot business practice to write a code on each package it receives at the time of receipt **using a peelable label**. When the State uses this label practice, the Contactor will not charge the state any additional fees if products are returned.

1.037 PRODUCT RECALL NOTIFICATIONS

Contractor must provide prompt notice to the MDIT Catalog Administrator and MMC Contract Administrator in writing of any product recall within three business days or less. In many product recall situations, the manufacturers have contacted the State of Michigan. The Contractor CPM (and the MMC Contract Administrator when necessary) will work with the manufacturers concerning the notification process for product recall.

SERVICES

1.038 ASSET MANAGEMENT

The Contractor is responsible to transmit an electronic file that interfaces with the State's asset management system, Information Technology Asset Management (ITAM), and the State Data Center's Configuration Management Data Base process, for asset reporting at no additional cost to the State. See Appendix B for ITAM/CMDB interface specifications.

1.039 SERVICE PROVIDER MANAGEMENT

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

The contractor will monitor the performance, coverage, and pricing of all warranty and maintenance services. In addition to daily monitoring of repair cases, the Contractor will meet regularly with our service providers to discuss performance metrics, issues affecting the industry or clients, new initiatives, and new innovations in warranty and maintenance technology. The primary focus is on making sure warranty commitments are met or exceeded. Although some warranty repairs may be performed directly by a manufacturer's service representative, the Contractor will be responsible for facilitating compliance with the warranty. The Contractor will also be working with the manufacturers and the service providers to enhance warranty coverage and to bring forward innovative ways to improve performance and to lower costs. The Contractor sees this as an important consideration in the current environment where equipment refresh cycles are lengthening.

1.040 DATA RECOVERY SERVICES

Contractor shall be able to provide Data Recovery Services to have "lost" data recovered from a PC, server or other media device that runs the DOS, MacOS, Novell, Linux, or Microsoft Windows operating systems. This service should also be available to recover data from Round Reel or Cartridge tape devices created or used at the State of Michigan.

In circumstances where data corruption, viruses, or a mechanical or electrical malfunction may cause a "lost" data scenario and as long as the disk surfaces itself is reasonably intact, the data can usually be recovered. In most cases, a data recovery engineer can rescue data, either all of it or enough to put the user back in production. The repair effort can range from repairing damaged files using software utilities to rebuilding the disk drive head assembly.

Data recovery engineers follow a standard process to make sure that the greatest possible percentage of lost data can be rescued as outlined below:

- When a failed disk drive is received, the engineers evaluate it to determine how much can be recovered and what recovery method will work best.
- The engineers will then inform the State of the findings and how much it will cost to do the recovery.
- The State decides whether to proceed.
- If approved, the engineers recover the data to a temporary storage media (a disk drive other than the one that failed) and then restore it to the disk drive and return it.
- If the disk drive can no longer be used, the engineers return the data on a replacement disk drive, magnetic tape, zip cartridge, or CD-ROM, as appropriate.

The engineers keep the temporary storage disk of the data on file for 10 days in case there are any problems using the recovered hard disk.

1.041 PROJECT AND IMPLEMENTATION PLAN

The objective of this task is to establish a framework for project communications, reporting, procedural and contractual activity. The Contractor shall provide sufficient staff that shall have explicit responsibility for the administration of this Contract along with responsibility for planning all Contract transition start up activities, day-to-day Contract processes, and the subsequent transitional activities at the end of this Contract.

Deliverable, due five (5)-business days after Contract execution, includes the following work products:

- Contract goals and objectives of Transition plan.
- Responsibility matrix
- Communication Plan
- Assemble and define team to define web catalog requirements
- Draft Risk assessment and mitigation plan

Deliverable, due 20 business days after contract execution, includes the following work products (The State will assist the Contractor on these products):

- Detailed work plan
- Resource Requirements
- Risk assessment and mitigation plan
- Proposed design for the web catalog

Contract Implementation

The project plan to implement the contract should include, at the minimum, the following tasks:

- Communication Plan for Transition from the existing contract to the new contract for State and Contractor
 - o MDIT
 - o Contractor
 - o MiDEAL Partners
- Define Resource requirements for transition for State and Contractor
 - o Subject Matter Experts
 - o Project Transition Team
- Single Point of Contact (SPOC) requirements
 - o Coverage requirements
 - o Telephony requirements for SPOC
 - o Communication requirements for SPOC
- Web Catalog Requirements
 - o Web Catalog Security
 - o Web Catalog Views
 - o Web Catalog Design (Customization will follow State of Michigan Web Standards for “look and feel”).
 - o Testing Plan
 - o Implementation Plan - Load Data into MMC Product Web Catalog
 - o Training
- Procurement Processes
 - o Order Approval
 - o Order Status
 - o Order Processing
 - o Return Processes
 - o Invoice Process
- Define Request to Add (RTA) process
- Define Quoting Process
- Define Statement of Work Process
- Define Reporting Requirements
- Service Level Agreements (SLA)
- Define Escalation Process for Service/warranty issues and Contract issues
- Define Delivery Process (Standard and Expedited)
 - o Locations
 - o Procedures
- Define Packaging Requirements
 - o Hardware
 - o Software
- Define MMC Governance Committee representation, roles and responsibilities, structure and meeting processes.

- Define process for OEM Server Configuration and Technical Support Assistance (1-800 numbers and process for technical Support from OEM's).
- Define process for Security Background Checks of Contractor staff.
- Define Training Requirements
 - o Web Catalog
 - o SPOC
 - o Procurement Process Changes
- Schedule Project Meetings

Steady State (Day to Day Administration) Plan

30 days before the end of contract transition to day-to-day operation, the Contractor is required to provide a "Steady State" plan for day-to-day operation of the contract. The plan should include at a minimum:

- Communication Plan
 - o MDIT
 - o Contractor
 - o MiDEAL Partners
- Define Resource requirements for on-going administration
 - o Subject Matter Experts
 - o Contract Administration Team
- Web Catalog Maintenance
 - o Web Catalog Security
 - o Web Catalog Views
- Reporting Process
- Management of Service Level Agreements (SLA)
- Contract Quality Control Process
- Contract Change Control Process
- Pricing Review Process
- Schedule Contract Meetings

1.042 TRANSITION AT END OF CONTRACT

In connection with the Expiration Date of this contract or termination as defined under Article 2 of the Contract, the Contractor will comply with the State's reasonable requests to cause the orderly transition and migration from the Contractor to the State (or to a third party services provider undertaking, on behalf of the State, to provide the Services (the "Third Party Provider")) of all Services then being performed by the Contractor (the "Transition"). The Transition will be provided for a reasonable period of time, which in no event will exceed six months. The State will cooperate in good faith with the Contractor in connection with the Contractor's obligations under Article 2, Section 2.170 Transition Responsibilities in the Terms and Conditions and will perform its obligations under the Transition Plan described below. If the Transition extends beyond the date of expiration of this Contract, the provisions of this Contract will remain in effect for the duration of the Transition and will apply to all transition assistance services provided by the Contractor during such period (subject to subsection (iii) below)). The Contractor will perform the following obligations (and such other obligations as may be contained in the Transition Plan) at the State's expense, unless otherwise stated below or in the Transition Plan.

Transition Plan: The Contractor will work together with the State and/or a Third Party Provider to develop a transition plan (the "Transition Plan") setting forth the respective tasks to be accomplished by each Party in connection with the Transition and a schedule pursuant to which such tasks are to be completed. The Contractor will also participate in the execution of the Transition Plan by performing tasks mutually agreed upon in the development of the Transition Plan. The Contractor will provide copies of standard reports, provider and subcontractor lists, and catalog data to assist in the development and execution of the Transition Plan.

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

third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping, and invoicing equipment and services to the State.

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

Payment: If the Transition provided by the Contractor in the Terms and Conditions requires additional personnel or other resources in excess of those resources needed to deliver services to the State, the State under this Agreement will pay the Contractor for such additional resources using appropriate classifications and rates listed in the Product Web Catalog as time and material. Notwithstanding anything to the contrary in this Agreement, all charges to be paid by the State to the Contractor during the Transition will be paid on a monthly basis.

REPORTS

Contractor shall publish the following reports on the Product Web Catalog, or make available as identified below, and update according to the frequencies listed below:

1.043 DAILY REPORTS

Shipping Report

The contractor must provide a daily shipping report of items shipped to the Depot and/or a separate report of all items shipped to any of the State's Hosting Centers. These reports should detail the following information on an individual PO basis. This report must be produced in an excel format and sent to the State as directed by the Contract Administrator.

- SOM PO Number
- Vendor PO Number, if applicable
- Manufacturer Order Number
- SOM Image Code if applicable
- Order Date
- Shipped Date
- Shipped to Contact Name, if applicable
- Shipped To Address
- Shipped To City
- Shipped To Zip Code
- Serial Number
- Model Number
- Warranty End Date
- Shipping Method
- Carrier
- Carrier Tracking Number
- Expected Delivery Date

1.044 WEEKLY REPORTS

Orders Processed (OPEN ORDERS) Report

The contractor must provide a weekly report of items ordered by the State and in the order fulfillment process by the OEM. The State will require this data to be sent to the State in three separate reports.

1. Orders that will be delivered to the Depot,
2. Orders to be delivered to any of the State's Hosting Centers,
3. Orders to be delivered to any other location outside of the Depot or Hosting centers.

These reports should detail the following information on an individual PO basis. This report must be produced in an excel format and sent to the State as directed by the Contract Administrator.

- SOM PO Number
- Vendor PO Number, if applicable
- Manufacturer Order Number

- SOM Image Code if applicable
- Order Date
- Expected Shipped Date
- Shipped to Contact Name, if applicable
- Shipped To Address
- Shipped To City
- Shipped To Zip Code
- Item description
- Shipping Method
- Expected Delivery Date

1.045 MONTHLY REPORTS

Monthly Contract Updates on Prices/Products

Contractor will provide a monthly Contract update to the State as prices and products change. Any update will state changes (product additions/deletions, State price decreases, manufacturer's part numbers changes, etc.) that has occurred since the last monthly contract update and must include the following items:

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

Support Services Status Report

The Support Services Status Report will help the MMC Contract Administrator monitor progress of services and make timely changes if necessary. It shall include:

- Purchase Order number
- Project name
- Proposal number
- Start date
- End date
- Support specialist's name
- Number of hours
- Number of hours worked
- Number of hours remaining
- Total amount
- Amount spent
- Amount remaining

Previous Month Items delivered to the State Report

Contractor will provide an electronic spreadsheet containing the following information for each item acquired and delivered to the State of Michigan during the preceding month. The report should be broken out by:

- Pc's
- Servers
- Software
- All Other equipment delivered to the State.

The spreadsheet, in Excel format, should contain the following information:

- SOM PO Number
- Vendor PO Number, if applicable
- Manufacturer (example: Dell, HP, APC).
- Manufacturer Order Number
- Product description

- SOM Image Code, if applicable
- Order Date
- Ordered by Name
- Shipped Date
- Shipped to Contact Name, if applicable
- Shipped To Address
- Shipped To City
- Shipped To Zip Code
- Delivery Date
- Agency equipment/software purchased for information
- Hardware information
 - o Serial Number
 - o Model Number
 - o Warranty Option Purchased
 - o Extended Warranty Purchased
 - o Warranty End Date
- Software product ordered
- Project Name (ie, BAM Project, Bridges Project etc), if applicable

Equipment reaching end of life or end of warranty report

Six months in advance of the date, produce a report for equipment (servers and PC's) that are reaching end of life or the end of their warranty agreement. This report will include item description, Serial Number, Manufacturer, Agency name the device was purchased for, End of Warranty Date, Purchase Order number, End of Life date.

Software License/Maintenance Renewals

Monthly rolling report of software license/maintenance renewal notices to be provided on the following schedule before renewal date:

- a. Six (6) months prior
- b. Three (3) months prior
- c. One (1) month prior

Report should contain:

- a. State of Michigan Purchase Order number used to procure the software,
- b. Agency the software was procure for
- c. Publisher/Manufacturer Item number
- d. Product Description,
- e. Manufacturer,
- f. Quantity Ordered,
- g. Unit Price,
- h. Date Ordered,
- i. Renewal pricing.

1.046 QUARTERLY REPORTS

Quarterly Discount Pricing Report

The Contractor will present on a quarterly basis to the MMC Governance Committee any new manufacturer utilized in the last quarter with the associated discount and any new technologies that may benefit the State with the associated discount.

Quarterly Metric Reports

- Performance to service level reports on Warranty Services performed for the State.
- Performance to service level reports on Maintenance Services performed for the State.
- Performance to service level reports on delivery services performed for the State.
- Performance to service level reports on the quoting process related to the Servers acquired from this contract.

Quarterly Purchase Reports

Contractor will report, within one month and ten (10) days following the end of each quarter to MDIT, all purchases made from this contract. At a minimum, the report shall include:

- PO Number
- PO Date
- manufacturer item number,
- manufacturer name,
- product description,
- version number, if applicable
- License numbers, if applicable
- State unit price,
- Quantity
- Total Price per PO

1.047 AD-HOC REPORTS

Contractor will provide an easy to use query tool to generate electronic reports. These reports will be available on demand and free of charge to the State. At a minimum, the below fields must be included in the reports, the State will provide the report format.

- Customer Name,
- Customer Number,
- Customer PO #,
- License number,
- Order #,
- Reseller Item #,
- Manufacturer Item #,
- Product Description,
- Serial Number
- Manufacturer,
- Quantity Ordered,
- Unit Price,
- Extended Price,
- Date Ordered,
- Date of Invoice,
- Ship Date,
- Quantity Shipped,
- Product Type,
- Platform,
- Language,
- Program Name,
- Ship To: Name, Address Line 1, Address Line 2, City, State, Zip Code

1.048 SERVICE LEVEL AGREEMENTS

Contractor's services during the term of the contract shall be measured using the following metrics:

- a. Response Time - The Contractor shall respond to all communications no later than the next business day.
- b. Quotes for items other than servers received before noon, will be turned around 80% of the time within the next business day and in all cases should not exceed four (4) business days of the submitted request; this SLA will be measured quarterly.
- c. All orders placed to the vendor shall have a 99% Fill Rate,
- d. Report Timeliness and Completeness (% in 5 days of due date) – 100%
- e. Invoice timeliness (% within 5 days of agreed invoice receipt date) – 100%

- f. Delivery of product within contracted time frame after receipt of order 95% of time.
- g. Delivery of expedited orders within the contracted time frame after receipt of the order 98% of the time.
- h. Task Proposal response provided to the business owner within 10 business days after receipt of the Statement of Work at least 95% of the time.
- i. Overall Customer Satisfaction – An annual survey of users will be conducted by the Contractor to determine the level of customer service satisfaction experienced with the Contractor. The survey tool to be used shall be agreed upon by Contractor and the State. Both the raw and analyzed survey results will be provided to the State. The following includes some of the areas to be measured on the survey:
 - Responsiveness
 - Communication
 - Courtesy
 - Competence
 - Effectiveness
 - Overall Satisfaction

Warranty Service: Ninety five (95) % of the warranty service calls will be completed by the requirement built into the specific Warranty service the State has purchased for each piece of hardware.

Maintenance Service: Ninety five (95) % of the Maintenance Service calls will be completed by the requirement built into the specific Maintenance service the State has purchased for each piece of hardware.

Server Quoting Process: Ninety Five (95) % of the server equipment quotes will be delivered within four (4) business days of the electronic request.

1.200 PERSONAL COMPUTERS AND PERIPHERALS

The Contract will provide personal computers and peripherals along with limited support services for desktop computing.

The State currently owns all equipment and installs the majority of the personal computers it procures and expects to continue the same through this contract. The support services that the State requests are, and would be, for large installation / upgrade projects that would over-extend State staff or where project time frames are shortened.

The Contractor will furnish the State, at its request, desktop and portable hardware leasing options.

1.201 PERSONAL COMPUTER REQUIREMENTS/DELIVERABLES

Upon contract execution, and yearly after that, the State of Michigan, and the contractor will review pricing available to the State for personal computer models meeting or exceeding the State's standard specifications to determine if it makes sense for the State to transition their desktop standard to a different desktop manufacturer. If the Contractor and the State determine that there is a sufficient business reason to change manufacturers, the contractor will work with the manufacturer to determine a method to transition the state's desktop purchases to the new manufacturer.

MDIT identifies standard specifications for desktop and laptop systems bundles/solutions. The solutions will be based upon configurations recommended by the Contractor and reviewed and approved by the MDIT Contract Administrator and the MMC Governance board. Specific pricing will be negotiated by the Contractor and the MDIT Contract Administrator.

The intent is to have solutions in place for a minimum of three months with a maximum of 3 configuration changes per year. With improving technology, it is the State's goal to increase the length of the configuration life to six to nine months with a maximum of two configuration changes per year. However, the model changes are based on market changes.

The recommendations (configuration, cost basis and price) will be submitted by the Contractor at least quarterly to the MDIT Contract Administrator.

- a. Equipment that has not yet entered the production phase of the manufacturer may not be included in the Product Web Catalog.
- b. The equipment must include associated hardware and operating system software that will allow the operation of the product as a stand-alone unit, a networked unit in a local area network (LAN), a networked unit in a wide area network (WAN), wireless applications or any combination of the four.
- c. Contractor must furnish the following desktop products meeting, at a minimum, the specifications provided by the State.
 - i. Desktop/Tower business class¹
 - ii. Desktop/ Tower technical class²
 - iii. CAD/GIS Workstation³
- d. Contractor must furnish and price the following laptop products meeting, at a minimum, the specifications provided by the State.

Laptops with four-year warranty

1. Business Class⁴
2. Mobile Worker Class⁵
3. Semi-ruggedized⁶

Touch screen laptops with four-year warranty

1. Semi-ruggedized
2. Military specification ruggedized⁷

MIDEAL Desktop Purchases

Contractor will be required to furnish models available to the State as well as other desktop manufacturers to MiDEAL members as long as those manufacturers are appropriate to this Contract.

1.202 MONITORS

Desktop products must be bundled with no monitor or the standard size flat panel monitor. Additionally, Vendors must provide individual monitors, as requested. The monitor's must meet or exceed the specifications provided by the State. The contractor should recommend changes to the monitor technology as the market changes. Those recommendations should be presented to the MMC Contract Administrator, and the MMC Governance Board as appropriate.

¹ Business Class Workstation (desktop or tower chassis): Designed for general office end-user, balancing cost with performance.

² Technical Class Workstation (desktop or tower chassis): Designed for application developer or for end-user using intensive applications.

³ CAD/GIS Workstation (tower chassis): Designed for intensive graphics application usage and development as required in Computer Assisted Design (CAD) and Geographic Information Systems (GIS). Workstations must be certified to support Bentley Micro station.

⁴ Definition - Business-class Laptop: Designed for balanced performance and portability. Weight shall not to exceed 4.9 pounds. Screen size not to exceed 14.2 inches.

⁵ Definition - Mobile-worker Laptop: Designed to function as a full desktop replacement. Weight shall not to exceed 6.5 pounds. Screen size shall not to exceed 15.5 inches.

⁶ Definition for Semi-rugged laptop:
Semi-rugged laptop shall have a shock-mounted hard drive with rubberized & strengthened hard drive casing, to meet MIL-STD 810F. In addition, it shall have a shock-mounted LCD screen, outdoor-viewable rated at 500 nit minimum and a dust & spill-resistant keyboard & port covers.

⁷ Definition for Fully Rugged laptop: All parts and features designed to operate and meet MIL-STD 810F

1.203 PERIPHERALS

“Peripherals” include but are not limited to storage, keyboards, uninterruptible power supplies (UPS) and accessories. Adaptive/Assistive technology devices are included. Peripherals are manufacturer dependent and too numerous to list in the Contract.

Contractor must furnish, on the Product Web Catalog, peripherals to support the desktop and laptop manufacturer models that are available through the contract and any models offered during the life of the contract.

The initial and ongoing list of peripherals included in the Product Web Catalog will be agreed upon by the Contractor and the MDIT Contract Administrator. The list shall include optical drives, mice, keyboards, multi-media projectors, memory, modems, speakers, hard drives, and mobile computing devices such as PDA's.

Specialized Technical Equipment - Any specialized technical equipment that interacts/interfaces with the State of Michigan's information technology environment (CAD equipment, digital cameras, LCD projectors, GPS receivers, etc.) must meet standards established by MDIT. Before any item can be added to the catalog, it must be approved by the MDIT Contract Administrator.

1.204 KIOSK EQUIPMENT

The Contractor will be required to acquire kiosk equipment.

In 2007, the Contractor assisted the Michigan Department of State (MDOS) in requesting and analyzing proposals from several kiosk vendors for the MDOS second-generation Vehicle Tag Renewal (VTR) self-service station. MDOS' objectives for Gen II was to have faster delivery and less cost, and therefore wanted an existing design that could be modified for additional peripherals that would support the VTR self-service station. MDOS selected the semi-custom version of the inSight series kiosk from 5-Point. As a result, the Contractor partnered with 5-Point to provide the inSight kiosk.

This semi-custom model has been configured for MDOS to be integrated with the following peripherals:

- 15-inch TFT LCD with SAW Touch
- Dell SFF PC
- Zebra Thermal Printer (x 2) TLP-2844 with ZebraNet
- Sagem 1218 PIN PAD
- Magtek Card Reader
- LinkSys Router RV082
- APC UPS BE750BB
- Symbol Scanner MS4407
- Audio Amplifier and Speakers
- Custom FP Thermal Printer (Model #KPM-216H-200)
- Custom printer power supply (Power Supply Model #SPU-240-241P)
- OIT Industrial Keyboard and Trackball Combo
- Side security panels
- Graphics

The Contractor will continue to partner with 5-Point to provide the State of Michigan with this kiosk configuration and will be capable of providing delivery within 12 weeks of a purchase order.

The Contractor is also capable of working with 5-Point or other kiosk vendors to provide additional kiosk configurations that would provide State of Michigan self-service terminals configured for specific applications.

1.205 PC ASSET TAGGING

The Contractor must tag each PC and Laptop delivered to the State with the following information:

Michigan Dept. of Information Technology	
Bar Code	“Service Tag”
Service Tag #	Serial Number

Model #	Model No. per manufacturer
Client Service Center #	(517) 241-9700
Toll Free #	(800) 968-2644
Warranty End Date	mm/dd/yyyy

Note: Phone Numbers furnished by MDIT and will be the same on all tags.

The systems will be delivered to the State-specified site with the tags affixed. The asset tags will contain the information as indicated above at no additional charge. The Contractor will provide the information on the purchase order, and will create and affix asset tags on the standard models as part of its manufacturing process.

If the State standard changes, the Contractor will work with the manufacturer to meet the asset tagging requirements.

1.206 LOADING OF STATE HARD DRIVE IMAGE

Contractor or their original equipment manufacturer (OEM) must load State provided images to any requested system hard drive during the build process. Unless prior authorization is given The State of Michigan will not accept delivery where hardware shipped by the Contractor does not contain a valid MDIT approved image.

The Contractor will use the following steps to accomplish factory load of State hard drive images to desktop and portable systems.

- The State will create a hard drive image using a sample system in the State model office. This hard drive is imaged by the State with documentation on the applications, operating system, and utilities that are being loaded. A technician from the Contractor team will be available to assist in this process if required.
- The imaged hard drive will be sent to the manufacturing laboratory where the image is loaded into a test environment. Under test conditions, the State's requested image is loaded into a system as it is being produced. The system is then examined to verify that the load was accomplished correctly and the system is 100 percent useable. If there are problems, the lab personnel will work with State technical personnel to resolve the problems.
- The hard drive from the system will be sent to the State of Michigan. The State, using the test hard drive, will further test the image within the State's infrastructure and environment. The Contractor and State technicians will work together to resolve any problems.
- When the State communicates its acceptance of the test hard drive, the Contractor will use the image in its manufacturing process to produce a single complete system for the State. This complete system will be sent to the State for final approval.
- Once approved, the image is considered production-ready and the ordered quantities will be produced.

The Contractor as the prime vendor is responsible for oversight of the process. The Contractor follows the process from start to finish enabling complete customer satisfaction. The Contractor is also a point of escalation should there be a problem and is committed to meeting the following:

- Twenty-four (24) hour turnaround on initial image project creation
- File upload account for transferring images
- Three-business day turnaround of image verification (that is, image upload or download for verification).

1.207 EVALUATIONS UNITS

The Contractor must supply evaluation units as new models become available that may necessitate a change in the SOM image. If requested an evaluation unit must be delivered to OAS, without initial cost, for analysis and image adjustment. Evaluation time frame should not exceed sixty (60) calendar days. The State will return or take an option to purchase the device at the end of the evaluation period.

1.208 REQUIRED NOTIFICATIONS

The contractor will notify the MDIT Contract Administrator when there are Chipset changes to the State's current standard desktop model. The will provide at least 48 hr notice when a change is implemented by the manufacturer.

The contractor will notify the MDIT Contract Administrator when the current standard model is reaching End of Life (EOL). The Contractor will provide this notice within 48 hrs when a particular model(s) is moved to EOL

1.209 INSTALLATION AND OTHER SERVICES

The State retains the option to purchase desktop Installation, Implementation, and Integration services on an hourly basis or a fixed price through a Statement of Work

Desktop Installation – Desktop Installation capabilities will be divided into the following parts; MDIT may request any portion to be performed by the Contractor.

Staging / Preparation Hardware

- Unpack system
- Save files from old systems by copying to server or media
- De-install old system
- Remove hard drive for destruction if going to salvage or surplus
- Pack old system for shipment to Depot/surplus/salvage

Site Installations

- Install system unit
- Connect to network
- Test network connection
- Test printer connection
- Test software

Desktop Installation, Implementation and Integration Services – Contractor Skill Sets

The contractor will make available to the State, upon request contractors with the following skill sets. The State may acquire these services through a fixed price Statement of Work, or by purchasing a specific number of hourly services by skill set category.

Senior PC Support Technician

Staff must have two to three years experience as a junior technician and possess A+ certifications for PC hardware repairs and/or a recognized industry-level software certification.

The following are examples of tasks to be performed by a Senior PC Technician:

- Troubleshoots both hardware and software problems
- Connects PC to network and tests connectivity
- Loads or moves software upgrades
- Integrates peripherals to system

Junior PC Support Technician

Staff must have one to two years experience repairing and troubleshooting personal computers and possess the skills for PC hardware repairs and software installations.

The following are examples of tasks to be performed by a Junior PC Support Technician:

- Installation of Software or Software upgrades.
- Connects peripherals to system
- Migration of desktop operating systems
- Troubleshoots basic hardware and software problems
- Unpacking equipment
- Connects monitor to CPU
- Connects peripherals to system
- Brings system up to logon prompt or comparable

WARRANTY AND MAINTENANCE

1.210 WARRANTY OF NEW EQUIPMENT

Contractors must provide warranty and maintenance services on ALL equipment that is offered and purchased through this contracts. Standard warranty costs, excluding any upgrades or extensions, are included with the equipment prices.

The Contractor will include a standard four-year on-site warranty coverage for desktop and laptop that covers parts and labor, with next business day repair, in the price of the equipment. Warranty for the peripherals is covered under the manufacturer's warranty. The Contractor through direct relationships with the manufacturers or else its subcontractor's are authorized service providers.

The warranty period starts with the ship date of the equipment. Any defective items will be replaced at no additional cost to the State. Any dead on arrival (DOA) equipment will be replaced with new equipment and will be treated as a second day rush order, at no additional cost to the State. At the State's option, the equipment may be repaired under the terms of the equipment warranty.

If the products are purchased with Contractor installation services, the Contractor is responsible for the replacement of defective equipment. If the products are purchased without installation services, then either on-site service or next-day drop ship replacements will be available.

Minimum warranty standards include the following:

- Phone support coverage Monday through Friday (8:00 a.m. to 5:00 p.m. Eastern Standard Time [EST]) and on-site maintenance and repair services in cases where phone support does not solve the problem.
- Principle Period of Maintenance (PPM) is the same as the State's normal working hours Monday through Friday (8:00 a.m. to 5:00 p.m. EST, excluding State-observed holidays).

The PPM may be changed by mutual agreement between an individual State agency and the contractor upon 20-business day's written notification. If requested by the State, the Contractor will make every effort to change its schedule to a shorter period of time.

The Contractor must provide manufacturer-certified systems engineers to support the State's infrastructure for warranty service and any support required. These engineers will be available via a toll-free number for problem resolution and will be able to provide on-site problem resolution within the time frame indicated under the warranty services purchased.

The Contractor will work with manufacturers in obtaining the best warranties (in terms of coverage, pricing, and duration) available and to make sure that warranty commitments are met.

1.211 WARRANTY AND MAINTENANCE OF EXISTING EQUIPMENT

Extended and Time & Materials Warranty services for the PC equipment in a post-warranty state must be provided as an option to the State.

1.212 WARRANTY AND MAINTENANCE PROCESS

Contractor agrees to respond to a State request for Warranty or Maintenance service on State Equipment within one hour of the original call for service. The response should include acknowledgement that they have received the State's request for service, along with an expected arrival time for the technician to respond to the warranty/maintenance issue.

The Contractor must create a problem ticket to uniquely identify and track cases to closure. MDIT CSC, after completing any possible remote diagnosis, will notify the Contractor who then takes ownership of the case and provides the CSC with a tracking number. The Contractor will include the MDIT's tracking number in its information, to allow tracking of the case. The Contractor would maintain status information within its case log and notify the CSC using the MDIT's tracking number when repair is completed.

The State classifies problems / outages as urgent, high, and medium severity.

- Urgent – Issue/problem has potential to cause loss of life or risk of injury
- High – Issue/problem directly impacts the Public or a large number of users are down

- Medium – All other Issues/Problems

Contractor will resolve all problems according to the State's criticality classification:

- Urgent within four (4) hours
- High Severity within eight (8) hours
- Medium Severity within next business day

Once support is assigned, Contractor agrees to maintain a continuous effort to resolve reported urgent, high and medium severity problems. Contractor shall commit sufficient resources to resolve any urgent and high severity level problems as immediately as possible. If Contractor determines it cannot correct the problem within a reasonable period of time, Contractor shall promptly initiate an escalation procedure to assign sufficient skilled personnel to correct the problem. Contractor staff shall notify MDIT management that a reported problem has not been corrected as described in the escalation process in Section 1.0.8.5.

Equipment that cannot be repaired within the response time frame shall be replaced. Note that replacement equipment provided by Contractor under this Contract must be from the same manufacturer (unless the device is no longer manufactured) and equal to or better than the original equipment being replaced (e.g. higher resolution monitor, or larger hard drive) at no additional cost to the State.

Defective hard drives that have been in use by the State, regardless of warranty or maintenance status, will not be returned to the manufacturer or the Contractor at completion of replacement due to security issues. MDIT will provide, at contract signing, the procedure for handling defective drives.

The Contractor will work with the State to develop a maintenance record or log to report all maintenance services performed. When applicable, status reports will be provided on problem correction activities.

1.213 EXTENDED WARRANTY AND MAINTENANCE

At the State's request, the Contractor must furnish manufacturer extended warranties/maintenance, warranty/maintenance upgrades, and time and materials support through the equipment manufacturers or third party providers. Manufacturer's extended warranty service may be purchased in conjunction with the original hardware acquisition or separately at any time.

Only Contractors authorized by the manufacturer or distributor of the equipment may provide manufacturer's warranty Services. Extended warranties shall be inclusive of the services provided under the State's normal warranty process.

Extended Warranty/Maintenance services may be renewed upon written notice by the State prior to the contract anniversary date. Automatic renewals of any maintenance coverage are not acceptable. Escalation of annual maintenance fees the Contractor shall make every effort to limit the cost of maintenance renewals to not exceed 5% per year.

The Contractor will work with the State to develop a maintenance record or log to report all maintenance services performed. When applicable, status reports will be provided on problem correction activities.

Although the Contractor will make every effort to work with the maintenance vendor to control the yearly escalation of annual maintenance, limiting the increase to five percent cannot be guaranteed.

1.214 OPTIONAL WARRANTY SELF SERVICE PROVIDER

MDIT retains the option to provide its own warranty service coverage. This option would require that MDIT staff pass all certifications necessary to become a warranty provider. It also requires that the Contractor and Manufacturers be able to provide warranty parts in an expedited manner. This self Service Option will be provided to the State at a lesser cost than manufacturer provided warranty services. Parts/Service Rebate's from the manufacturer will be provided to the State of Michigan. The process and cost savings will be negotiated with the manufacturer.

1.215 PC MANUFACTURERS AVAILABLE THROUGH THIS CONTRACT

Contractor shall provide the State and MiDEAL customers with a selection of PC product suppliers including, but not limited to, Dell, HP, Lenovo, and Panasonic. The State, at its discretion, can request Contractor negotiate pricing terms and conditions with any PC product supplier for the purchase of PC supplies and related services.

1.300 SERVER, PERIPHERALS AND DATA CENTER SUPPLIES AND SERVICES

The purpose of this section of the Contract is to provide server-based computing hardware, peripherals, racking infrastructure and related server software for the State of Michigan. The State will also need to acquire server hardware repair, server warranty services as well as the option to acquire installation, implementation and integration assistance for equipment purchased from this Contract.

The State has technical support staff to respond to hardware/software alarms and diagnose the problem. The State's diagnosis will determine if it is a hardware, software, network, or connectivity problem. The State's support staff has attained various technical certification levels and is qualified to do this early diagnosis. All hardware issues will then be submitted to the appropriate vendor for either hardware repairs or warranty service.

The Contractor must provide all of the major categories of server hardware, peripherals, software and related support services. Subcontracting arrangements are acceptable and encouraged. However, the Contractor must have a reseller relationship with all four of the major server manufacturers and minor manufacturers listed below. This relationship may be attained through a prime/sub-contractor arrangement.

1.301 REQUIREMENTS/DELIVERABLES

The State traditionally configures each server ordered based upon specific State infrastructure standards and the requirements of the specific application to be hosted on the box. In many cases the State has standardized on a four-year refresh rate for its infrastructure hardware.

The State currently has a very large concentration of standardized products, and requires these standard products to be included through the Contract. These items are specifically listed below. The requirements set forth in this Contract should allow some flexibility for the State to uniquely configure systems to meet their needs and continue with the standards that have been developed.

Current Models: Equipment that has not yet entered the production phase of the manufacturer may not be included in the items available to the State unless specifically requested by the State. Only new or like new (non-refurbished or not remanufactured), unused equipment and parts, free from defects in material and workmanship will be sold to the State unless a special request from the State indicates otherwise.

1.302 MAJOR SERVER HARDWARE MANUFACTURERS

The State of Michigan has standardized on the following server hardware manufacturers. The State requires that the major Server Hardware manufacturers and their product lines, as identified below, be available to the State.

Dell – Contractor must be an authorized Dell reseller and provide Dell certified support services.

HP – Contractor must be an authorized HP reseller and provide HP certified support services. Contractor must be an authorized HP Channel Partner.

IBM - Contractor must be an authorized IBM reseller and provide IBM certified support.

SUN – Must have SMAP credentials and the SMAP credential is only given to those Sun business partners committed to selling, marketing and servicing State and Local government customers. Preferred pricing and subject matters experts (bidding education, business conduct training, etc.) are part of what a Sun SMAP supplier will make available to the State of Michigan.

The servers and associated peripherals should, when ever possible, include climate saving features, and be configured for redundancy and resiliency as standardized in the State's hosting and remote environments. Servers built and configured for a State of Michigan order, should contain the same internal components for that specific order. In other words, if the State places an order for 100 file and print servers, the manufacturer should build the servers with the same internal parts. Manufacturing should not build any of the 100 servers with differing memory boards, or hard drive units.

The Contractor and the State will determine best value for the business models from each of these hardware manufacturers.

1.303 MAJOR SERVER HARDWARE STANDARD REVIEW PERIOD

A Server where the purchase price exceeds \$50,000 will be required to go through this process prior to being placed into production. The Contractor shall not invoice the State for this hardware until the equipment has met the requirements of this section. The State will not pay for this equipment until the equipment has passed inspection and a designated State Employee has signed off on the standard review process.

Standard Review Period - The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be twenty (20) Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within twenty (20) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge to the State. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

The Contractor and the State will establish a standard review process. The State and the Contractor will follow the review period established in the Statement of Work or will default to twenty (20) Business Days. The State will notify the Contractor in writing by the end of the review period that the deliverable is approved or is deficient (describing any deficiencies). The Contractor along with its vendor partners will within twenty (20) Business Days resubmit the deliverable in the form that shows all revisions made to the original deliverable. The required changes made to the original deliverable will not be charged to the State. Once the revised deliverables are received, the State will begin the review period assigned in the Statement of Work or the twenty (20) Business Days, to confirm the corrections. Server products that exceed \$50,000 will go through the review process before placed into production. The Contractor and the State will ensure the standard review process is followed for deliverables and the States expectations are met. However, the payment terms of 45 days will apply to all server, peripheral and racking infrastructure items.

1.304 MISCELLANEOUS HARDWARE AND PERIPHERALS

The State requires that the following miscellaneous hardware and peripherals be available to the State and included in the Web Catalog. The State will not require full product lines be available and viewable through the web portal for miscellaneous hardware, but will want the associated cables, supplies etc included for these products. The brand names on the hardware are the current manufacturers of equipment that the State has purchased in the last few years and integrated into its infrastructure. Due to the diverse and complex infrastructure in the State's environment, it is important that the Contractor understands that at times specific brands of equipment might not work with other products in our environment.

APC – Must be an authorized APC reseller and service provider. To include all APC Netshelter Server racks and associated parts, rack power distribution units. Uninterruptible Power Supply units (UPS) (rack mounted, and desktop/server models – Smart-UPS models), blanking panels, cable management accessories, cable troughs for data centers, KVM switches and KMM (Keyboard, Monitor, Mouse units) for server racks (for MS-Windows servers and Unix servers)

Avocent – Must be an authorized Avocent reseller and service provider. KVM over IP console management devices for remote access.

Raritan - Must be an authorized Raritan reseller and service provider. KVM over IP console management devices for remote access.

Data Clean - Koldlok – Must be an authorized reseller. Product line to include KoldLok Raised Floor Cooling Products.

ADC Fiber Guide Management solutions – Must be an authorized reseller.

Media Recovery – Computer Room Floor tiles, miscellaneous computer room supply products

JEM Computing - Computer Room Floor Tiles, miscellaneous computer room supply products

Data Supplies – Computer Room Floor Tiles, Miscellaneous computer room supply products

Server Technology – Must be an authorized reseller and service provider. Rack Power Distribution Units, power strips.

CD ROM Hardware solutions: Examples are: IOMEGA, Logcraft, Meridian data, Procom

Optical Disk storage devices

Server internal/external Modems: US Robotics, Xircom, Shiva, 3Com

Network Interface Cards: 3Com, Intel, SMC

Lantronics – switches for controlling Unix servers in a hosting center rack.

Panduit - Must be a authorized reseller. Labeling and cabling products

Chatsworth Products, Inc. - Rack Systems, Cabinets and Enclosures, Cable Management products, Power distribution systems

Rittal IT Solutions - Server cabinets, Power distribution systems

CablesToGo - Power cords, cables

1.305 SERVER PERIPHERALS AND SPARE PARTS

Hardware components or peripherals must also be available and may include, additional processors, server rack rails, memory, cables and power cords in varying lengths, extra hard drive units, tape storage backups drives, Network Attached Storage (NAS), direct attached storage (DAS) etc.

The State will have a need to acquire parts for server-based computing platforms already in place at the State, through this Contract. The Contractor must be able to provide these parts as needed during the term of the Contract at the percent off of list, or markup percentage as denoted on the cost model.

1.306 SERVER Hardware/Software Requirements

The Contractor must be fully authorized by the manufacturer to sell all of the hardware and software on this Contract. The Contractor must have in place partnership relationships with the manufacturers on the Contract.

All products obtained through this Contract must arrive at the State fully assembled except when the State has requested on-site installation services, or when the installation services are included in the Warranty offering. The Contractor, or one of its subcontractors, must be authorized by the manufacturer to install all server based hardware, software and peripherals listed on this contract.

The Contractor must be a manufacturer's authorized warranty and service representative or have subcontractor agreements for service representatives for all server-based equipment sold through the contract.

Contractor must provide a maximum twenty (20) Business Day order/build/deliver timeframe for all equipment ordered.

The Contractor and the State will identify what hardware needs to arrive fully assembled and establish a process and appropriate SLAs for assembled products. The Contractor and its partners will provide installation services on all server-based hardware, software and peripherals ordered from this Contract.

The Contractor understands the need for MDIT to be the premier service provider for Infrastructure Services to the State of Michigan agencies. The Contractor will assist MDIT in meeting their deadlines by providing equipment orders for order/build/deliver in a twenty (20) Business Day timeframe. The Contractor will attempt to exceed those delivery thresholds whenever possible. In the case that a delivery date will not be met, the Contractor and the State will establish a mutually agreeable timeframe.

The State and the Contractor should develop Enterprise Agreements (Warranty and Support) with all major manufacturers to include installations services.

1.307 PROCESS FOR OBTAINING SERVER QUOTES

The State of Michigan will require a method of “Shopping” for items available through the Contract portal. The portal must provide the State access to standard manufacturer configuration systems, with assistance as needed from the manufacturer. The State may need to configure the items into a particular configuration, or grouping of hardware. Once the State has established “what” it wishes to buy, the State will need the ability to save a shopping cart, and obtain an electronic quote consistent with State of Michigan approved pricing. Quotes should be available electronically at the end of the “Shopping Trip” (same business day). Quotes should be valid for sixty (60) calendar days. In the event the State decides to purchase the goods, the State will affix the quote and the shopping cart to a purchase order.

If the State has not established a particular manufacturer standard for certain products (Servers, Floor Tiles, Keyboard/video/mouse units etc.), the State will develop a generic bid package for the Contractor. The Contractor and its manufacturers will provide quotes for a specific buy. The State will provide to the Contractor a generic product specification electronically. The specification will:

- Describe the environment the hardware will be used for. In the case of servers, we will identify if the servers will be used for Web applications, Data base applications etc.
- Describe the appropriate hardware requirements, ie, for Servers - processor speed, number of processors, memory requirements, network interface card requirements, hard drive size, etc, for Floor Tiles, size, depth, etc.
- Require all servers to be quoted with a 4-year warranty. For non-server products, the standard warranty period of time must be consistent across product lines to insure an apple-to-apple comparison.
- Require the server specification to include an optional 1 additional year of after warranty support based on the service criticality for the platform.
- Include the minimum and maximum quantity to be quoted/ordered.
- Require the Michigan/1 server system image to be included and loaded on the hardware prior to shipment. The State must have the option of choosing an Operating System (OS) with or without the addition of bundled client licenses.
- Require climate saver options available from the manufacturers.

The Contractor must return to the State an electronic quote for hardware from *each* manufacturer that meets or exceeds the State’s required product specifications within 4 business days, along with a recommendation on which quote provides the *best value* to the State. **Each quote must include FOB inside delivery.** The quotes must be valid for a sixty (60) calendar day period of time. The State will then compare quotes, review the recommendation, and make the decision on which product provides the best value for the State of Michigan for a particular purchase. The Contractor must remain neutral when working with the manufacturers and must not disclose pricing among the manufacturers.

A Sample format for Server Quotes can be found in Appendix E.

1.308 SERVER HARDWARE SERVICES REQUIREMENTS

Free Technical Telephone Support

Contractor must provide toll free, 24x7x365, unlimited free technical telephone support with a maximum response to calls of one (1) hour during the warranty period.

Contractor must provide toll free, 24x7x365 access to manufacturer sales staff for assistance with configuring hardware with a maximum response to calls of two hours.

Initial Diagnosis: The Contractor understands that the State has a trained and certified staff of professionals that will perform initial diagnosis of problems on server and LAN hardware and software. When the State’s technical support staff has determined that a hardware problem exists

and warranty or maintenance service is required, the Contractor will assist in obtaining quick and effective repair service. The Contractor has established a toll free number for the reporting of warranty and maintenance calls to the service providers. The Contractor will obtain from the State a Remedy ticket number and will forward the ticket number to the service provider to facilitate the tracking and communications between the Contractor, the service providers, and the State.

Hardware Warranty Services

Contractor must provide a four (4) year, on-site parts, and labor and expenses warranty included in the purchase price for all Server hardware on the Contract. The State will not be responsible for any additional travel expenses under the warranty agreement, nor should they be assessed a re-instatement fee when acquiring warranty services.

If the server is to be installed in one of the State's Lansing based hosting centers, then the warranty service will include the installation of the hardware following MDIT established installation standards. This service level will include any assembly necessary.

The warranty agreement will include, dedicated to the State on-site engineer(s) to be located at a mutually agreed upon office location that will provide day to day warranty, proactive preventative maintenance, and installation services for all equipment ordered through this contract and installed in one of the hosting centers. Installation services will include array installs, cluster installs, as well as any internal component installation (RAM, Disk, CPU's etc). The State will be responsible for providing office space, phones and secure parts storage for the engineers. The engineers should be available during normal State business hours (excluding State Holidays), except when service or repairs are needed after business hours. Response times during normal business hours should not exceed 30 minutes. After standard business hour response times should be based upon the warranty service levels defined below. The manufacturer certified and approved on-site engineers will provide pro-active systems support services on all hardware under warranty installed within the hosting centers. This service will include assisting the State with firmware updates and patching as approved and agreed upon by the State of Michigan. The number of dedicated engineers will be defined based on the number of systems under warranty. Their daily work will include:

- Installation moves and de-installation services for all hardware on-site in the hosting centers under warranty. Installation includes, assembly, installation into approved racks, using hosting center wiring standards. Connecting the equipment to power distribution units, network ports, and SAN ports using "Kits" supplied by Configuration Management within the Data Center.
- Regular Pro-active preventive maintenance reports and service on all equipment under warranty support as agreed to by the State of Michigan. The reports for this preventative maintenance should be submitted to the State at least 1 month in advance of the need to update the hardware. The State will work with the engineer to schedule, communicate and prepare for the service. The State may or may not wish to be involved in the actual upgrade.
- Assisting state staff with the diagnosis of any hardware or system software performance issues.
- Break-fix repairs to warranty hardware as approved and when authorized by the State.
- Installation or if requested, assistance with installation of any hardware upgrades on warranty hardware, ie additional memory, NIC cards, hard drives, SAN connections etc. during pre-approved change windows.

If the server is to be installed in a location outside of one of the Lansing Area hosting centers, then the warranty service will **not** include the installation services. All hardware delivered to the State for a non-hosting center installation must arrive fully assembled, imaged if requested, and ready to install by State Staff.

EDS and its partners Sun, Dell, IBM and HP are prepared to meet the needs of the State as outlined in this section. Four-year warranty services will be the norm moving forward in the new contract. The Contractor will work with its partners to establish on-site labor and parts when needed. The State of Michigan already enjoys the benefits of an Enterprise Agreement with Sun and Dell that fulfills these requirements of the State. The Contractor will work with HP and IBM to create similar agreements.

Server Warranty or Support Options

The State of Michigan requires the following Warranty Options:

Hosting Center Urgent (Platinum level Service), 2-hour response, 2-hour repair, including State Holidays. 7 x 24 x 365. (7 days a week, 24 hours a day, 365 days a year) Includes on-site parts, all labor and expenses and on-site assembly and installation.

Hosting Center High (Gold level Service), 4-hour response, 4-hour repair, including State Holidays. 7 x 24 x 365. (7 days a week, 24 hours a day, 365 days a year) Includes on-site parts, all labor and expenses and on-site assembly and installation.

Hosting Center Medium (Silver Level Service), next business day response, next business day repair, Monday-Friday 8:00 Am – 5:00 PM (business hours) excluding State Holidays. Includes on-site parts, all labor and expenses and on-site assembly and installation.

Non-Hosting Center High (Bronze Level Service), 4-hour response, 4-hour repair, including State Holidays. 7 x 24 x 365. (7 days a week, 24 hours a day, 365 days a year) Includes on-site parts, all labor and expenses.

Non-Hosting Center Medium (Copper Level Service), next business day response, next business day repair, Monday-Friday 8:00 Am – 5:00 PM (business hours) excluding State Holidays. Includes on-site parts, all labor and expenses.

Server Warranty or Support Service Requirements

The Contractor shall normally respond by phone within one (1) hour after notification by the State that the equipment is inoperative. The phone call will establish the urgency and time of arrival on-site.

If the Standard manufacturer's warranty is greater than the warranty required by the State, the Contractor must extend that same standard warranty to the State at no additional charge.

If the manufacturer extends the warranty period after delivery, the longer warranty period will apply to all warranty and service requirements.

The warranty period will begin from the point the State accepts delivery and installation of equipment in the hosting centers, or when the State takes delivery of the equipment in a non-hosted environment.

Standard service must be provided at the installation site of the equipment.

If it is necessary to remove equipment where onsite warranty is specified, Contractor will provide substitute equipment at the time of removal, if requested by MDIT.

- The substitute equipment shall be comparable to the equipment removed.
- Contractor must pay all costs for removal and return of equipment that must be returned to the manufacturer for repair.
- The equipment once repaired will be returned to the State with the image reloaded on the hardware so the State can restore all application related software previously on the hardware.

Contractor must provide original equipment manufacturers (OEM) replacement parts for the length of the warranty period.

Contractor will provide a mechanism for notifying the State of pending warranty expirations for each item purchased in writing. The notice must be provided at least six (6) months prior to warranty expiration.

The State may at their discretion purchase upgrades to the warranty service originally purchased if a new requirement for faster response times, or longer support hours is defined.

The State will only be charged re-instatement fees to upgrade its warranty or maintenance service if the State allowed coverage to lapse and there is an associated charge from the manufacturer is applied.

The Contractor must provide options for extending this support warranty to a five (5)-year warranty.

Server (After Warranty expires) Extended Manufacturer Warranty Support Services

Contractor must provide to the State an optional one (1) year, manufacturer on-site parts, and labor and expenses extended warranty service available for all Server hardware on the contract. The State will not be responsible for any additional travel expenses under this agreement, nor will they be charged a re-instatement fee when they purchase these services. The support requirements should match those of the original manufacturer warranty offering as described above.

The State may at their discretion purchase upgrades to the extended warranty service originally purchased if a new requirement for faster response times, or longer support hours is defined. The State should not be assessed a re-instatement fee when acquiring these services.

The State will only be charged re-instatement fees to purchase manufacturer hardware support services if the State allowed coverage to lapse and there is an associated charge from the vendor.

Non-Manufacturer or 3rd party Server Hardware support services

Contractor must provide to the State an optional support plan for equipment that can no longer receive manufacturer support. This support plan should include on-site parts, and labor and expenses for Dell, HP and SUN servers that no longer qualify to receive standard support from those hardware manufacturers. (ie, normally hardware older than 5 years old). The State will not be responsible for any additional travel expenses under this agreement, nor will they be charged a re-instatement fee when they purchase these services. This support agreement should offer the same support levels (Platinum, Gold, Silver, Bronze and Copper) as those that are defined for newer equipment as defined above.

The State may at their discretion purchase upgrades to the 3rd party hardware support agreement originally purchased if a new requirement for faster response times, or longer support hours is defined. The State should not be assessed a re-instatement fee when acquiring these services.

The State will only be charged re-instatement fees to purchase non-manufacturer or 3rd party server hardware support services if the State allowed coverage to lapse and there is an associated charge from the vendor.

The cost of RFID asset tagging will be included in the costs as a value-added item in the price proposal.

Time and Material Repair Service

Generally, this service will be acquired when the State no longer has the option of acquiring manufacturer maintenance support for an older server. This service will generally be purchased by the State in advance of any request to perform this service. A bank of hours may be purchased and used as needed for this sort of service. Normal On-Site Service hours are considered to be Monday through Friday, 8 AM – 5 PM excluding State Holidays.

Parts will be an additional expense and will be quoted at the Contractor's cost plus the markup quoted for the particular manufacturer. The Contractor shall normally respond by phone within one business day after notification by the State that equipment is inoperative and the equipment is not covered under a Warranty or purchased maintenance service. The phone call will establish the time of expected arrival on-site.

The technician will diagnose the problem and provide the State with a quote for fixing the problem. This quote will include the time necessary to fix the problem as well as any parts cost. With approval from the State the technician will proceed to repair the problem.

1.309 SERVER SERVICES REQUIREMENTS

Services purchased from this Contract must be related to the installation or support of equipment related to the equipment purchased through this contract. These services may be purchased in one of two ways from this contract. The first set of services will be based on a fixed price quote from the Statement of Work process. The second set of services listed below will be purchased through a Statement of Work and will be based upon a particular quantity of hours and a selected skill level.

While these services are an option for the State, the Contractor must be able to provide all of the following services at the request of the State.

Work Statement Services

The work to be performed will be defined by a written Statement of Work issued by the State as defined by the State. These services will be based upon a fixed price based upon a quote from the Contractor, and the details provided to the Contractor from a Statement of Work.

Installation Services for Hardware and Software

The State of Michigan may purchase installation services from the Contractor for equipment procured through the proposed contract. Installation services may include the installation of any hardware purchased from this contract, or the installation of new or additional hardware components into existing hardware. It may also include installation and configuration of newly purchased software solutions into existing hardware, new hardware or the installation and configuration of software upgrades on servers.

If installation is requested, Contractor must install and have equipment ready to operate as in a timely manner as agreed to by the State and Contractor.

All technology must be configured and installed per State instructions to the Contractor. The State reserves the right to purchase equipment and software without installation services and fees when qualified State personnel are available.

The State may call upon the Contractor to assist with moves and changes and to complete the installation of hardware or software of equipment or software that was not ordered with installation services. For hardware these services include unpacking, assembly, connection, testing and configuration for basic operation. For software, these services include loading the software onto the hard drive or other storage medium and setting configuration options so that it is ready for operation.

Implementation/Integration for Hardware and Software

Contractor shall perform the implementation of hardware and related software projects. This will include but is not limited to: Interfacing new hardware solutions with older hardware solutions, hardware configuration, researching and resolving performance issues, implementing new technology hardware/software solutions, implementing cooperative processing or distributive database capabilities as may be used in a client-server environment, integration of UNIX or Windows based applications, and hardware and/or software clustering.

Implementation services may also be those services that assist the State in making effective use of purchased server hardware and software. They include development of procedures for system administration and systems operation. Implementation services may include assistance with the integration of various servers, and host system software.

The State has occasionally had the need to acquire problem resolution/trouble shooting technical support services as it relates to Server Hardware and software. This service may include the need to bring in troubleshooting hardware components to resolve constraints on networks, hardware performance issues, relational database performance issues, etc. This may include:

- Coordinate the addition of new users
- Set node addresses for new users and maintain a log of user node addresses, network addresses and IRQs (interrupt address)
- Establish and maintain login scripts and drive mapping(s)
- Establish and maintain trustee assignments and rights to various directories and subdirectories
- Design, set up, maintain and monitor system security through the use of passwords, trustee assignments, individual and group directory rights, file attributes and login times
- Monitor error logs, statistics and print queues
- Maintain network directory structures and files

Data Center Cleaning Services

The State of Michigan utilizes specialty Data Center cleaning services for each of its Hosting Centers and Switch rooms during the year. This work is accomplished through a work statement request. This service is critical to the State of Michigan, and must be accomplished by an experienced data center cleaning company. The work is scheduled on a weekend unless there is a

specific need for an emergency cleaning, usually due to an issue with a chemical spill, or high Zinc Whisker Counts within a critical facility. Service to include: Under raised Floor cleaning, cleaning above the raised floor, and above the ceiling tiles. Cleaning service to include before and after particle count reports, ferrous metals, humidity, and temperature for the above floor and sub floor areas; as well as how the area compares to federal standards. The cleaning should also check the concrete seal and produce a report on the status of the seal. The company must meet or exceed ISO for class 100,000 to class 1 clean rooms and data processing centers. The cleaning will include the installation of new entryway tacky mats at each hosting center entry point (3).

Hourly Rated Services

Skilled Statement of Work Services: The State reserves the option to obtain possible Installation, Implementation, and Integration services through the contract for purchases where the State requires the State to manage the service personnel during the project. Examples of this work are: Staging System hardware, upgrading hardware, installing memory, performing System Audits, connecting systems to network infrastructure, testing solutions. While these services are an option for the State, the Contractor must be able to provide these services based upon a request from the State.

These support services will be purchased on an hourly basis, and will be acquired based on a specific skill level as defined below:

Senior Server Support Engineer

Must have at least 5 years progressive experience in Server administration, server management and server implementation projects. Must possess highly developed server administration skills and be able to coordinate and work with other Server configuration administration technicians. Possess skills required for deploying large-scale system installations. Staff must possess an advanced certification in an industry standard server or network operating system. Examples are:

- Certified Microsoft Systems Engineer (MCSE)
- Certified Microsoft Systems Administrator (MCSA)
- Sun Certified System Administrator
- Sun Certified Security Administrator
- HP Master Accredited Systems Engineer
- HP Accredited Integration Specialist
- HP Accredited Systems Engineer
- HP Accredited Platform specialist
- HP Certified Systems Administrator
- HP Certified Systems Engineer
- Dell Certified Server Professional
- IBM Server Certified Advanced Technical Expert
- IBM Server Certified Systems Expert

The following are examples of tasks to be performed by a senior server support technician:

- Project Leadership, coordination
- Develop and implement implementation and or testing plans.
- Server Architecture Design
- Server Audits
- Server Security Audits
- System Performance and capacity analysis
- Troubleshoots complex hardware and software problems
- Connects server to network and test connectivity
- Loads Server software upgrades or moves software
- Integrate peripherals to system

Junior Server Support Engineer

Staff must have at least 2-4 years progressive experience at the engineering level, in server administration and server implementation projects. Must possess highly developed server configuration administration skills and be able to coordinate and work with other technicians.

Possess skills required for large-scale server hardware installations; repairs and software installations. Should have experience with operating systems and database management systems. Staff must possess certification in an industry standard server or network operating system. Examples are:

- Certified Microsoft Systems Engineer (MCSE)
- Certified Microsoft Systems Administrator (MCSA)
- Sun Certified System Administrator
- Sun Certified Security Administrator.
- HP Master Accredited Systems Engineer
- HP Accredited Integration Specialist
- HP Accredited Systems Engineer
- HP Accredited Platform specialist
- HP Certified Systems Administrator
- HP Certified Systems Engineer
- Dell Certified Server Professional
- IBM Certified Specialists AIX System Administration
- IBM Certified Specialists AIX System Support

The following are examples of tasks to be performed by a Junior Server Support Technician:

- Execute project plans including rollouts and testing plans.
- Troubleshoot hardware and software integration or performance issues
- Installation of hardware or hardware upgrades
- Installation of Software or Software upgrades.
- Updating documentation
- Connects peripherals to system
- Migration of server operating systems
- Troubleshoots hardware and software problems
- Possess the necessary certification levels to perform this work.

Associate Server Support Technician

Staff must have some experience or training in installing and setting up server-based systems. The skills can be below those required for hardware repairs and software installations. The following are examples of tasks to be performed by an Associate server Support Technician:

- Unpacking equipment
- Assembling equipment/racks
- Connect monitor/KVM to servers/racks
- Pulling cable
- Connecting network cables, power units etc in a rack
- Connecting/pulling fiber and fiber light guides within a data center
- Connects peripherals to system
- Updating documentation
- Testing systems

The State of Michigan has three complex software packages that will require support services: Citrix, FileNet, and Remedy. Information pertaining to these is listed below. All services will be obtained through the Statement of Work process.

Citrix Support Services

Provide technical and project leadership for Citrix software implementation across the State. Provide call resolution and access to dedicated technical staff to resolve complex technical incidents. Following are areas of expertise and the associated tasks that may be required:

- Citrix Server installation, configuration, implementation, and integration into the current environment.
- Citrix licensing installation, configuration and implementation.
- Citrix user administration, configuration and implementation

FileNet Support Services

MDIT requires occasional optional support staff and services to assist its development team in maintaining, implementing changes, performing upgrades, and continuing development initiatives related to the FileNet application. These support staff or services would work under the direction of the MDIT Staff.

FileNet Project Manager

The person will serve as the Project Manager for all matters related to a FileNet project. The FileNet Project Manager will verify and confirm project task deliverables with the assigned State Project Manager. The FileNet Project Manager will maintain ongoing communication regarding project status with management teams. This person should be very familiar with the FileNet application.

- Provide project management services for all aspects of the FileNet project including adherence to project schedules, task assignments, and budgets
- Verify and confirm project task deliverables with the State Project Manager
- Maintain ongoing communication regarding status with management teams
- Weekly status reports indicating percent complete, budget vs. actual, changes in progress, inventory of issues/problems, and similar data

FileNet Technical Services Consultant

Provide technical knowledge and project leadership for the design, customization, integration, implementation, migration and production support of the IBM FileNet product family and combine these to develop content management solutions. These technical services include the following:

- Enterprise planning and design
- System implementation
- Deployment architecture
- Resource planning and system sizing
- Transition planning
- Legacy system conversion
- Content migration and federation
- Media migration
- Workflow and process modeling
- Security and access control modeling
- Disaster recovery configuration
- Best practices development
- Technical Integration Services to other COTS (i.e. SAP, Siebel)
- Knowledge Transfer

IBM FileNet Software is proprietary. In the event a software install or a source code change is requested, only certified personnel can be used. IBM Professional Services will be quoted through the Statement of Work process on a time and materials basis. Additionally, Contractor will present alternative pricing of certified personnel from its partners such as HTC for review by the State.

BMC Remedy Support Services

MDIT requires occasional optional support staff and services to assist its development team in maintaining, implementing changes, performing upgrades, and continuing development initiatives related to the BMC Remedy application. These support staff or services would work under the direction of the MDIT Office Automation team that handles Administrative Applications.

Remedy Project Manager

The person will serve as the Project Manager for all matters related to BMC Remedy upgrades, development, and maintenance. The Remedy Project Manager will also verify and confirm project task deliverables with the Administrative Applications Manager and the State Management Team. The Remedy Project Manager will maintain ongoing communication regarding project status with management teams. This will include weekly status reports indicating percent complete, budget vs. actual, changes in progress, inventory of

issues/problems, and similar data. This person should be very familiar with the Remedy's policies and procedures in general as well as how they relate specifically to case and infrastructure management and the goals of this project.

- Project Manage all aspects of Remedy's project including adherence to consulting project schedules, task assignments, and budgets
- Verify and confirm project task deliverables with the Administrative Applications Manager
- Maintain ongoing communication regarding status with management teams
- Weekly status reports indicating percent complete, budget vs. actual, changes in progress, inventory of issues/problems, and similar data

Remedy Technical Consultant

Remedy Technical Consultants or Senior Technical Consultants workload would include but not be limited to:

- Design, modify, develop, write and implement software programming applications for BMC Remedy
- Supports and/or installs software applications/operating systems.
- Participate in the testing process through test review and analysis, test witnessing and certification of software

CA UNICENTER SOFTWARE AGREEMENT

The Contractor and Computer Associates entered into a Universal enterprise agreement (UEA) that gives the Contractor a broad spectrum of rights with respect to a category of CA Software called Licensed Software on a worldwide basis. In general, this agreement gives the Contractor and its client affiliates a license to use and access the following CA Software family groups: Unicenter Family, BrightStor Family, Cleverpath Family, AllFusion Family, Advantage CA family, and E*Trust family.

The Contractor granted the State of Michigan, as one of its clients, the rights to the same software. In return, the State has agreed to contract with the Contractor for systems administration/network consultants to support the CA software at the State through a work statement process. The eVM (Vulnerability Manager family of software products) are excluded from this agreement. Specific details on the available products can be found at: <http://www3.ca.com/Solutions/ProductsAZ.aspx>.

The number of CA certified consultants is agreed upon based on the number of CA agents deployed at the State. Currently, the State has between 1,500-1,999 CA Unicenter and Asset Management Agents deployed. In exchange for use of the licenses, the State has three Subject Matter Experts (SME's). In addition, the State has one SME in exchange for the use of the Spectrum eHealth software. Through this agreement, the Systems Administrator/Network Consultant(s) support began November 1, 2007 and will continue through October 31, 2008 with the skills necessary to complete the following tasks in a CA UniCenter/Spectrum environment. This agreement will be reviewed on an annual basis, and renewed through a work statement process.

Skill Set Provided

- CA UniCenter TNG-NSM (Implementation, Administration, and Troubleshooting)
- Knowledge of other CA products such as CA's Forest and Trees reporting package and CA's portal product
- SQL Server Administration and Maintenance
- Windows and Unix OS Administration
- Windows/Unix Security
- CA UniCenter-Remedy Integration Experience
- Experience with scripting in UNIX and Windows environments
- Spectrum/eHealth
- Experience in CA UniCenter TNG environments.
- High level of problem solving skills
- Ability to quickly and reliably work on multiple solutions at once
- Experience in hardening of servers for secure computing
- Good communication and documentation skills

Current Contractor resources assigned to the State (leveraging the CA/EDS Universal Enterprise Agreement):

- Assist State staff with troubleshooting and resolving problems relative to CA UniCenter
- Assist in the application of upgrades/patches for Unicenter products
- Add servers to be monitored to CA UniCenter and apply standard monitoring configurations to monitored servers
- Build Message/Message Actions in CA UniCenter on a daily basis to build "monitoring intelligence" into UniCenter product for alarms and notification
- Assist State staff in the deployment of CA UniCenter agents on servers
- Implementation and administration of the UniCenter Portal to provide customized views of UniCenter monitoring information for the State.
- Train State staff to utilize and administer CA UniCenter as an administrator or user
- Mentor State staff to insure that State staff is capable of doing this work on their own
- Aid in information, acquisition and implementation of additional UniCenter modules as determined
- Make recommendations for enterprise management solutions for the State.
- Provide security recommendations
- The Contractor will give the State 10 days written notice if the resource placed on this project needs to be replaced for any reason.

State Responsibilities under the current arrangement include:

- The State will provide a central point of contact for all project related issues.
- The State will be responsible for meeting with Contractor resources and providing direction as needed.
- The State will be responsible for providing an adequate workspace for the consultant, including a phone, computer, web & e-mail access, as/if needed along with providing all necessary hardware, software, access to required systems, and communication links needed to complete work under this agreement.
- The State will notify the Contractor with any issues or concerns that may arise.
- The State will facilitate requirements gathering and discovery meetings to identify and document service requirements
- The State understands that the resources provided are augmentation of their current staff. Project direction and project management for the work to be performed are the responsibility of the State.
- The State will in good faith keep the CA resource(s) to a standard schedule (i.e. M-F 8-5). Extended, overtime, and weekend hours will be kept to a minimum.
- The State will retain the right to release outright or request the replacement of any person who is working at an inferior level of performance determined by the State project leader. The Contractor will be given five working days advance notice of this action and a replacement will be provided within five working days.
- All work will be performed at various State locations in Lansing, MI unless otherwise agreed to by both parties.

The agreement between the Contractor and CA is valid until June 30th, 2011. While the Contractor has enterprise agreements with many of the IT industry leaders, the Contractor can not make any guarantees to the future of the CA enterprise agreement after June 30th, 2011. The Contractor will continue to keep the State of Michigan abreast of the status of this contract, as well as others that bring value. As in years past, the Contractor will present the State with a document in January that details the State's usage of the EDS/CA Universal Enterprise Agreement.

1.400 SOFTWARE

The Contractor will provide a full range of desktop and enterprise software products including: Commercial off the Shelf (COTS) and pre-packaged software (Software). Related publisher/manufacturer software support services, as listed here, are also included.

- Management of software license and maintenance agreements, including
 - o documentation
 - o tracking
 - o assisting the State with applicable enrollment/activation procedures
 - o notices of expiration/renewal
 - o reporting to publishers/manufacturers
- Procurement of maintenance services from software publishers/manufacturers,
- Installation, integration, and implementation services
- Limited training for integration, installation, implementation (e.g. Technical training - not intended as end-user training),

SOFTWARE REQUIREMENTS

1.401 SOFTWARE PACKAGING

The Contractor must supply the manufacturer's Software in any of the following requested methods:

- o Complete package on CD ROM including full documentation and non-exclusive and perpetual license.
- o Complete package on DVD including full documentation and non-exclusive and perpetual license
- o Authorized, non-exclusive and perpetual license certificate acceptable to the State, only, no manuals, DVDs or CD's.
- o Multi-license packs where this would be cost advantageous
- o Manuals only.
- o Downloads from the Internet as required.
- o License only.
- o Alternate methods, as new technology delivery methods are introduced and as agreed to by the Contractor and the MMC Contract Administrator
- o Software shall be offered in user packs as available from the specified manufacturer.
- o Licenses and/or media for purchased software must be furnished upon request.
- o The Contractor must also make available documentation for all software products as well as media, and manufacturer Subscription or Support offerings.

The Contractor and the State will develop and implement a process for sending the certificates of purchase to a designated contact person at the State.

1.402 VERSIONS

The Contractor will provide only the latest published and available manufacturer's versions of all software unless otherwise requested. If a requested product version is no longer available, Contractor will quote the next available product version. The product offering should include single-user as well as multi-user versions when available from the manufacturer. For certain widely deployed software types, the State will determine the software version desired. The State may also need to obtain old versions for specific applications; the Contractor will assist in acquiring these versions. Beta copies of software will not be accepted.

1.403 SOFTWARE DELIVERY

Where a Contractor has no established relationship with a software publisher, Contractor will establish a relationship with a software publisher to deliver software as requested. If Contractor is unable to obtain the commitment to deliver the software within three (3) Business Days after receipt of the request, Contractor shall advise the MMC Contract Administrator. The MMC Contract Administrator in consultation with Contractor and the requesting agency will direct the Contractor to obtain the requested software or to obtain the software through another procurement process.

1.404 UPGRADES

The Contractor must offer all upgrade offers from the manufacturer as well as competitive upgrade offers for the same product. The Contractor will support, document and distribute all

manufacturers' upgrade or "Special" offers. If the upgrade is provided from the manufacturer at no charge, this must be passed on free of charge.

1.405 ENTERPRISE VOLUME PURCHASE PROGRAMS & SOFTWARE AGREEMENTS

The State may enter into volume purchasing programs with specific software manufacturers when those programs are in the best interest of the State as an enterprise. Contractor must support and manage existing and new Volume Purchasing Agreements.

Contractor must assist the State in identifying software publishers/manufacturers that may be receptive to volume purchasing agreements, and recommend additional such programs that may be advantageous. Contractor must coordinate with the State and the publisher/manufacturer to enroll in or subscribe to such programs.

Contractor providing the software products listed below must be a large account reseller (or comparable term) and manage volume license agreements, at no additional services fees, for software to include, but not be limited to:

Adobe	HP	Novell
BMC	IBM	SAP
Citrix	Microsoft	Symantec

Management of the volume license agreements will include, but not be limited to:

- Tracking the number of State licenses
- Prompt notification to the State when the license numbers affect the terms and conditions of the agreement(s)
- Assist the State with preparing and submitting to publishers all required reports or other requirements of the publisher/manufacturer to ensure the State is compliant with applicable licensing terms and conditions.

The MMC Contract Administrator will be contractually responsible for the agreements, while the Contractor must administer the programs and serve as the program reseller under the requirements of the specific program. The MMC Contract Administrator must involve the Contractor in all program contract issues and negotiations necessary for the Contractor to successfully execute program administration and reseller responsibilities.

1.406 LICENSE TRACKING

Contractor will provide information in the format specified by the State for tracking license renewals and license volumes for notification of thresholds for volume license agreements as part of the State's software asset management.

1.407 MICROSOFT SOFTWARE

The State signed a Microsoft Select Software Agreement that offers the State special discount pricing based on volume purchases. The State of Michigan qualifies for Level D pricing from Microsoft. The State designates the Contractor to represent the State as a Reseller for these agreements. The Contractor must maintain a relationship with Microsoft to provide products and services to the State.

1.408 WARRANTY

The Contractor will provide manufacturer's standard warranty offering on software titles. A manufacturer's standard warranty is considered the basic warranty that comes with a software title and is included in the software title price. Products will be warranted by the publisher/manufacturer, not the Contractor.

1.409 SOFTWARE SUPPORT/ MAINTENANCE

The Contractor shall ensure the provision of maintenance, and continuation of maintenance, for software directly from the publisher/manufacturer consistent with the levels of service currently provided to the State by identified software companies. All manufacturer maintenance and support is expected to be provided by the publisher/manufacturer, not the Contractor.

Maintenance for Software shall begin the day after the warranty period expires. Maintenance is defined as providing replacement copies or correction services to correct any error, malfunction or defect in the software; updated versions of the software that are improvements, extensions, maintenance releases and

updates, error corrections or other changes that are logical improvements or extensions of the original software supplied to the State; documentation updates; and access to remote technical support. Maintenance does **not** include professional services to modify, customize or enhance software functionality to meet specific State business requests.

Maintenance available from the publisher/manufacturer must be available to the State to purchase via the Contract. If maintenance is required with the purchase of any manufacturer's software, the terms of this maintenance must be identified in the catalog. For example: "2 years of software maintenance must be purchased at the time the product is purchased, and the maintenance will cover free upgrades to all major software upgrades available from the manufacturer during the two-year period of maintenance software." If maintenance is purely an option with the purchase, this must be identified in the Product Web Catalog.

The State must receive mutually agreeable continuity of maintenance services directly from the software publisher/manufacturer as the State transitions to Contractor's services and for the term of the Contract. This should be part of the transition plan.

The Contractor shall provide the following options, as available from the software manufacturer or internally from the Contractor:

BASIC SUPPORT

The Contractor shall provide Basic Support, as available from the software manufacturer or internally from the Contractor.

Support for software licenses purchased should include automatic upgrades and patches, as they are released, unless otherwise requested.

Toll free telephone support at graduated service levels of coverage (5x8, 7x24, etc.)

ADVANCED SUPPORT

Advanced support consists of, but is not limited to:

- Installation, integration, configuration, and upgrade of new software or new versions
- Removing old software versions
- Software testing
- Developing methods for data file conversion
- Restoring user environment
- Reviewing changes with user
- Updating on-site documentation

The State has determined a need to include support for certain State standards as part of this Bid Category. The State will have the option of requesting certain support types through a Statement of Work to the Contractor. Refer to Appendix A - Statement of Work Form. Descriptions of the support resources and required personnel are included below.

The Contractor shall provide the following technicians and will include hourly rate information:

Senior Software Support Technician

Should have at least 2-3 years of experience as junior technician troubleshooting software on personal computers and servers. Possess skills required for deploying large-scale software installations. The following are examples of tasks to be performed by a Senior Software Support Technician:

- Project leadership, coordination and end-user interaction
- Develop and implement testing plans
- Troubleshoot complex hardware and software integration issues
- Desktop and Network software installation expertise
- Update software or project documentation
- Appropriate Certification, for example:
 - Certified Novell Administrator (CNA)

- Project Management Professional (PMP)
- Microsoft Certified Technology Specialist (MCTS)

Junior Software Support Technician

Should have 1-2 years of experience troubleshooting personal computer and server software. Should have experience participating in large-scale software installations. The following are examples of tasks to be performed by a Junior Software Support Technician:

- Execute project plans including rollouts and testing plans
- Troubleshoot hardware and software integration issues
- Desktop/Server software installation expertise
- Update/Create software documentation
- Update/Create project documentation
- Appropriate Certification, for example:
 - Microsoft Certified Professional (MCP)
 - Certified Novell Administrator (CNA)

Associate Software Support Technician

Should have some experience working with and loading personal computer software. The following are examples of tasks to be performed by an Associate Software Support Technician:

- Install desktop software
- Test desktop software
- Update documentation
- Troubleshoot desktop software

Article 2 - Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of five (5) years beginning April 10, 2009 and ending April 9, 2014. All outstanding Purchase Orders must also expire upon the termination or cancellation for any of the reasons listed in this Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Renewal(s)

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

2.003 Legal Effect

Contractor shall show acceptance of this Contract by signing two (2) copies of the Contract and returning them to the Contract Administrator. The Contractor shall not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

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

2.004 Attachments, Appendices & Exhibits

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

2.005 Ordering

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

2.006 Order of Precedence

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

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

2.007 Headings

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

2.008 Form, Function & Utility

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

2.009 Reformation and Severability

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

2.010 Consents and Approvals

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

2.011 No Waiver of Default

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

2.012 Survival

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

2.020 Contract Administration

2.021 Issuing Office

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

Dale N. Reif, Buyer
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
reifd@michigan.gov
(517) 373-3993

2.022 Contract Compliance Inspector

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

Mary Ladd
Enterprise Portfolio Management Office
Constitution Hall
525 West Allegan Street
Lansing, MI 48913
(517) 335-4082
laddm@michigan.gov

2.023 Project Manager - “Deleted – Not Applicable”

2.024 Change Requests

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

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

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

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

(1) Change Request at State Request

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

(2) Contractor Recommendation for Change Requests:

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

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

- (4) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (5) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

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

State:

State of Michigan
Purchasing Operations
Attention: Dale N. Reif
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:

Saber Software Consultants, Inc.
930 West Holmes Road
Lansing, MI 48910

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

2.026 Binding Commitments

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

2.027 Relationship of the Parties

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

2.028 Covenant of Good Faith

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

2.029 Assignments

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

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

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

2.030 General Provisions

2.031 Media Releases

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

2.032 Contract Distribution

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

2.033 Permits

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

2.034 Website Incorporation

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

2.035 Future Bidding Preclusion

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

2.036 Freedom of Information

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

2.037 Disaster Recovery

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

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

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

2.042 Adjustments for Reductions in Scope of Services/Deliverables

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

2.043 Services/Deliverables Covered

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

2.044 Invoicing and Payment – In General

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

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

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

2.045 Pro-ration

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

2.046 Antitrust Assignment

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

2.047 Final Payment

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

2.048 Electronic Payment Requirement

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

2.050 Taxes

2.051 Employment Taxes

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

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

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

2.062 Contractor Key Personnel

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

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

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

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

2.064 Contractor Personnel Location

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

2.065 Contractor Identification

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

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to

activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

2.067 Contract Management Responsibilities

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

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

2.068 Contractor Return of State Equipment/Resources

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

2.070 Subcontracting by Contractor

2.071 Contractor full Responsibility

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

2.072 State Consent to delegation

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

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall

make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

2.074 Flow Down

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

2.075 Competitive Selection

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

2.080 State Responsibilities

2.081 Equipment

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

2.082 Facilities

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

2.090 Security

2.091 Background Checks

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

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

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or

unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA Security Requirements

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

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

The Contractor will contact the Department of Management and Budget, Financial Services immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor will continue to treat cardholder data as confidential upon contract termination.

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

2.100 Confidentiality

2.101 Confidentiality

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

2.102 Protection and Destruction of Confidential Information

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

required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

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

2.103 Exclusions

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

2.104 No Implied Rights

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

2.105 Respective Obligations

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

2.110 Records and Inspections

2.111 Inspection of Work Performed

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

2.112 Examination of Records

For seven (7) years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor twenty (20) days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit,

litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

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

2.115 Errors

If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) invoices. If a balance remains after four (4) invoices, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.

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

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two (2) days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.

- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability

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

2.123 Warranty of Fitness for a Particular Purpose

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

2.124 Warranty of Title

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

2.125 Equipment Warranty

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

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

Within fifteen (15) business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

2.126 Equipment to be New

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

2.127 Prohibited Products

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

2.128 Consequences for Breach

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

2.130 Insurance

2.131 Liability Insurance

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

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

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

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

The insurers selected by Contractor must have an A.M. Best rating of A- or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency.

Companies that have been approved to do business in the State must issue all policies of insurance required in this Contract. See www.michigan.gov/dleg.

Where specific limits are shown, they are the minimum acceptable limits.

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

- ☒ 1. Commercial General Liability with the following minimum coverage:
\$2,000,000 General Aggregate Limit other than Products/Completed Operations
\$2,000,000 Products/Completed Operations Aggregate Limit
\$1,000,000 Personal & Advertising Injury Limit
\$1,000,000 Each Occurrence Limit

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

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

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

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

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

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

- ☒ 4. Employers liability insurance with the following minimum limits:
\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease

2.132 Subcontractor Insurance Coverage

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

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider or their representative. All Certificate(s) must

contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without thirty (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected.

Before the Contract is signed, and each renewal thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed; to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least thirty (30) days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification

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

2.143 Employee Indemnification

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

2.144 Patent/Copyright Infringement Indemnification

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

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

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

2.145 Continuation of Indemnification Obligations

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

2.146 Indemnification Procedures

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

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

required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

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

2.152 Termination for Cause

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 Termination for Convenience

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

2.154 Termination for Non-Appropriation

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

of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff).

- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon thirty (30) days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

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

2.156 Termination for Approvals Rescinded

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

2.157 Rights and Obligations upon Termination

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

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

2.160 Termination by Contractor

2.161 Termination by Contractor

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

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

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed six (6) months. These efforts must include, but are not limited to those listed in this Section.

2.172 Contractor Personnel Transition

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

2.173 Contractor Information Transition

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

2.174 Contractor Software Transition

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

2.175 Transition Payments

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

2.176 State Transition Responsibilities

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

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

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.150**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.130**.

2.182 Cancellation or Expiration of Stop Work Order

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

2.183 Allowance of Contractor Costs

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

2.190 Dispute Resolution

2.191 In General

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

2.192 Informal Dispute Resolution

- (a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:
- (1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.
 - (3) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (4) Following the completion of this process within sixty (60) calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.
- (b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.
- (c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

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

2.194 Continued Performance

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

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. The United States National Labor Relations Board compiles this information. A

Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

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

2.210 Governing Law

2.211 Governing Law

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

2.212 Compliance with Laws

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

2.213 Jurisdiction

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

2.220 Limitation of Liability

2.221 Limitation of Liability

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

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

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

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under

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

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

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

2.232 Call Center Disclosure

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

2.233 Bankruptcy

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

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

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

2.240 Performance

2.241 Time of Performance

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

2.242 Service Level Agreement (SLA)

- (a) SLAs will be completed with the following operational considerations:
 - (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
 - (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
 - (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
 - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
 - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three (3) unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling thirty (30) day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three (3) additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two (2) weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two (2) decimal places with five (5) and greater rounding up and four (4) and less rounding down unless otherwise specified.

2.243 Liquidated Damages

Liquidated damages specific to this Contract: (1) failure by the Contractor to make timely delivery of deliverables listed below (any such failure being referred to below as a "Late Delivery"), (2) software provided by the Contractor to the State containing or introducing a software virus that results in contamination or damage to the State's equipment or its mainframe, network, personal computing or other operating environments (any such item of software being referred to below as "Contaminated Software").

In these cases it is agreed that it would be impractical and extremely difficult to fix the actual amount of damages sustained by the State as a result of any such Late Delivery, Unauthorized Removal or Contaminated Software. Therefore, the Contractor and the State agree that, in the event of any such Late Delivery or Contaminated Software, the liquidated damage amounts specified below are a reasonable approximation of the damages that will be suffered by the State as the result thereof. Accordingly, in the event of such Late Delivery or Contaminated Software, at the written direction of Purchasing Operations, the Contractor agrees to pay the indicated amount to the State as liquidated damages, and not as a penalty. Liquidated damages shall be payable with fifteen (15) business days after notification of assessment by the State. In its discretion, the State may deduct any liquidated damages assessed by the State from any charges payable to the Contractor pursuant to the Contract(s). No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such right.

For the purpose of determining when liquidated damages are due to the State under this Section, the date on which the Contractor shall be considered to have delivered a deliverable to the State is the date on which the Contractor delivers the deliverable to the State in a form that is subsequently determined by the State to meet the acceptance criteria for such deliverable, provided, however, that the Contractor shall not be liable for liquidated damages for the period in which the State is determining whether such deliverables are acceptable.

Late Delivery of Products and Services

The delivery and/or installation dates of products (hardware & software) and services set forth by the Purchase Order submitted by the State will be fixed so that the utilization of the products and services will be consistent with the timing schedules of the State's programs. If any of the above mentioned products or services are not delivered and/or installed to the State within the time specified by the Agency in the Purchase Order or signed work statement, the delay will interfere with the proper implementation of the State's programs utilizing the products or services pursuant to any resulting Contract(s), to the lost and damage of the State.

- A If the Contractor does not install or deliver each of the products or services as required in the Agency Purchase Order (hardware/software) or the signed Statement of Work, (but not to exceed the general terms & conditions of this Contract without mutual agreement of the Contractor and the State) ready for use, on or before the required date specified in that Agency Purchase Order or Statement of Work, Purchasing Operations, in its sole discretion, may require the Contractor to pay the State liquidated damages for each calendar day between the required date specified on the Agency Purchase Order or signed Statement of Work and the date of actual delivery and/or installation for such products or services, (but not more than 180 calendar days see C below) in lieu of all other damages due to such late deliver or late performance in a amount calculated as follows for each unit of equipment or software package:

Late Installation/Delivery - Desktop Equipment \$25/day

Late Installation/Delivery - Software Package \$13/day

Late Delivery - Services \$63/day

Late Installation/Delivery - Server Equipment \$63/day

If the Contractor supplies substitute products or services acceptable as indicated by the MMCC Contract Administrator, liquidated damages will not apply, provided, however, liquidated damages will apply if such substitute hardware or software package is provided later than the delivery or installation date specified on the Agency Purchase Order.

- B If the delay is more than twenty (20) business days, then by written notice to the Contractor, the State may terminate the right of the Contractor to deliver or install, and may obtain substitute products or services. In this event, the Contractor shall be liable for liquidated damages in the amount specified above until acceptable substitute products or services are delivered or installed, ready for use, or for 120 business days from the installation date, whichever occurs first. The Contractor shall also be liable for outbound preparation and shipping costs for Contracted items returned under this clause; and for any additional cost incurred by the State for products and/or services provided by an alternative source resulting from the delay.

- C Contractor shall not be assessed liquidated damages for late delivery or installation if the equipment or software is a "constrained" product. A "constrained" product is a product that is not available from the manufacturer within the desired time frame. The Prime Contractor may be required to furnish documents from the manufacturer to validate that a product is constrained. If Contractor reasonably determines that a product is "constrained", Contractor will identify a functionally equivalent product or component as a temporary substitution and will make a request to for the MMCC Contract Administrator and Purchasing Operations to authorize shipment of such substitution. The involved Agency will also retain the option to receive the product originally requested with delivery as soon as the product becomes available from the manufacturer. Authorization will be deemed valid if received from either the MMCC Contract Administrator or Purchasing Operations. If the manufacturer is unable to correct the delivery-related problem, or consistently misses its delivery promises, Contractor will request approval from the State that the functionally equivalent product or component be added to the Product Web Catalog as a permanent replacement.

Contaminated Software.

If any software provided by the Contractor contains or introduces a software virus that results in contamination or damage to the State's equipment or its mainframe, network, personal computing or other operating environments, the Contractor will pay the State, as liquidated damages, the following amounts:

- A \$5,000 for each or fraction of an hour in excess of one (1) hour that any mainframe computer function or operation available prior to the introduction of the Contaminated Software is unavailable to one or more persons in the State's user community; and
- B \$200 for each hour or fraction of an hour in excess of one (1) hour for each piece of equipment in the State's network or personal computing environment unable to perform any function or operation which it was able to perform prior to the introduction of the Contaminated Software.

The liquidated damages set forth herein shall be in addition to the Contractor's obligation to remove the software virus from all of the State's operating environments, to restore all operations and functionality in all such operating environments, and to recover or recreate all damaged files, all at no additional charge to the State. The State may, however, at its option, elect to restore or recreate damaged or lost data files at Contractor's expense, in which event Contractor shall pay the State \$50 for each hour or fraction of an hour multiplied by the total number of staff hours that State personnel expend to recover or recreate damaged State data files.

Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.141**, the State may assess liquidated damages against Contractor as specified below.

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

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

2.244 Excusable Failure

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

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

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

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

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

Unless otherwise specified by the State within an individual order, the following must be applicable to all orders issued under this Contract.

(a) Shipment responsibilities - Services performed/Deliverables provided under this Contract must be delivered "F.O.B. Destination, within Government Premises." The Contractor must have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.

(b) Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.

(c) Damage Disputes - At the time of delivery to State Locations, the State must examine all packages. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be

noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five (5) days of inspection

2.252 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.253 Testing

- (a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor must certify to the State that (1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.
- (b) If a Deliverable includes installation at a State Location, then Contractor must (1) perform any applicable testing, (2) correct all material deficiencies discovered during the quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State is entitled to observe or otherwise participate in testing.

2.254 Approval of Deliverables, In General

- (a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications. Formal approval may include the successful completion of Testing as applicable in **Section 2.253**, to be led by the State with the support and assistance of Contractor. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate Deliverables and collaboration on key decisions.
- (b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.
- (c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.253**.
- (d) The State will approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.

- (e) If, after three (3) opportunities (the original and two (2) repeat efforts), the Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to cure the failure at the sole expense of the Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.
- (f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable. If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 Process For Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (and if the Statement of Work does not state the State Review Period, it is by default five (5) Business Days for Written Deliverables of 100 pages or less and 10 Business Days for Written Deliverables of more than 100 pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable before its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State notifies the Contractor about deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.256 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 continuous Business Days for a Physical Deliverable). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the

State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.258 Final Acceptance

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.260 Ownership

2.261 Ownership of Work Product by State

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

2.262 Vesting of Rights

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

2.263 Rights in Data

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

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

2.264 Ownership of Materials

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

2.270 State Standards

2.271 Existing Technology Standards

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

2.272 Acceptable Use Policy

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

2.273 Systems Changes

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

2.280 Extended Purchasing

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally

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

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

It is mandatory that this Contract be made available to all State of Michigan agencies and authorized MiDEAL purchasing program members.

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

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

2.282 State Employee Purchases

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

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

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

2.290 Environmental Provision

2.291 Environmental Provision

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

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

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

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

up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

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

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

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

2.300 Deliverables

2.301 Software

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

2.302 Hardware

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

2.303 Equipment to be New

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

2.304 Equipment to be New and Prohibited Products

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

2.310 Software Warranties

2.311 Performance Warranty

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

2.312 No Surreptitious Code Warranty

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

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

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

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

2.313 Calendar Warranty

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

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

2.314 Third-party Software Warranty

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

2.315 Physical Media Warranty

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

2.320 Software Licensing

2.321 Cross-License, Deliverables Only, License to Contractor – “Deleted – Not Applicable”

2.322 Cross-License, Deliverables and Derivative Work, License to Contractor – “Deleted – Not Applicable”

2.323 License Back to the State

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

2.324 License Retained by Contractor

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

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

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

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

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

2.325 Pre-existing Materials for Custom Software Deliverables

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

2.330 Source Code Escrow

2.331 Definition – “Deleted – Not Applicable”

2.332 Delivery of Source Code into Escrow – “Deleted – Not Applicable”

2.333 Delivery of New Source Code into Escrow – “Deleted – Not Applicable”

2.334 Verification – “Deleted – Not Applicable”

2.335 Escrow Fees – “Deleted – Not Applicable”

2.336 Release Events – “Deleted – Not Applicable”

2.337 Release Event Procedures – “Deleted – Not Applicable”

2.338 License – “Deleted – Not Applicable”

2.339 Derivative Works – “Deleted – Not Applicable”

Appendix A: Statement of Work Form

 DEPARTMENT OF INFORMATION TECHNOLOGY IT SERVICES STATEMENT OF WORK	
Project Title:	Period of Coverage:
Requesting Department:	Date:
Agency Project Manager:	Phone:
MDIT Contract Liaison:	Phone:
Brief Description of Services to be provided: BACKGROUND: PROJECT OBJECTIVE: SCOPE OF WORK: [Attach and reference a detailed Work Statement if needed] TASKS: Technical support is required to assist with the following tasks: DELIVERABLES: Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include: PROJECT CONTROL AND REPORTS: A bi-weekly progress report must be submitted to the Agency Project Manager throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following: Hours: Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project. Accomplishments: Indicate what was worked on and what was completed during the current reporting period. Funds: Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project. SPECIFIC DEPARTMENT STANDARDS: Agency standards, if any, in addition to MDIT standards. PAYMENT SCHEDULE: <i>NOTE: Payment can be based upon:</i> <i>Time and Materials</i> <i>Satisfactory acceptance of each Deliverable</i> <i>Satisfactory acceptance of each Milestone (major part of the contract)</i> <i>Satisfactory Final Acceptance at conclusion of the contract.</i> <i>Optional Provision - The AGENCY may withhold 10 percent from each payment until acceptance by the AGENCY of the final report (or completion of the project, etc.).</i>	

Payment will be made on a **[Insert one from above]** basis. DIT will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the Project Manager not more often than monthly. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager prior to payment. The invoices shall describe and document to the Project Manager's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, provide a detailed breakdown of each type.

Payment shall be considered timely if made by the DIT within thirty (45) days after receipt of properly completed invoices.

EXPENSES:

NOTE: Expenses are optional. Do not include Expenses paragraph below if expenses are not allowable. If allowable, include only expenses, which are appropriate for the contract. Choose one of the following:

In the event it is necessary for contractual staff to travel for this project, prior approval must be obtained by the project manager. Additionally, travel charges will only be reimbursed at current state-authorized rates as outlined by DMB guidelines (<http://www.michigan.gov/dmb/1,1607,7-150-9141---,00.html>.) and must be accompanied by actual receipts. Travel time will not be reimbursed.

OR

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Name
Department
Area
Building/Floor
Address
City/State/Zip
Phone Number
Fax Number
Email Address

The MDIT Contract Administrator for this project is:

Name
Michigan Department of Information Technology
Building/Floor
Address
City/State/Zip
Phone Number
Fax Number
Email Address

AGENCY RESPONSIBILITIES/ASSUMPTIONS:

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at ?? in Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted without prior written approval of both ? and ?.

APPROVALS

Agency Project Manager

DIT Information Officer



Appendix B: Asset Reporting Requirement For the SOM

Equipment purchased from the PC Section:

Contractor will report within ten (10) days of the end of each quarter to MDIT, all workstation purchases made from this contract.

1. The report should be sent to the following email addresses. ITAM, Kris Wang at WangK1@Michigan.gov
2. The report will be in Excel format.
 - The report format, with the required fields, as shown below. The format should stay the same unless agreed to by the Contractor and MDIT.
 - All the serial numbers will be kept in one column. For example, if one PO is associated with 10 workstations, there will be 10 rows for each serial number.
 - The Description field will be kept under 255 characters and kept consistent by manufacturer/model. For example, the Dell GX 270 would be shown as HW-DELL-OPTIPLEXGX270

Sold To Department
SOM PO Number
Invoice Num (Contractor)
Invoice Date
Product Description
Manufacturer Name (Dell, HP, SUN, APC etc)
Model Number
Product Category (Desktop, Laptop, Mini Tower...)
Unit Price
Contractor PO Number
Delivery Date
Serial Number (Vendor Unique Service Tag Number)
Warranty End Date

Equipment purchased from Server Section:

ITAM and Data Center Operations/Configuration Management will receive a **monthly** report for all servers purchased from this contract during the last month for the State of Michigan.

1. The report will be in Excel format.
2. The report will be sent to the SOM by email on a monthly basis. The report should be sent to the following email addresses by the 10th of the month. Configuration Management, Kathy Seaton at : SeatonK@Michigan.gov, and ITAM, Kris Wang at WangK1@Michigan.gov
3. The report format, with the required fields, as shown at the end of this appendix. The format should stay the same unless agreed to by the Contractor and MDIT.
4. All the serial numbers will be kept in one column. For example, if one PO is associated with 10 servers, there will be 10 rows for each serial number.

Required Fields:

Purchase Order Information
Request Date
SOM PO Number
Purchase Order Contact Name
Contractor Invoice Number
Invoice Date
Delivery Date
Sold to Department (for Servers)



Ship to Name or Location
Ship To Address
Ship To City
Ship to Zip
Related Project (Example: BAM, CHAMPS, BRIDGES)
(Unit Product Descriptions) 1 per item ordered
Item Description
Manufacturer Name (Dell, HP, SUN, APC etc)
Manufacturer Part Number
Purchase Category
Vendor Order Number
Unit Price
Contractor PO Number
Delivery Date
Serial Number
Warranty End Date
Model Number
Processor
Ram
Hard Drives (quantity and size)
Quantity of NIC Cards
Type of NIC Cards
Quantity of HBA's
Type of HBAs
Server Rack Space U's
Number of Power Supplies
Pre-installed OS (if applicable)

Purchase from the Software Section:

Contractor will report within ten (10) days of the end of each quarter to MDIT, all software product purchases made from this contract.

1. The report should be sent to the following email addresses. ITAM, Kris Wang at WangK1@Michigan.gov
2. The report will be in Excel format.
 - The report format, with the required fields, as shown below. The format should stay the same unless agreed to by the Contractor and MDIT.
 - If one PO is associated with 10 different unique software packages, there will be 1 row for each software product.
 - The Description field will be kept under 255 characters and kept consistent by manufacturer/model

SOM PO Number
Publisher (e.g. Adobe)
Product Name (e.g. Acrobat Reader)
Release # / Version
License Type (Renewable or One Time?)
Unit Price
Quantity
Delivery Date

PC Warranty Replacement Report

Contractor will provide a monthly report that details all the PCs that have been replaced under vendor warranty from the previous month.



1. The report should be sent to the following email addresses. ITAM, Kris Wang at WangK1@Michigan.gov
2. The report will be in Excel format. The report format, with the required fields, as shown below. The format should stay the same unless agreed to by the Contractor and MDIT.

SOM PO Number
Product Description
Manufacturer Name (Dell, HP, SUN, APC etc)
Model Number
Product Category (Desktop, Laptop, Mini Tower...)
Serial Number (Vendor Unique Service Tag Number) From Replaced PC
Warranty End Date
New Serial Number
Incident Date
New Order Ship Date
Problem Description

3. **Leasing/Purchase:** Vendor will work with the lessor and assignee to ensure the "SOM PO #" and "MI-Department" is captured in both lessor's and assignee's databases.

ITAM Catalog

The State's ITAM will interface with vendor catalog file to populate the product model and nature fields.

- 1) The required catalog interface is an ASCII delimited file.
- 2) An incremental update file will be received daily (Monday-Friday 6 PM EST)
- 3) A full load file will be received weekly (Saturday 6 PM EST)
- 4) The file will be transferred through Data Exchange Gateway. ITAM will provide the address to the vendor.
- 5) The length of "Description" field will be kept under 255 characters.
- 6) One Description will be only assigned to one Category, one Item Number, one SKU, and one Price.

No duplicate is allowed.

For example:

DESCRIPTION	CATEGORY
APC-Rack-black	System Accessories

Select the category that best fits.

- 7) The catalog file structure/format may be changed as a new design is implemented in the SOM's ITAM system.
- 8) The catalog file contains the following fields:

Field	Definition
OPERATION CODE	Contractor determines the "Operation Code." The possible values are A (add), C (change), and D (delete). This is a field to flag whether it is an added, changed, or deleted item.
MANUFACTURER	Manufacturer name
ITEM_NUMBER	Manufacturer's item number
DESCRIPTION	Description of the product limited to 255 characters.
CATEGORY	Field value determined by the State.
SKU	Manufacturer's SKU
PRICE	Unit price for State of Michigan.
AGENCY APPROVED	Supplied by the State. Field values are "Y" for standard items and "N" for non-standard items.



Appendix C: ITRAC Requirements

ITRAC currently requires a file containing the common commodities that agencies are approved to order. The following items listed below are required.

- The required catalog file is a text file with data elements delimited by tab characters.
- Incremental updates to the catalog will be received daily (Monday-Friday 6 PM EST)
- A full load file will be received weekly (Friday 6 PM EST)
- The file will be transferred to the Data Exchange Gateway using FTP.
- The length of "Description" field will be kept under 255 characters.
- The catalog file structure/format may be changed as a new design is implemented in the ITRAC system.
- The Description file must support the addition of a 4 character identification code used to match commonly purchased items. Example: "E01-"
- The data elements are:
 - OPERATION_CODE
 - ITEM_NUMBER
 - MANUFACTURER
 - DESCRIPTION
 - CATEGORY
 - SKU
 - PRICE
 - AGENCY_APPROVED

ITRAC would like to move to a more direct catalog interface such as a web service interface so that ITRAC can access the catalog directly and pull extracts on demand.



Appendix D: Current SOM Asset Recovery Service

Policy

The Department of Information Technology requires that all requests for disposal of IT equipment be processed through MDIT's Depot Maintenance by following the instructions outlined on the Automated Asset Recovery Program Website located at <http://aarpweb.state.mi.us/AARP>. The Customer should review the aides provided under Help, entitled "Submitting a Retrieval Request" and/or "Training Audio" for instructions. Depot will then evaluate what can be placed into MDIT stock, redeployment to other agencies, or what will be sent through the Asset Recovery Process.

The following procedure explains the process for the MDIT Asset Recovery Process of IT equipment.

Customer

- Customer determines equipment for disposal.
- Customer completes the online request via Automated Asset Recovery Program (AARP) web link and will submit the request to the MDIT Client Service Center by selecting the **Submit to CSC** button. *It is not necessary to print the document as it can be viewed at any time from the AARP web link by performing a Search on the Reference Number.*
- If necessary, the Customer may contact the Client Service Center to request Field Service assistance with completing the online AARP request.

Client Service Center

- Creates the Change Request, notify Customer via email and assigns to Depot for processing.

Depot

- Depot receives Change Request.
- Depot ARS staff person documents the equipment to be picked up by the Vendor Partner or Carrier.
- Depot ARS staff person will email AARP disposal request list to Vendor Partner or Carrier (depending on if the equipment is for trade in or disposal) to initiate the ARS process.

Vendor Partner

- Vendor Partner receives AARP disposal list and makes arrangements with Site Contact and Carrier for a pickup. Equipment will be scheduled for pickup within 3 business days for the trade-in program.

Depot

- Depot ARS Staff assigns a task to ship the equipment that Depot wants returned.
- Depot ARS Staff will coordinate pickup of the equipment being retained or that is outside the trade-in program. This pickup may take more than 3 days.

Carrier

- Carrier inventories the equipment list provided by Site Contact.
- Carrier will sign off on the disposal list and give to Site Contact.
- Carrier will affix an ARS tag to all equipment that is removed from site.

SOM Site

- Site Contact will sign off on the inventoried disposal list and fax it to Depot ARS Staff at (517) 334-9596 and retain a copy for their records.

Carrier

- Carrier transports trade-in equipment to the Vendor Partner (for trade in), or Depot (for equipment not being traded in) and gets sign off on equipment delivered.

Vendor Partner

- Vendor Partner processing area signs for receipt of equipment that is received.
- Vendor Partner will provide a 15-day receipt report of the equipment transferred.

**Depot**

- Depot ARS Staff reconciles the various reports for discrepancies and updates Asset Center to reflect the change in stock status to retired once the receipt report is received. At this point the Change Request is resolved.

Vendor Partner

- Vendor Partner processes the received equipment removing all evidence of SOM ownership and completes data destruction.
- Vendor Partner sends Depot the certificate of data destruction listing all systems that have been processed.

Depot

- Depot retains certificate of data destruction from the Vendor Partner.

Vendor Partner

- Vendor Partner will provide a Settlement Report within 30 business days to Depot ARS Staff and Manager. This report will display the activities of each site individually. Value recovery reimbursements will be in the form of credits toward future product purchases and will be issued by agency and tracked by Dell.

Depot

- Depot ARS Staff receives the monthly activity reports from Vendor Partner and will prepare a report for DIT Leadership that details the program activity and any issues.
PROCESS COMPLETE!

Contact

Any questions or concerns regarding this policy and procedure should be directed to the Client Service Center at (800) 968-2644 or local 241-9700.



Appendix E: Server Quote

State of Michigan
(Manufacturer) Server Quotation

Support Information Options				
4 year Hardware Warranty	Hosting Center Urgent (Platinum Level Service), 2 hour response, 2 hour repair, including State Holidays. (7 days a week, 24 hours a day, 365 days a year) Includes on-site parts, all labor and expenses and on-site assembly and installation.	\$ -	\$ -	\$ -
1 year extended Hardware Warranty	Hosting Center Urgent (Platinum Level Service), 2 hour response, 2 hour repair, including State Holidays. (7 days a week, 24 hours a day, 365 days a year) Includes on-site parts, all labor and expenses and on-site assembly and installation.	\$ -	\$ -	\$ -
4 year Hardware Warranty	Hosting Center High (Gold Level Service), 4 hour response, 4 hour repair, including State Holidays. (7 days a week, 24 hours a day, 365 days a year) Includes on-site parts, all labor and expenses and on-site assembly and installation.	\$ -	\$ -	\$ -
1 year extended Hardware Warranty	Hosting Center High (Gold Level Service), 4 hour response, 4 hour repair, including State Holidays. (7 days a week, 24 hours a day, 365 days a year) Includes on-site parts, all labor and expenses and on-site assembly and installation.	\$ -	\$ -	\$ -
4 year Hardware Warranty	Hosting Center Medium (Silver Level Service), next business day response, next business day repair, Monday-Friday 8:00 Am - 5:00 PM (business hours) excluding State Holidays. Includes on-site parts, all labor and expenses and on-site assembly and installation.	\$ -	\$ -	\$ -
1 year extended Hardware Warranty	Hosting Center Medium (Silver Level Service), next business day response, next business day repair, Monday-Friday 8:00 Am - 5:00 PM (business hours) excluding State Holidays. Includes on-site parts, all labor and expenses and on-site assembly and installation.	\$ -	\$ -	\$ -
4 year Hardware Warranty	Non-Hosting Center High (Bronze Level Service), 4 hour response, 4 hour repair, including State Holidays. (7 days a week, 24 hours a day, 365 days a year) Includes on-site parts, all labor and expenses.	\$ -	\$ -	\$ -
1 year extended Hardware Warranty	Non-Hosting Center High (Bronze Level Service), 4 hour response, 4 hour repair, including State Holidays. (7 days a week, 24 hours a day, 365 days a year) Includes on-site parts, all labor and expenses.	\$ -	\$ -	\$ -
4 year Hardware Warranty	Non-Hosting Center Medium (Copper Level Service), next business day response, next business day repair, Monday-Friday 8:00 Am - 5:00 PM (business hours) excluding State Holidays. Includes on-site parts, all labor and expenses.	\$ -	\$ -	\$ -
1 year extended Hardware Warranty	Non-Hosting Center Medium (Copper Level Service), next business day response, next business day repair, Monday-Friday 8:00 Am - 5:00 PM (business hours) excluding State Holidays. Includes on-site parts, all labor and expenses.	\$ -	\$ -	\$ -

Quotation good until xxx/xx/xx.



Appendix F: Software and Maintenance

Active PDF
Active PDF Dev. Lic.
Active PDF DOC Converter Unlimited Conv.
Active PDF Portfolio Serv.
Active PDF Technical
Active PDF Technical Test Lic.
Active PDF UAT Lic.
Adobe Acrobat Prof.
Adobe Acrobat Standard
Adobe Creative Suite
Adobe Creative Suite Premium
Adobe CS3 Design Premium
Adobe Dreamweaver
Adobe Flash Media Server
Adobe Flash Pro
Adobe Illustrator
Adobe Indesign
Adobe Pagemaker
Adobe Photoshop
Adobe Robohelp Office
Adtempus System Mgmt Server
AI Squared Zoomtext Magnified/Reader
Allfusion Erwin Data Modeler
Altiva PRO SXL Suite
Altova SMLSPY
Altova Schemaagent
Altova Style Vision
Analysts Notebook
Application Server for Server Express
Arcview
AsplImage server Objects SW
Autodesk PSG-Autocad
Axiom Microstation Productivity Tool Kit
Bioengine
Blackbag Tech.
Bobby
BOE Pro
BOE Pro for QRA Business Objects
Business Object Enterprise Pro.
Business Objects Crystal Reports
Business Objects Enterprize Premium
Business Objects IQ8
CA GLP Process Modeler Lic.
CA GLP Process Modeler Lic.
Camtasia Studio
Captivate V all for Windows
CEP.SDK Software Dev. Kit
CEP.Voice Voice-U.S. English
Citrix Metaframe Ent. Lic
Computrace Lojack Laptop Rec. SW
Connectivity Secure Shell Lic



Content Protect Professional
Conversion Plus
Corel WinZip
Corel/IMS 1-5
Crystal Reports
Cvision
Cvista Covr Annual Vision Support
Dataman Vali Flash
Dell UPG-V Backup Exec 10D
Delorme Mapping
Design Pro Tools
Dimensions-Name Update
Diskkeeper 10 Server Standard
Dragon Naturally Speaking Medical
Dragon Naturally Speaking Professional
EMC Captiva
EQ/M
Esprida DMB
Esprida DMD
Esprida Lic. Catapult
Esprida License
Filenet Content Manager
Filenet Dev Process Analyzer
Filenet Dev. FN
Filenet Imag Serv. Disaster Recovery
Filenet Image
Filenet Image Serv
Filenet Image Services
Filenet Manager
Filenet P8
Filenet SAP
Filenet Web Server
Firebox Blackbag
Flexnet Admin Studio Standard Ed
Frontend/Internet Client
Fullshot 9 Prof Edition
GLP Data Modeler
Grapher
HP Function Test
Human Concepts
Hummingbird Host Exp.
I Import Fax
IBM FileNet
IBM Filenet Contents VCS
IBM Lotus Domino Designer
IBM Lotus Domino Utility Server
IBM Tivoli Access Mgr.
IBM Tivoli Identity Mgr.
IBM WebSphere Int. Dev.
IBM Wesphere App. Server
Imaging Services Group - Imaging for Windows - media &
global 360
Installshield 12 Express
Intellisync



Intellisync Complete Pkg.
Intuit-Quickbooks Pro 2008
IQ Server
ISI Research
JCAHO Joint Commission Resources
Jspell Pro Single
Jspell SDK 2004
Kodo Enterprise
Lectora Integrator for MS PowerPoint
Lectora Prof. Publisher Suite
Lectora Publisher Edition
LinkPro Ipreplicator 51002
Mappoint
MapTech
Maximus Crystal Reports
Maximus Dashboard Monitors
Maximus Fleet Focus
Maximus FleetFocus M5 Standard Unit Lic.
Maximus Motor Pool
Maximus Performance Measures
Maximus Replacement
MC Trans Hwy Capacity
McData 4700 License Key
MCTRANS
Metalllect IP Serv. Perpetual
Microsoft Operations Manager
Microsoft SQL Server
Microsoft Visio Standard
MS Digital Image Suite
MS Office Access
MS Office Live
MS Office Live Mtg. Pro English
MS Office Prof. Ed.
MS Office Prof. Plus
MS Office Proj Standard
MS Office Project Prof
MS Office Sharepoint Designer
MS Office Standard
MS OP MAN Client Lic.
MS Project Pro
MS Project Server
MS Project Server
MS Publisher
MS Softgrid
MS SQL Serv Standard Ed, server license
MS SQL Serv. Ent. Ed, server license
MS SQL Serv Standard Ed., cpu license
MS SQL Serv. Ent. Ed, cpu license
MS Streets and Trips
MS System Center Data Prof. Mgmt.
MS Visio Professional
MS Visio Standard
MS Visual Studio
MS Visual Studio Pro



MS Visual Studio Team Ed. For SW Dev.
MS Windows Server
MS Windows Serv. 2003 Ent. Ed.
MS Windows Serv. Standard
MS Word
Opus Designer
OPUS Designer Pack
Oracle Forms Tool V2.0
Parallels Desktop for Macintosh
PCL2PDF 20 User Serv. Ed.
Pinnacle Studio Plus Titanium Edition
Pinnacle Studio Ultimate
PowerPath
Print Shop
Product Image Service
Quest GroupWise Migrator
Quest SW Litespeed Professional
Quest SW Litespeed Standard
QuestCom
Quick Keys
Quicken Home and Business
Quicksan Pro
Roxio, Easy Media Creator V.9
SCA Advd Oracle Rac Tier LL
Scate Tech. Ignite
Seagull Scientific
Serena
Serena Prototype Composer
Serialio-Flicprint
Serialio-Microvision Imagic Inv.
Serialmagic Pro
Sitescape
Snagit
Softartisand Fileup Prof.
Solver Platform Excel
SPSS Base
Sun StorageTek Open Systems SW
SunCluster
Sunplex
Surveytracker E-Mail
Swishmax
Symantec Anti-virus
Symantec Backup
Symantec Backup Exec.
Symantec Exchange Server Backup
Symantec Net Backup
Symantec PC anywhere
Symantec SQL
Symantec SQL Backup
System Management
Systems Mgmt. Conf. Mgmt. Lic. English
Teamtrack Server
Toad for Oracle Ed.
Trafficware



Trafficware 3D Viewer
Trafficware Synchro Plus SimTraffic
Upgrade Lic.
Virtual Center Mgmt. Server
Vistascan
Visual Studio Team Architecture
Visual Studio Team Dev
Visual Studio Team Foundation Serv.
VMWare
VMWare Enterprise Z Processor Lic
VMWare Infrastructure Ent. Lic.
VSI Fax Lic.
Web Intelligence
White Canyon WipeDrive Pro
Wilson WindowWare
Windows 03 Server Ent.
X Gen Open Comm
ZP4



Appendix G: Ordering Offline

Purchase Order Guidelines

All purchase orders **MUST BE FAXED** to 1-800-989-7765. Someone is assigned to monitor that queue during business hours. Please **DO NOT** send purchase orders to personal e-mail boxes. This will prevent a purchase order from sitting stagnate in someone's e-mail if they are on vacation, out ill, or traveling.

An online order will **NOT** be process until a hard copy PO is received from the customer.

In order for EDS to accept a purchase order from a customer, it **MUST** have the following items on it.

- Contact name
- Phone number and /or email address (For us to call if we have a problem processing the purchase order)
- PO NUMBER (If you are using a blanket purchase order number, you must include a release number)
- Bill to
- Ship to (Cannot be a P.O. Box)
- Part number
- Description
- Price
- Quantity
- A quote number or cart number
- Authorized signature
- Cannot re-use EDS quote forms as a purchase order. For legal reasons, we cannot accept a purchase order from our customer with our logo on it. You can attach the quote from EDS but the actual PO needs to be unique to your organization.

Please see example purchase order below:



COMPANY NAME
PURCHASE ORDER

BILL TO	Name	SHIP TO	Name	PO #
	Street Address		Street Address	PO Date
	Address 2		Address 2	
	City, ST ZIP Code		City, ST ZIP Code	

QUOTE OR CART #	CONTACT NAME	CONTACT EMAIL	CONTACT PHONE NUMBER

QTY	PART NUMBER	DESCRIPTION	UNIT PRICE	TOTAL
			Subtotal	
			BALANCE DUE	



Appendix H: Pricing

The following cost models are provided in Appendix H

- 1) PC Cost Model**
- 2) Server Cost Model**
- 3) Software Cost Model**



1) PC Cost Model

PC DISCOUNT PERCENTAGES

PC PERCENTAGE DEFINITIONS

A = Discount percentage from Manufacturer Suggested Retail Price (MSRP) to the Contractor

B = Mark up percentage from the Contractor to the State of Michigan. This could be zero.

C = Net percentage discount that the State of Michigan would receive. (A-B)

D = Bidder enters additional discount the State will receive if Bidder was awarded categories 1.1 (PC) and 1.3 (Software)

E = Total discount to the State if Contractor was awarded the PC and Software categories.

F = N/A

G = N/A

H = Bidder enters additional discount the State will receive if Bidder was awarded categories PC (1.1), Servers (1.2) and Software (1.3)

I = Total discount to the State if Contractor was awarded three categories: PC (1.1), Server (1.2), & Software (1.3)

J = Bidder enters additional discount the State will receive if Bidder was awarded all four categories: 1.1, 1.2, 1.3, & 1.4

K = Total discount to the State if Contractor was awarded all four categories: 1.1, 1.2, 1.3, & 1.4

The net percentage discounts will never decrease during the life of the contract.



NOTE: It would be impractical to itemize every product offered by the required manufacturers on the cost model; however, markup level prices similar to those quoted on the cost model must be offered on all products within a manufacturer's product line. The State will not accept multiple percentages within a product line, example: All manufacturer products must have the same markup.

Software and Hardware maintenance and warranty offerings must be made available through the contract to the State of Michigan, even though they may not be illustrated within each product line of the cost model. The products and services on the cost model are in no way the complete offerings the State wishes to obtain through this contract, they are for costing purposes only.

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percenta ge	C Total Percent off to State (A - B = C)	D Not Applicable	E Not Applicable	F Not Applicable	G Not Applicable	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3) C+ H	J Additional Discount for All Categories 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4 C+J
Dell Desktops - 10 business day delivery	37.000%	3.640%	33.360%	N / A	N / A	N / A	N / A	0.000%	33.360%	0.000%	33.360%
Dell Laptops - 10 business day delivery	34.000%	3.640%	30.360%	N / A	N / A	N / A	N / A	0.000%	30.360%	0.000%	30.360%
Dell Peripherals and parts 10 business day delivery	15.000%	3.640%	11.360%	N / A	N / A	N / A	N / A	0.000%	11.360%	0.000%	11.360%
Dell Standard 4 year warranty	34.000%	3.640%	30.360%	N	N	N	N	0.000%	30.360%	0.000%	30.360%



Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percenta ge	C Total Percent off to State	D Not Applicable	E Not Applicable	F Not Applicable	G Not Applicable	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3)	J Additional Discount for All Categories 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4
				/	/	/	/				
				A	A	A	A				
Dell Monitors	15.000%	3.640%	11.360%	N	N	N	N	0.000%	11.360%	0.000%	11.360%
				/	/	/	/				
				A	A	A	A				
HP Desktops - 10 business day delivery	60.000%	3.640%	56.360%	N	N	N	N	0.000%	56.360%	0.000%	56.360%
				/	/	/	/				
				A	A	A	A				
HP Laptops - 10 business day delivery	46.050%	3.640%	42.410%	N	N	N	N	0.000%	42.410%	0.000%	42.410%
				/	/	/	/				
				A	A	A	A				
HP Peripherals and parts 10 business day delivery	30.380%	3.640%	26.740%	N	N	N	N	0.000%	26.740%	0.000%	26.740%
				/	/	/	/				
				A	A	A	A				
HP Standard 4 year warranty	46.050%	3.640%	42.410%	N	N	N	N	0.000%	42.410%	0.000%	42.410%
				/	/	/	/				
				A	A	A	A				
HP Monitors	57.000%	3.640%	53.360%	N	N	N	N	0.000%	53.360%	0.000%	53.360%
				/	/	/	/				
				A	A	A	A				
Lenovo Desktops - 10 business day	50.000%	3.640%	46.360%	N	N	N	N	0.000%	46.360%	0.000%	46.360%



Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percenta ge	C Total Percent off to State	D Not Applicable	E Not Applicable	F Not Applicable	G Not Applicable	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3)	J Additional Discount for All Categories 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4
delivery				/	/	/	/				
				A	A	A	A				
Lenovo Laptops - 10 business day delivery	35.000%	3.640%	31.360%	N	N	N	N	0.000%	31.360%	0.000%	31.360%
				/	/	/	/				
				A	A	A	A				
Lenovo Peripherals and parts 10 business day delivery	15.000%	3.640%	11.360%	N	N	N	N	0.000%	11.360%	0.000%	11.360%
				/	/	/	/				
				A	A	A	A				
Lenovo Standard 4 year warranty	35.000%	3.640%	31.360%	N	N	N	N	0.000%	31.360%	0.000%	31.360%
				/	/	/	/				
				A	A	A	A				
Lenovo Monitors	44.000%	3.640%	40.360%	N	N	N	N	0.000%	40.360%	0.000%	40.360%
				/	/	/	/				
				A	A	A	A				
Panasonic Laptops - 10 business day delivery	16.000%	3.640%	12.360%	N	N	N	N	0.000%	12.360%	0.000%	12.360%
				/	/	/	/				
				A	A	A	A				
Panasonic Peripherals and parts 10 business day delivery	10.000%	3.640%	6.360%	N	N	N	N	0.000%	6.360%	0.000%	6.360%
				/	/	/	/				
				A	A	A	A				
Panasonic Standard 3 year warranty	5.000%	3.640%	1.360%	N	N	N	N	0.000%	1.360%	0.000%	1.360%
				/	/	/	/				
				A	A	A	A				



	A Discount Percentage from MSRP	B Mark Up Percenta ge	C Total Percent off to State	D Not Applicable	E Not Applicable	F Not Applicable	G Not Applicable	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3)	J Additional Discount for All Categories 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4
Product Manufacturer											



PC SERVICES

PC SERVICES DEFINITIONS

Year 1 - Year 7 = Hourly rate by year for the service to remain firm for each year.

Item No.	Service Description (Price to be quoted for each zone will include all travel related expenses)	Hourly Rate to State by Year						
		Year 1	Year 2	Year 3	Year 4	Year 5	Optional Year 6	Optional Year 7
1	Senior Support Technician See Position Description in Section 1.209 of Contract.	43.00	43.00	43.00	48.00	48.00	53.00	53.00
2	Junior Support Technician See Position Description in Section 1.209 of Contract.	35.00	35.00	35.00	40.00	40.00	45.00	45.00



2) Server Cost Model

SERVER DISCOUNT PERCENTAGES

SERVER DISCOUNT PERCENTAGE DEFINITIONS

A = Discount percentage from Manufacturer Suggested Retail Price (MSRP) to the Contractor

B = Mark up percentage from the Contractor to the State of Michigan. This could be zero.

C = Net percentage discount that the State of Michigan would receive. (A-B)

D = N/A

E = N/A

F = Bidder enters additional discount the State will receive if Bidder was awarded categories 1.2 (Server) and 1.3 (Software)

G = Total discount to the State if Contractor was awarded categories: Server (1.2) & Software (1.3)

H = Bidder enters additional discount the State will receive if Bidder was awarded categories PC (1.1), Servers (1.2) and Software (1.3)

I = Total discount to the State if Contractor was awarded three categories: PC (1.1), Server (1.2), & Software (1.3)

J = Bidder enters additional discount the State will receive if Bidder was awarded all four categories: 1.1, 1.2, 1.3, & 1.4

K = Total discount to the State if Contractor was awarded all four categories: 1.1, 1.2, 1.3, & 1.4

The net percentage discounts will never decrease during the life of the contract.



NOTE: It would be impractical to itemize every product offered by the required manufacturers on the cost model; however, markup level prices similar to those quoted on the cost model must be offered on all products within a manufacturer's product line. The State will not accept multiple percentages within a product line.

Hardware maintenance and warranty offerings must be made available through the contract to the State of Michigan, even though they may not be illustrated within each product line of the cost model. The products and services on the cost model are in no way the complete offerings the State wishes to obtain through this contract, they are for costing purposes only.

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State (A - B = C)	D N/A	E N/A	F Additional Discount Category Server (1.2) & Software (1.3)	G Total Discount to the State for 1.2 & 1.3 C + F	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3) C + H	J Additio nal Discoun t for All Categor ies 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4 C + J
Dell Servers Standard Delivery	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Servers Expedited Delivery	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Servers Parts/Peripherals (non-warranty service)	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Server Hosting Center Platinum Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Server Hosting Center Platinum 1 yr extended Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Server Hosting Center Gold Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Server Hosting Center Gold 1 yr extended Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Server Hosting Center Silver Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Server Hosting Center Silver 1 yr extended Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Server Hosting Center Bronze Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%



Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State	D N/A	E N/A	F Additional Discount Category Server (1.2) & Software (1.3)	G Total Discount to the State for 1.2 & 1.3	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3)	J Additio nal Discoun t for All Categor ies 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4
Dell Server Hosting Center Bronze 1 yr extended Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Server Remote Copper Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Dell Server Remote Copper 1 yr extended Warranty	35%	6%	29%	N/A	N/A	0.000%	28.740%	0.000%	28.740%	0.000%	28.740%
Sun Servers Standard Delivery	20%	6%	14%	N/A	N/A	0.000%	13.740%	0.000%	13.740%	0.000%	13.740%
Sun Servers Expedited Delivery	20%	6%	14%	N/A	N/A	0.000%	13.740%	0.000%	13.740%	0.000%	13.740%
Sun Servers Parts/Peripherals (non-warranty service)	15%	6%	9%	N/A	N/A	0.000%	8.740%	0.000%	8.740%	0.000%	8.740%
Sun Server Hosting Center Platinum Warranty	51%	6%	45%	N/A	N/A	0.000%	44.740%	0.000%	44.740%	0.000%	44.740%
Sun Server Hosting Center Platinum 1 yr extended Warranty	44%	6%	38%	N/A	N/A	0.000%	37.740%	0.000%	37.740%	0.000%	37.740%
Sun Server Hosting Center Gold Warranty	51%	6%	45%	N/A	N/A	0.000%	44.740%	0.000%	44.740%	0.000%	44.740%
Sun Server Hosting Center Gold 1 yr extended Warranty	44%	6%	38%	N/A	N/A	0.000%	37.740%	0.000%	37.740%	0.000%	37.740%
Sun Server Hosting Center Silver Warranty	51%	6%	45%	N/A	N/A	0.000%	44.740%	0.000%	44.740%	0.000%	44.740%
Sun Server Hosting Center Silver 1 yr extended Warranty	44%	6%	38%	N/A	N/A	0.000%	37.740%	0.000%	37.740%	0.000%	37.740%
Sun Server Hosting Center Bronze Warranty	44%	6%	38%	N/A	N/A	0.000%	37.740%	0.000%	37.740%	0.000%	37.740%
Sun Server Hosting Center Bronze 1 yr extended Warranty	44%	6%	38%	N/A	N/A	0.000%	37.740%	0.000%	37.740%	0.000%	37.740%
Sun Server Remote Copper Warranty	44%	6%	38%	N/A	N/A	0.000%	37.740%	0.000%	37.740%	0.000%	37.740%



Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State	D N/A	E N/A	F Additional Discount Category Server (1.2) & Software (1.3)	G Total Discount to the State for 1.2 & 1.3	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3)	J Additio nal Discoun t for All Categor ies 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4
Sun Server Remote Copper 1 yr extended Warranty	44%	6%	38%	N/A	N/A	0.000%	37.740%	0.000%	37.740%	0.000%	37.740%
HP Servers Standard Delivery	33%	6%	27%	N/A	N/A	0.000%	26.740%	0.000%	26.740%	0.000%	26.740%
HP Servers Expedited Delivery	33%	6%	27%	N/A	N/A	0.000%	26.740%	0.000%	26.740%	0.000%	26.740%
HP Servers Parts/Peripherals (non-warranty service)	20%	6%	14%	N/A	N/A	0.000%	13.740%	0.000%	13.740%	0.000%	13.740%
HP Server Hosting Center Platinum Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
HP Server Hosting Center Platinum 1 yr extended Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
HP Server Hosting Center Gold Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
HP Server Hosting Center Gold 1 yr extended Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
HP Server Hosting Center Silver Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
HP Server Hosting Center Silver 1 yr extended Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
HP Server Hosting Center Bronze Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
HP Server Hosting Center Bronze 1 yr extended Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
HP Server Remote Copper Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
HP Server Remote Copper 1 yr extended Warranty	50%	6%	44%	N/A	N/A	0.000%	43.740%	0.000%	43.740%	0.000%	43.740%
IBM Servers Standard Delivery	10%	6%	4%	N/A	N/A	0.000%	3.740%	0.000%	3.740%	0.000%	3.740%



Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State	D N/A	E N/A	F Additional Discount Category Server (1.2) & Software (1.3)	G Total Discount to the State for 1.2 & 1.3	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3)	J Additio nal Discoun t for All Categor ies 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4
IBM Servers Expedited Delivery	10%	6%	4%	N/A	N/A	0.000%	3.740%	0.000%	3.740%	0.000%	3.740%
IBM Servers Parts/Peripherals (non-warranty service)	10%	6%	4%	N/A	N/A	0.000%	3.740%	0.000%	3.740%	0.000%	3.740%
IBM Server Hosting Center Platinum Warranty	16%	6%	10%	N/A	N/A	0.000%	9.740%	0.000%	9.740%	0.000%	9.740%
IBM Server Hosting Center Platinum 1 yr extended Warranty	20%	6%	14%	N/A	N/A	0.000%	13.740%	0.000%	13.740%	0.000%	13.740%
IBM Server Hosting Center Gold Warranty	16%	6%	10%	N/A	N/A	0.000%	9.740%	0.000%	9.740%	0.000%	9.740%
IBM Server Hosting Center Gold 1 yr extended Warranty	20%	6%	14%	N/A	N/A	0.000%	13.740%	0.000%	13.740%	0.000%	13.740%
IBM Server Hosting Center Silver Warranty	16%	6%	10%	N/A	N/A	0.000%	9.740%	0.000%	9.740%	0.000%	9.740%
IBM Server Hosting Center Silver 1 yr extended Warranty	20%	6%	14%	N/A	N/A	0.000%	13.740%	0.000%	13.740%	0.000%	13.740%
IBM Server Hosting Center Bronze Warranty	16%	6%	10%	N/A	N/A	0.000%	9.740%	0.000%	9.740%	0.000%	9.740%
IBM Server Hosting Center Bronze 1 yr extended Warranty	20%	6%	14%	N/A	N/A	0.000%	13.740%	0.000%	13.740%	0.000%	13.740%
IBM Server Remote Copper Warranty	16%	6%	10%	N/A	N/A	0.000%	9.740%	0.000%	9.740%	0.000%	9.740%
IBM Server Remote Copper 1 yr extended Warranty	20%	6%	14%	N/A	N/A	0.000%	13.740%	0.000%	13.740%	0.000%	13.740%



Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State	D N/A	E N/A	F Additional Discount Category Server (1.2) & Software (1.3)	G Total Discount to the State for 1.2 & 1.3	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3)	J Additio nal Discoun t for All Categor ies 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4
APC Equipment (Server Racks and associated parts, Power distribution Units, Uninterruptible Power Supply Units (Smart UPS models), Blanking Panels, Cable Management accessories, Cable Troughs for Data Centers, KVM Switches and KMM (Keyboard, Mouse Monitor units) for Server Racks (Includes devices for Unix and MS Windows servers).	30%	6%	24%	N/A	N/A	0.000%	23.740%	0.000%	23.740%	0.000%	23.740%
Raritan Equipment (KVM over IP Console management devices for remote access)	24%	6%	18%	N/A	N/A	0.000%	17.740%	0.000%	17.740%	0.000%	17.740%
Avocent Equipment (KVM over IP Console management devices for remote access)	15%	6%	9%	N/A	N/A	0.000%	8.740%	0.000%	8.740%	0.000%	8.740%
Data Clean - Koldlok raised floor cooling products	8%	6%	2%	N/A	N/A	0.000%	1.740%	0.000%	1.740%	0.000%	1.740%
Data Span/Media Recovery Computer Room supplies, Floor tiles, tape labels, data center cleaning supplies, Tapes and tape cleaning supplies,	5%	6%	-1%	N/A	N/A	0.000%	-1.260%	0.000%	-1.260%	0.000%	-1.260%
JEM Computing Computer Room supplies, Floor tiles, tape labels, data center cleaning supplies, Tapes and tape cleaning supplies,	5%	6%	-1%	N/A	N/A	0.000%	-1.260%	0.000%	-1.260%	0.000%	-1.260%



Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State	D N/A	E N/A	F Additional Discount Category Server (1.2) & Software (1.3)	G Total Discount to the State for 1.2 & 1.3	H Additional Discount Category PC (1.1), Server (1.2) & Software (1.3)	I Total Discount to the State for PC (1.1), Server (1.2), & Software (1.3)	J Additio nal Discoun t for All Categor ies 1.1, 1.2, 1.3, & 1.4	K Total discount to the State for 1.1, 1.2, 1.3, & 1.4
Data Supplies Computer Room Supplies, Floor tiles, tape labels, data center cleaning supplies, Tapes and tape cleaning supplies,	5%	6%	-1%	N/A	N/A	0.000%	-1.260%	0.000%	-1.260%	0.000%	-1.260%
Server Technology (Computer Rack Power Distribution Units and Power Strips)	5%	6%	-1%	N/A	N/A	0.000%	-1.260%	0.000%	-1.260%	0.000%	-1.260%



SERVER SERVICES

Item No.	Service Description (Price to be quoted will include all travel related expenses)	Hourly Rate to State by Year						
		Year 1	Year 2	Year 3	Year 4	Year 5	Optional Year 6	Optional Year 7
1	Citrix Support Services Provide technical and project leadership for Citrix software implementation across the State.	118.50	118.50	118.50	123.50	123.50	128.50	128.50
2	Associate Server Support Technician Has some experience or training in installing and setting up server based systems. Possesses limited skills, below those required for hardware repairs and software installations.	60.00	60.00	60.00	65.00	65.00	70.00	70.00
3	Junior Server Support Engineer Must have at least 2-4 years progressive experience at the engineering level, in server design, and implementation projects. Must possess highly developed data/telecommunications skills and be able to coordinate and work with other data/telecommunications technicians. Possess skills required for large scale server hardware installations, repairs and software installations. Should have experience with operating systems and database management systems. Must possess certification in an industry standard server operating system	80.00	80.00	80.00	85.00	85.00	90.00	90.00
4	Senior Server Support Engineer Must have at least 5 years progressive experience in Server design, management and implementation projects. Must possess highly developed data/telecommunications skills and be able to coordinate and work with other data/telecommunications technicians. Possess skills required for deploying large scale system installations. Must possess an advanced certification in an industry standard server operating system	105.00	105.00	105.00	110.00	110.00	115.00	115.00
5	Data Center Cleaning Yearly Data Center cleaning for Lake Superior Hosting Center 14,933 SQ Feet. Service to include: Under raised Floor cleaning, cleaning above the raised floor, and above the ceiling tiles. Service to include before and after particle count reports, ferrous metals, humidity, and temperator for the above floor and subfloor areas; as well as how the area compares to federal standards. The cleaning should also check the concrete seal and produce a report on the status of the seal. The company must meet or exceed ISO for class 100,000 to class 1 clean rooms and data processing centers. The cleaning will include the installation of new entryway tacky	124.00	124.00	124.00	127.00	127.00	132.00	132.00



	mats at each hosting center entry point (3).							
6	Remedy Project Manager Manage the development and control all aspects of Remedy's project including adherence to consulting project schedules, task assignments, and budgets.	172.00	172.00	172.00	176.00	176.00	180.00	180.00
7	Remedy Technical Consultant Participate in development, testing and deployment activities in the project plan.	132.00	132.00	132.00	135.00	135.00	140.00	140.00
8	FileNet Project Manager Provide project leadership for the design, customization, integration, implementation and production support of FileNet.	140.00	140.00	140.00	145.00	145.00	150.00	150.00
9	FileNet Technical Consultant Provide technical and project leadership for the design, customization, integration, implementation and production support of FileNet.	132.00	132.00	132.00	135.00	135.00	140.00	140.00



3) Software Cost Model

PUBLISHER DISCOUNT PERCENTAGES

PUBLISHER DISCOUNT DEFINITIONS

A = Discount percentage from publisher's Suggested Retail Price (MSRP) to the Contractor. Numerical values for Discount Percentage from MSRP must be filled in!

B = Mark up percentage from the Contractor to the State of Michigan. This should only be zero if the bidder does not intend to profit from the resale of the item

C = Net percentage discount or increase that the State would receive/pay. (A-B)

		A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State (A-B=C)
Product Manufacturer	Software Category			
Adobe	Desktop Installed Software	9.0%	8.00%	1.00%
	Server Installed Software	9.0%	8.00%	1.00%
	Product Maintenance	9.0%	8.00%	1.00%
	Services Provided by Manufacturer	8.0%	8.00%	0.00%
BMC	Service Management Software	20.0%	8.00%	12.00%
	Product Maintenance	20.0%	8.00%	12.00%
	Services Provided by Manufacturer	10.0%	8.00%	2.00%
CA	Desktop Installed Software	100.0%	0.00%	100.00%
	Server Installed Software	100.0%	0.00%	100.00%
	Product Maintenance	100.0%	0.00%	100.00%
	Services Provided by Manufacturer	0.0%	0.00%	0.00%
Citrix	Server Installed Software	18.0%	8.00%	10.00%
	Product Maintenance	18.0%	8.00%	10.00%
	Services Provided by Manufacturer	8.0%	8.00%	0.00%
Corel	Desktop Installed Software	13.0%	8.00%	5.00%
	Product Maintenance	13.0%	8.00%	5.00%
	Services Provided by Manufacturer	8.0%	8.00%	0.00%
HP	Desktop Installed Software	20.0%	8.00%	12.00%



		A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State (A-B=C)
Product Manufacturer	Software Category			
	Server Installed Software	20.0%	8.00%	12.00%
	Product Maintenance	20.0%	8.00%	12.00%
	Services Provided by Manufacturer	10.0%	8.00%	2.00%
IBM	Filenet Software	30.0%	8.00%	22.00%
	Cognos Software	8.0%	8.00%	0.00%
	Websphere Software	8.0%	8.00%	0.00%
	Tivoli Software	8.0%	8.00%	0.00%
	Rational Software	8.0%	8.00%	0.00%
	Filenet Software Maintenance	30.0%	8.00%	22.00%
	Cognos Software Maintenance	8.0%	8.00%	0.00%
	Websphere Software Maintenance	8.0%	8.00%	0.00%
	Tivoli Software Maintenance	8.0%	8.00%	0.00%
	Rational Software Maintenance	8.0%	8.00%	0.00%
	Filenet Software Services	10.0%	8.00%	2.00%
	Cognos Software Services	8.0%	8.00%	0.00%
	Websphere Software Services	8.0%	8.00%	0.00%
	Tivoli Software Services	8.0%	8.00%	0.00%
	Rational Software Services	8.0%	8.00%	0.00%
Microsoft	Software under Enterprise Agreement	15.0%	3.64%	11.36%
	Maintenance under Software Assurance	15.0%	3.64%	11.36%
	Software under Select Agreements	15.0%	3.64%	11.36%
	Maintenance under Select Agreements	15.0%	3.64%	11.36%
	Software Services	8.0%	8.00%	0.00%
Novell	Desktop Software Licenses	50.0%	8.00%	42.00%
	Server Software Licenses	50.0%	8.00%	42.00%
	Software Maintenance	50.0%	8.00%	42.00%
	Software services	10.0%	8.00%	2.00%
Nuance	NaturallySpeaking Desktop Products	12.0%	8.00%	4.00%
	Desktop Imaging Software Products	12.0%	8.00%	4.00%
	Software Maintenance	8.0%	8.00%	0.00%



		A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State (A-B=C)
Product Manufacturer	Software Category			
Quest	Desktop Windows Migration tools	13.0%	8.00%	5.00%
	Software Maintenance	13.0%	8.00%	5.00%
	Software Services	8.0%	8.00%	0.00%
SAP	Server Software Licenses	12.0%	8.00%	4.00%
	Software Maintenance	12.0%	8.00%	4.00%
	Software services	8.0%	8.00%	0.00%
Serena	Server Software Licenses	17.0%	8.00%	9.00%
	Software Maintenance	17.0%	8.00%	9.00%
	Software services	8.0%	8.00%	0.00%
SPSS	Server Software Licenses	13.0%	8.00%	5.00%
	Software Maintenance	13.0%	8.00%	5.00%
	Software services	8.0%	8.00%	0.00%
Symantec	Desktop Software Licenses	37.0%	8.00%	29.00%
	Server Software Licenses	37.0%	8.00%	29.00%
	Software Maintenance	37.0%	8.00%	29.00%
	Software services	10.0%	8.00%	2.00%
Techsmith	Desktop Software Licenses	21.0%	8.00%	13.00%
	Server Software Licenses	21.0%	8.00%	13.00%
	Software Maintenance	21.0%	8.00%	13.00%
	Software services	10.0%	8.00%	2.00%
VERITAS	Desktop Software Licenses	37.0%	8.00%	29.00%
	Server Software Licenses	37.0%	8.00%	29.00%
	Software Maintenance	37.0%	8.00%	29.00%
	Software services	10.0%	8.00%	2.00%
VM Ware	Desktop Software Licenses	22.0%	8.00%	14.00%
	Server Software Licenses	22.0%	8.00%	14.00%
	Software Maintenance	22.0%	8.00%	14.00%
	Software services	10.0%	8.00%	2.00%



		A Discount Percentage from MSRP	B Mark Up Percentage	C Total Percent off to State (A-B=C)
Product Manufacturer	Software Category			
"Wierdware" (Markup-only pricing for niche products the State has or must purchase. Assume the State has a negotiated license agreement with the publisher) Example: Jadian or Strohl	Maintenance	NA	8.00%	NA
	New products	NA	8.00%	NA
Volume License Agreement markup (for instances the State will negotiate license agreements and pricing directly with the publisher). Example: Microsoft Office or Symantec Anti-virus	Maintenance	NA	3.64%	NA
	New products	NA	3.64%	NA

NOTE: It would be impractical to itemize every product offered by the required publishers on the cost model; however, markup level prices similar to those quoted on the cost model must be offered on all products within a publisher's product category line.



Service Description (Price quoted includes all travel related expenses)	Estimated Quantity of Hours	Hourly Rate to State by Year						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Senior Software Support Technician Should have at least 2-3 years of experience as a junior technician troubleshooting software on personal computers and servers. Possess skills required for deploying large-scale software installations.	1	\$99.00	\$99.00	\$99.00	\$105.00	\$105.00	\$110.00	\$110.00
Junior Software Support Technician Should have 1-2 years of experience troubleshooting personal computer and server software. Should have experience participating in large-scale software installations.	1	\$78.00	\$78.00	\$78.00	\$85.00	\$85.00	\$90.00	\$90.00
Associate Software Support Technician Should have some experience working with and loading personal computer software.	1	\$55.00	\$55.00	\$55.00	\$60.00	\$60.00	\$65.00	\$65.00