

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. 9
 to
CONTRACT NO. 071B0200306
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
MetaOps 30425 Munger Street Livonia, MI 48154	Ronald Crabtree	rcrabtree@metaops.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 424-1455	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Don Mandernach	(517) 284-7019	mandernachd@michigan.gov
BUYER	DTMB	Don Mandernach	(517) 284-7019	mandernachd@michigan.gov

CONTRACT SUMMARY:				
Business Process Review / Consulting Services – Pre-Qualification - DTMB				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
April 18, 2010	April 17, 2013	2, one year	May 31, 2014	
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM	
N/A	N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS:				
N/A				

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
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	One year	May 31, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$595,125.00		

Effective 6/16/2014, the continuation of Services for Enterprise Information Management (EIM). The second option year available on this Contract is hereby exercised. The REVISED Contract expiration date is May 31, 2015. All other terms, conditions, specifications and pricing remain the same. Per vendor request and agency agreement, and DTMB Procurement approval.

Department of Technology, Management and Budget
Statement of Work For
Enterprise Information Management (EIM) Department Profiles, Use Cases and
Business Case Development

BACKGROUND:

Based on Executive Directive 2013-1, the State of Michigan will establish and implement an Enterprise Information Management (EIM) program. The goal of EIM is to improve operational efficiency, promote transparency, and enable insight into what state government does well and what it could be doing better.

EIM is important because citizens should see and expect one state government, despite the fact that government decisions increasingly require more types of data from multiple and diverse government agencies. Citizens should have one central entry point to the state to see all types of services and program information in which they are interested. EIM is necessary to do this.

A well implemented EIM strategy will enable:

1. Improved analysis and reporting, such as:
 - a. Cross-departmental enterprise data analysis leading towards better planning and budgeting
 - b. Validation of programs across agencies
 - c. Evidence-based policy making
 - d. Data and information-based management to reduce fraud and processing errors
 - e. Financial management to improve investment decisions and revenue collection

2. Improved operations, such as:
 - a. eGovernment services such as single sign-on for citizens and businesses to access all state account information (driver information, vehicle registration, tax information, benefits) through one portal via a smart device or desktop computer
 - b. Open government for citizen access to records and statistics

3. Ability to meet critical needs of citizens, businesses, and public interests, such as:
 - a. Continuum of student, teacher, and school education data from pre-school through graduate school
 - b. Access to healthcare data, including information on benefits, cost, and availability
 - c. Workforce and economic development data to create strategic, targeted, and systemic responses to economic conditions and labor market changes
 - d. Multiple entry points to social services and subsequent provision and coordination of services
 - e. Law enforcement data to improve state and community security and responsiveness

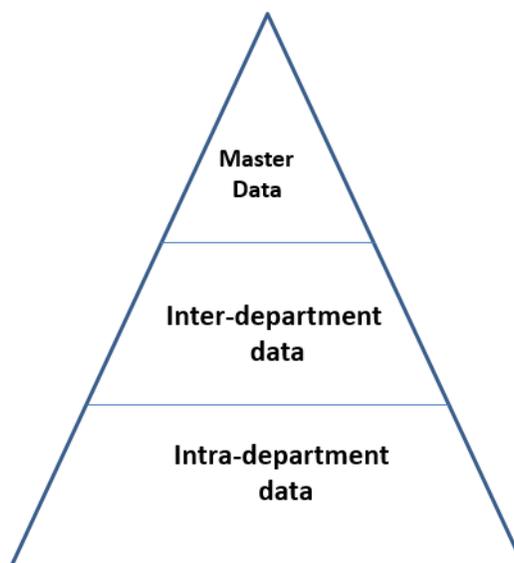
In total, EIM is a way of approaching how we can best manage vast and valuable state information.

In order to successfully implement the EIM strategy, each state agency must understand that its data is a true asset, not just a byproduct of serving our citizens. When viewed as an asset, it is critical to focus on important considerations like definition, use, and security. Doing so allows the State to reduce redundancy and associated costs, improve the quality of the data, and ultimately, to better enable the State to achieve its goals of protecting health and the environment, restoring our cities, revitalizing our educational system and keeping our youth here, creating more and better and jobs, and, in total, winning in Michigan.

Ultimately, while EIM requires technology to succeed, it is first and foremost a business challenge. EIM cannot succeed as only a technology initiative.

PROJECT OBJECTIVES:

This work is a follow-on effort from the EIM readiness assessment for four state agencies initiated in 2013 that is now nearing completion. This work will create an overall Department Profile for Key Master Data and inter-departmental data shared by the eight departments in the current EIM initiative, as represented in the EIM graphic below:



Included in the Department Profile are the following components:

- Data domains maintained by each department
- Master Data and Inter-department data that each department uses or provides
- Description and quantity of data already shared
- Use Cases
- For a specific set of 5 to 10 key data elements, a Business Case for establishing an EIM program, including Return on Investment (ROI)

The project objectives are:

1. Complete collaboratively developed Department Profiles and Use Cases for Master Data (*defined as 'Master Data' and 'Inter-department data'*) and Inter-Department Data for 8 State Departments that is congruent with the emerging vision for EIM.
2. For a specified set of 5 to 10 key data elements (such as address and personally identifiable data) that are shared or could be shared by the eight departments, develop a Business Case

that provides an understanding of the benefits, compelling stories supporting EIM and the expected return on investment (ROI) of pursuing EIM implementation for a given defined data set. This work is a follow-on activity of the EIM readiness assessment of four state agencies and,

3. Provide inputs to an on-going methodology that can then be used with remaining agencies in order to move forward with statewide EIM implementation.

Note that EIM readiness assessments completed were a necessary precursor to a larger and more complex data mapping exercise for each agency, which is being initiated with this effort.

SCOPE OF WORK:

Eight state agencies will participate in the EIM Department Master Data Profiles, Use and Business Case effort. These agencies represent a cross section of state business needs, complexity, size, customers, and degree of data sharing.

The work includes:

1. Following the proven and effective methodology that was utilized in the EIM Readiness Assessments to charter and provide communications, management, and facilitation to execute the work at each Department and for the project overall. This approach must continue to include applying best practices in small and large group facilitation, process improvement methods, quality improvements and reducing duplication of effort.
2. Collaboratively with DTMB and the eight Departments, develop a standardized approach to creating Department Profiles that includes:
 - a. Describe data domains maintained by each department – (estimating approximately 500 elements of information). Examples include:
 - i. Person/People/Address – PII, licensing, etc.
 - ii. Demographics
 - iii. Benefits or services provided and received
 - iv. Physical Assets – buildings., roads, ramps, bridges, etc.
 - v. Business Types
 - vi. Geographic Information
 - b. Identify Master Data and Inter-department data each department uses or provides and record this information utilizing the IBM Infosphere tools provided by DTMB.
 - c. Describe and quantify data already shared at element level if possible – Using existing Data Sharing Agreements (estimating about 300 of these must be reviewed). The resulting inventory of data sharing agreements will be mapped to the data elements shared, and entered in the IBM Infosphere tool to document the results.

- i. Department to Department
 - ii. Department to third party
 - iii. Published, e.g. made available online
 - iv. Agreement counts and elements of data / information in each addresses
 - v. In collaboration with DTMB, develop a Data Sharing Capture Template that may include:
 1. Provider Department
 2. Receiving (Department, third party)
 3. Agreement Identifier if available
 4. Purpose/Summary
 5. Method (file, view, service)
 6. Frequency (real-time view, real-time service, batch)
 7. Number of records
 8. Use restrictions
 9. Data elements named
 - d. Restrictions commonly encountered such as:
 - i. FERPA
 - ii. HIPPA
 - iii. Federal regulations
 - iv. State law/statutes
 - e. Establish and ensure quality standards for data collection, entry, and analysis.
3. Collaboratively with DTMB and the eight Departments, develop a standardized approach to create Use Cases that outline the rationale and uses of data that between Departments and other outside entities. Each department will draft a use case and this will be collaboratively reviewed and updated as part of the work.
 4. Collaboratively with DTMB and the eight Departments, develop a Business Case for pursuing changes to the current state for the specified 5 to 10 data elements selected that:
 - a. Utilizes proven methods to map the flow of the data / information. Advanced process mapping methods in VISIO format will be created to support visualization.
 - b. Utilizes proven methods to measure and quantify the time, cost and issues associated with the creation, maintenance and sharing of the data and information. Advanced data collection worksheets used successfully in similar work in the past with Treasury and other departments will be utilized to provide an activity cost view of the current state to

create, maintain, share and otherwise process these information elements across the in-scope departments.

- c. Provide recommendations for changes with directional estimates on the financial and other benefits (ROI) for the changes and recommended plans and strategies to implement the changes.

Note that each of the eight agencies is expected to dedicate at least 25% of an FTE to function as the agency Project Manager, who will be responsible for intra-agency communications and coordination. It is also expected that each agency will provide 6-12 part-time Subject Matter Experts (SMEs) to function as members of a core team with DTMB to convey the entirety of the data and information sought. It is anticipated that the overall work will take no longer than ten to 12 weeks overall.

Although out of scope for this specific work, it is important to keep in mind that the Department Profiles will collect and organize information to support other concurrent EIM activities such as:

1. Development of a legal framework
2. Development of a data governance process and guidelines
3. Development of roles and responsibilities related to data governance and data stewardship
4. Analysis of current technology infrastructure

SECTION 1.022 WORK AND DELIVERABLES

TASKS:

At a minimum, per agency, contractor shall perform the following tasks:

1. Facilitate meetings of a small Department executive team, charged with:
 - a. Communication of the Department Profiles to the entire agency.
 - b. Creation of a project charter to be used for communication and resource commitment purposes.
 - c. Identification of an at least 25% dedicated FTE Department Project Manager (PM) for the anticipated period of work. This person is charged with completing intra-agency communications and coordination.
2. Facilitate a planning meeting, charged with:
 - a. Selection of 6-12 part-time Subject Matter Experts (SMEs) to function as members of a core team with DTMB to convey specified information.
3. Facilitate kick-off meeting (s) with the agency Project Manager, core team, and executive committee to:
 - a. Debrief on the purpose of the Department Profiles, secure understanding and agreement of what is to be accomplished.
 - b. Cover in detail needed information and the activities to be completed in the Department Profile. Share examples and case studies to promote understanding. Detail all artifacts needed and begin to determine what the agency already has and what they need to create.

- c. Brainstorm how to accomplish the objectives. Identify the sources and people that must be involved and determine reasonable timing to complete the effort.
4. Create and disseminate a detailed work breakdown structure with the agency PM and communicate with the core team. NOTE: The agency PM is responsible for scheduling process reviews and interviews, collecting and providing requested information and artifacts.
5. Provide up to two FTEs to review information and artifacts provided and enter data as appropriate in the IBM Infosphere tool.
6. Ensure consistency and quality of data used for analysis and reporting purposes.
7. Interview SMEs, review findings and compilations with SMEs, and create the components of the recommendation.
8. Compile presentation materials (PowerPoint deck and examples of supporting artifacts) of collected information.
9. Summarize findings and recommendations.
10. Deliver presentation to executive core team to review results of the Department Profiles and recommend the approach, scope, timing and cost for an in-depth current state systems and data mapping project.

Upon completion of the eight agency Department Profiles, contractor shall perform the following tasks:

1. Lessons Learned session with select members of agency core teams
2. Documentation of Lessons Learned
3. Recommendations for a methodology to conduct EIM Department Profiles for remaining state agencies
4. Analyze department profiles across all departments to create an enterprise profile.

DELIVERABLES:

Deliverables will not be considered complete until the DTMB Project Manager has formally accepted them. For each agency, deliverables for this project include:

1. **Project Charter**, approved by agency executive committee
2. **Agenda** and supporting materials for a kick-off meeting
3. Detailed **work breakdown structure** for the Department Profiles
4. **Presentation** of findings, observations, and recommendations per department as well as a consolidated view of common themes, differences and opportunities across the eight departments.

Deliverables 1, 2, and 3 are documents. Deliverable 4 is a document and presentation to the executive committee and core team.

In addition to the agency specific deliverables above, contractor will also deliver:

5. Lessons Learned documentation from the eight agency Department Profiles

6. Methodology to be used for EIM Department Profiles in remaining state agencies.

ACCEPTANCE CRITERIA:

The DTMB project manager will rely on SUITE project management processes as acceptance criteria for deliverables 1, 2, and 3. The DTMB project manager will rely on industry standards and consult DTMB SMEs for acceptance of deliverable 4.

PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must be submitted to the DTMB Project Manager throughout the life of this project. Each bi-weekly progress report must contain the following:

1. Accomplishments: Indicate what was worked on and what was completed during the current reporting period.
2. Funds: Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

DTMB standards for this project are the use of Microsoft Office products and IBM Infosphere.

PAYMENT SCHEDULE:

Payment will be made on satisfactory acceptance of all deliverables, per agency, to be invoiced at the completion of deliverable 4.

Final payment will be made on satisfactory acceptance of deliverable 6.

The costs are fixed-price, and payment is deliverable based. The number of hours that the consultants actually work will not affect the price.

Total price shall **not exceed \$120,000.**

DTMB will pay CONTRACTOR upon receipt of the properly completed invoice which shall be submitted to the billing address on the State issued purchase order. DTMB Accounts Payable area will coordinate obtaining DTMB Project Manager approval. The invoice must reflect actual work completed by payment date, and must be approved by the DTMB Project Manager prior to payment. The invoice must describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees.

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

EXPENSES:

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

PROJECT CONTACTS:

The designated DTMB Project Manager is:

Virginia Hambric
517.241-9617
HambricV@michigan.gov

AGENCY RESPONSIBILITIES:

DTMB will provide:

1. Project Manager with knowledge of state project management methodology
2. SMEs

3. Expertise in configuration and use of the IBM Infosphere tool, including training of data entry staff
4. Work space in the Romney Bldg., personal computer workstations for data entry staff, and network access necessary to complete project tasks
5. Additional resources as needed to read data sharing agreements, extract needed information and enter same to Infosphere
6. Resources to load to Infosphere the requisite data sets that are identified in the Department profiles
7. Day-to-day operational support and guidance for data entry to Infosphere and quality management for DTMB-provided resources reading and entering data to to Infosphere

Each of the eight agencies will provide:

1. Executives to provide leadership and participate as members of an executive team, provide resources, support, collaboration on deliverables and project reviews
2. 25% or more dedicated Project Manager
3. 6-12 part-time SMEs
4. State facility to conduct interviews and deliver presentations

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants shall conduct meetings and deliver presentations at a State office location in Lansing, Michigan. Consultants may work off-site to prepare reports, presentations, and recommendations.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

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 4, 2013

CHANGE NOTICE NO. 8
 to
CONTRACT NO. 071B0200306
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
MetaOps 30425 Munger Street Livonia, MI 48154	Ronald Crabtree	rcrabtree@metaops.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 4241455	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Don Mandernach	(517) 241-7233	mandernachd@michigan.gov
BUYER	DTMB	Don Mandernach	(517) 241-7233	mandernachd@michigan.gov

CONTRACT SUMMARY:			
Business Process Review / Consulting Services – Pre-Qualification - DTMB			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
April 18, 2010	April 17, 2013	2, 1 yr. options	May 31, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	May 31, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$35,000.00		\$595,125.00		
Effective immediately, funds in the amount of \$35,000.00 will be added to this Contract to support the tasks as listed in the attached Statement of Work. All other terms, conditions, specifications and pricing remain unchanged. Per vendor and agency agreement and DTMB Procurement approval.				



**DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
STATEMENT OF WORK FOR
ENTERPRISE INFORMATION MANAGEMENT (EIM) AGENCY READINESS
PERIOD OF COVERAGE – 11/1/2013 – 4/30/2014**

BACKGROUND:

The State of Michigan intends to establish and implement an Enterprise Information Management (EIM) strategy. The goal of EIM is to improve operational efficiency, promote transparency, and enable insight into what State government does well and what it could be doing better.

EIM is important because citizens should see and expect one State government, despite the fact that government decisions increasingly require more types of data from multiple and diverse government agencies. Citizens should have one central entry point to the state to see all types of services and program information in which they are interested. EIM is necessary to do this.

A well implemented EIM strategy will enable:

- Improved analysis and reporting, such as:
 - Cross-departmental enterprise data analysis leading towards better planning and budgeting
 - Validation of programs across agencies
 - Evidence-based policy making
 - Data and information-based management to reduce fraud and processing errors
 - Financial management to improve investment decisions and revenue collection
- Improved operations, such as:
 - eGovernment services such as single sign-on for citizens and businesses to access all state account information (driver information, vehicle registration, tax information, benefits) through one portal via a smart device or desktop computer
 - Open government for citizen access to records and statistics
- Ability to meet critical needs of citizens, businesses, and public interests, such as:
 - Continuum of student, teacher, and school education data from pre-school through graduate school
 - Access to healthcare data, including information on benefits, cost, and availability
 - Workforce and economic development data to create strategic, targeted, and systemic responses to economic conditions and labor market changes
 - Multiple entry points to social services and subsequent provision and coordination of services
 - Law enforcement data to improve state and community security and responsiveness

In total, EIM is a way of approaching how we can best manage vast and valuable state information.

In order to successfully implement the EIM strategy, each state agency must understand that its data is a true asset, not just a byproduct of serving our citizens. When viewed as an asset, it is critical to focus on important considerations like definition, use, and security. Doing so allows the State to reduce redundancy and associated costs, improve the quality of the data, and ultimately, to better enable the State to achieve its goals of protecting health and the environment, restoring our cities, revitalizing our educational system and keeping our youth here, creating more and better jobs, and, in total, winning in Michigan.

Ultimately, while EIM requires technology to succeed, it is first and foremost a business challenge. EIM cannot succeed as only a technology initiative.

PROJECT OBJECTIVE:

The project objective is:

- 1) **to conduct an EIM readiness assessment of four state agencies** and,
- 2) **to develop a methodology that can then be used with remaining agencies** in order to move forward with statewide EIM implementation.

Note that an EIM readiness assessment is a necessary precursor to a larger and more complex data mapping exercise for each agency.

SCOPE OF WORK:

Four State agencies will be selected to participate in the EIM readiness assessment. These four agencies will represent a cross section of State business needs, complexity, size, customers, and degree of data sharing.

The readiness assessment includes:

1. Assessment of readiness and capability on the part of the agency to conduct a full systems and data mapping effort. The readiness assessment considers "business as usual" and existing projects in flight, availability of information needed (exists vs. needs to be created), degree of complexity relative to known benchmarks (low to high), and other factors that may need to be considered and addressed in an extensive data mapping effort.
2. Estimate of the scope of effort required for an extensive data mapping effort, including number of systems, database IDs, database tables, data elements, budget, users, customers, time-to-complete, resources to commit, and cost to complete.

Note that each of the four agencies is expected to dedicate 25% FTE to function as the agency Project Manager, who will be responsible for intra-agency communications and coordination. It is also expected that each agency will provide 6-12 part-time Subject Matter Experts (SMEs) to function as members of a core team with DTMB to convey the entirety of the systems and cradle-to-grave life cycle of all data / information utilized by the agency. It is anticipated that the readiness assessment will take no longer than three weeks per agency.

Although out of scope for the readiness assessment, it is important to keep in mind that the next step toward EIM implementation is to identify, map, and describe a current State picture of each agency's IT systems, databases and the custody of data cycle that:

1. Shows a complete visualization of the custody of data from cradle to grave with a clear depiction of who does what in the lifecycle of data over time
2. Documents the as-is State of data including requisite data repositories, documentation for the creation and maintenance of data, and identification of known gaps and risks associated with the data
3. Inventories all systems and databases in use today by an agency
4. Inventories data sharing agreements mapped to the data elements shared
5. Inventories all policies, procedures, guidelines, data sharing agreements, access rights frameworks and many other requisite controls.

SECTION 1.022 WORK AND DELIVERABLES

TASKS:

At a minimum, per agency, contractor shall perform the following tasks:

1. Facilitate meetings of a small executive team, charged with:
 - o Communication of the readiness assessment to the entire agency.
 - o Creation of a project charter to be used for communication and resource commitment purposes.
 - o Identification of a 25% dedicated FTE Project Manager (PM) for the anticipated three weeks of the project. This person is charged with completing intra-agency communications and coordination.
2. Facilitate a planning meeting, charged with:
 - Selection of 6-12 part-time Subject Matter Experts (SMEs) to function as members of a core team with DTMB to convey the entirety of the systems and cradle-to-grave life cycle of all data / information utilized by the agency.
3. Facilitate a 3-hour kick-off meeting with the agency Project Manager, core team, and executive committee to:
 - Debrief on the purpose of the readiness assessment, secure understanding and agreement of what is to be accomplished.
 - Cover in detail needed information and the activities to be completed in the readiness assessment. Share examples and case studies to promote understanding. Detail all artifacts needed and begin to determine what the agency already has and what they need to create.
 - Brainstorm how to accomplish the objectives. Identify the sources and people that must be involved and determine reasonable timing to complete the effort.
4. Create and disseminate a detailed work breakdown structure with the agency PM and communicate with the core team. NOTE: The agency PM is responsible for scheduling process reviews and interviews, collecting and providing requested information and artifacts.
5. Interview SMEs, review findings and compilations with SMEs, and create the components of the recommendation.
6. Compile presentation materials (PowerPoint deck and examples of supporting artifacts) of collected information.
7. Summarize findings and recommendations.
8. Deliver presentation to executive core team to review results of the readiness assessment and recommend the approach, scope, timing and cost for an in-depth current state systems and data mapping project.

Upon completion of the four agency readiness assessments, the Contractor shall perform the following tasks:

1. Lessons Learned session with select members of agency core teams
2. Documentation of Lessons Learned
3. Recommendations for a methodology to conduct an EIM readiness assessment for remaining State agencies

DELIVERABLES:

Deliverables will not be considered complete until the DTMB Project Manager has formally accepted them.

For each agency, deliverables for this project include:

1. **Project Charter**, approved by agency executive committee
2. **Agenda** and supporting materials for a kick-off meeting
3. Detailed **work breakdown structure** for the readiness assessment
4. Presentation of findings and recommendations for approach, scope, timing, and cost of a follow-up extensive data mapping project

Deliverables 1, 2, and 3 are documents. Deliverable 4 is a document and presentation to the executive committee and core team.

In addition to the agency specific deliverables above, the Contractor must also deliver:

5. Lessons Learned documentation from the four agency readiness assessments
6. Methodology to be used for EIM readiness assessments in remaining State agencies.

ACCEPTANCE CRITERIA:

The DTMB project manager will rely on SUITE project management processes as acceptance criteria for deliverables 1, 2, and 3. The DTMB project manager will rely on industry standards and consult DTMB SMEs for acceptance of deliverable 4.

PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must be submitted to the DTMB Project Manager throughout the life of this project. Each bi-weekly progress report must contain the following:

1. Accomplishments: Indicate what was worked on and what was completed during the current reporting period.
2. Funds: Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

DTMB standards for this project are the use of Microsoft Office products.

PAYMENT SCHEDULE:

Payment will be made on satisfactory acceptance of all deliverables, per agency, to be invoiced at the completion of deliverable 4.

Final payment will be made on satisfactory acceptance of deliverable 6.

The costs are fixed-price, and payment is deliverable based. The number of hours that the consultants actually work will not affect the price.

Bids shall **not exceed \$35,000.00.**

COST			
Deliverable	Total Hours	Hourly Rate	Total Cost
1. Agency #1, deliverables 1 – 4	<u>PM - 25</u> <u>SA -</u> <u>Analyst-</u> <u>CS -</u> Total - 25	\$ 250.00 \$ \$ \$ \$ 250.00	\$ 6,250.00 \$ \$ \$ \$ 6,250.00 Total
2. Agency #2, deliverables 1 – 4	<u>PM - 25</u> <u>SA -</u> <u>Analyst-</u> <u>CS -</u> Total - 25	\$ 250.00 \$ \$ \$ \$ 250.00	\$ 6,250.00 \$ \$ \$ \$ 6,250.00 Total
3. Agency #3, deliverables 1 – 4	<u>PM - 25</u> <u>SA -</u> <u>Analyst-</u> <u>CS -</u> Total - 25	\$ 250.00 \$ \$ \$ \$ 250.00	\$ 6,250.00 \$ \$ \$ \$ 6,250.00 Total
4. Agency #4, deliverables 1 – 4	<u>PM - 25</u> <u>SA -</u> <u>Analyst-</u> <u>CS -</u> Total - 25	\$ 250.00 \$ \$ \$ \$ 250.00	\$ 6,250.00 \$ \$ \$ \$ 6,250.00 Total
5. Deliverable #5	<u>PM - 20</u> <u>SA -</u> <u>Analyst-</u> <u>CS -</u> Total - 20	\$ 250.00 \$ \$ \$ \$ 250.00	\$ 5,000.00 \$ \$ \$ \$ 5,000.00 Total
6. Deliverable #6	<u>PM - 20</u> <u>SA -</u> <u>Analyst-</u> <u>CS -</u> Total - 20	\$ 250.00 \$ \$ \$ \$ 250.00	\$ 5,000.00 \$ \$ \$ \$ 5,000.00 Total
Total:	<u>PM - 140</u> <u>SA -</u> <u>Analyst-</u> <u>CS -</u> Total - 140	\$ 250.00 \$ \$ \$ \$ 250.00	\$ 35,000.00 \$ \$ \$ \$ 35,000.00 Total

Key to pricing table:

- PM – project manager
- SA - Senior Analyst
- Analyst
- CS - Clerical Support

Pricing includes all administrative and travel costs. The State will not reimburse for travel.

DTMB will pay CONTRACTOR upon receipt of the properly completed invoice which shall be submitted to the billing address on the State issued purchase order. DTMB Accounts Payable area will coordinate obtaining DTMB Project Manager approval. The invoice should reflect actual work completed by payment date, and must be approved by the DTMB Project Manager prior to payment. The invoice shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees.

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

EXPENSES:

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

PROJECT CONTACTS:

The designated DTMB Project Manager is:

Virginia Hambric
517.241-9617
HambricV@michigan.gov

AGENCY RESPONSIBILITIES:

DTMB will provide:

- Project Manager with knowledge of state project management methodology
- SMEs

Each of the four agencies will provide:

- Executives to provide leadership and participate as members of an executive team
- 25% dedicated Project Manager
- 6-12 part-time SMEs
- State facility to conduct interviews and deliver presentations

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants must conduct meetings and deliver presentations at a State office location in Lansing, Michigan. Consultants may work off-site to prepare reports, presentations, and recommendations.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

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

August 5, 2013

CHANGE NOTICE NO. 7
 to
CONTRACT NO. 071B0200306
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
MetaOps 30425 Munger Street Livonia, MI 48154	Ronald Crabtree	rcrabtree@metaops.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 424-1455	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Don Mandernach	517-241-7233	mandernachd@michigan.gov
BUYER	DTMB	Don Mandernach	517-241-7233	mandernachd@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Business Process Review/Consulting Services – Pre-Qualification – DTMB			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 18, 2010	August 17, 2013	2, one year	August 17, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	Per the attached specifications	Per the attached specifications	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>		May 31, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$560,125.00		

Effective July 30, 2013, this contract is hereby extended to May 31, 2014. Please also note that the buyer is changed to Don Mandernach. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.

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

July 3, 2013

CHANGE NOTICE NO. 6
 to
CONTRACT NO. 071B0200306
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
MetaOps, Inc. 30425 Munger Street Livonia, MI 48154	Ronald Crabtree	rcrabtree@metaops.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 424-1455	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Brandon Samuel	(517) 241-1218	samuelb@michigan.gov
BUYER	DTMB	Brandon Samuel	(517) 241-1218	samuelb@michigan.gov

CONTRACT SUMMARY:			
Business Process Review/Consulting Services – Pre-Qualification - DTMB			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 18, 2010	August 17, 2013	2, 1 yr. options	August 17, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	Per the attached specifications	Per the attached specifications	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	August 17, 2013
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$560,125.00		

Per ITRAC Request dated 5/31/13 and Vendor approval dated 6/14/13, this Contract is hereby AMENDED to include the following: Add Business Process Review services per the attached Treasury Work Statement. All other terms, conditions, specifications and pricing remain unchanged.

**Contract #071B0200306 (MetaOps, Inc.): Change Request 6
Business Process Review/Consulting Services – Department of Treasury**

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Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

The Department of Treasury is utilizing the Business Process Review/Consulting Services – Pre-Qualification contract to review certain Treasury business processes. The purpose of this proposed change request is to potentially amend contract #071B0200306 to modify the business areas to be reviewed.

All other terms/conditions of the Contract remain unchanged.

1.012 Background

The Department of Treasury engaged in efforts to modernize and streamline certain processes to provide higher level of services to Treasury customers and Michigan citizens while reducing costs and gaining efficiencies. After the initial review of the Office of Human Resources, the Department of Treasury determined it would be beneficial to rearrange and restructure the business areas for subsequent business process review. The CCI may change the sequence of the areas to be reviewed.

The revised Treasury areas that will have the business process review performed are:

1. Office of Human Resources
2. Tax Administration (to include Special Taxes Division, Technical Services Section and the Tax Processing Bureau)
3. Michigan Education Trust
4. Office of Privacy and Security
5. Data Mapping for Data Governance
6. To Be Determined Division(s) or Office(s)
7. Local Government
8. Facility and Mail Operations Section.

1.020 Scope of Work and Deliverables

1.021 In Scope

The Department of Treasury areas that will require a business process review follow:

1. Office of Human Resources
2. Special Taxes Division, Technical Services Section and Tax Processing Bureau
3. Michigan Education Trust

4. Office of Privacy and Security
5. Data Mapping for Data Governance
6. To Be Determined Division(s)/Office(s)
7. Local Government
8. Facility and Mail Operations Section

1.022 Work and Deliverable

The Contractor must review Treasury's Office of Human Resources; Special Taxes Division, Technical Services Section and Tax Processing Bureau; and Michigan Education Trust processes. These processes will include internal Treasury processes and may include processes external to Treasury including processes in other State departments (e.g., Civil Service, DTMB, etc.).

1. The Contractor must survey internal customers and may survey external customers to determine the areas with the greatest potential for process improvement.
2. The Contractor must consult with the development of consolidation plans and implementation.
3. The Contractor must identify, capture, and evaluate synergies.
4. The Contractor must evaluate value creation opportunities.
5. The Contractor must develop integration plans with a value added focus and hierarchy.

6. The Contractor must conduct business process reviews and provide recommendations for achieving process efficiencies.
7. The Contractor must evaluate Information Technology (IT) infrastructures, platforms, and processes.
8. The Contractor must research best practices and approaches toward government business processes.
9. The Contractor must examine and recommend change management programs.
10. The Contractor must develop cost benefit analysis designed to provide a calculated Return On Investment (ROI).
11. The Contractor must conduct and participate in meetings as necessary.
12. The Contractor should compare the current State process(es) with best practices and strategies to determine opportunities for improvement and implementation appropriate to departmental policies and mandates.
13. The Contractor must analyze statutory requirements of a process and develop the plan for implementation of the requirements.
14. The Contractor must develop work project requests.
15. The Contractor must facilitate, record, and develop a recommendation and plan as a result of process improvement meetings with internal and external stakeholders.
16. The Contractor must maintain subject matter experts for the duration of each project, subject to the approval of the lead State agency or local unit.

1.030 Staff, Roles and Responsibilities – See Contract

1.040 Project Plan

1.041 Project Plan Management

As indicated in section 1.021, the project plan must include the 8 areas. The sequence of the areas will be determined by the Contract Compliance Inspector and will be communicated in writing to the contractor

1. Office of Human Resources

Week 1:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log must be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.

- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in Week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording, and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 11:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

2. Special Taxes Division, Technical Services Section and Tax Processing Bureau – Workflow Improvement Project

Week 1:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager if issues exist. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal customers and stakeholders if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.

- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 & 3

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal customers and stakeholders.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, data, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Weeks 3 and 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct two, 1 & ½ day initial workshops with Treasury Process Improvement Team – *this can occur in weeks 4 and 5 if desired by Treasury to accommodate stakeholder schedules and workloads and readiness for the workshops.*
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 4 to 9:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management support by Contractor to track / report progress to process improvement team activities.
 - Coaching and mentoring support by Contractor to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of 1 to 4 hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Facilitate establishing and implement score-card tracking (if appropriate) for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 10:

- Review / project close-out process meeting materials prepared by Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- Contractor will assist in transition & transfer of remaining project management activities to Treasury designated personnel.

3. Michigan Education Trust

Week 1 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.

- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

4. Office of Privacy and Security

Week 1: (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.

- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

5 . Data Mapping for Data Governance

Weeks 1, 2 and 3 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log if needed – institute weekly review with the Treasury project manager if appropriate. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
 - Schedule series of meetings with subject matter experts (SMEs) and Steering Committee and BPRI Core Team members as appropriate.
 - Capture and document the recommendations and ideas from all contacts to utilize by the Steering Committee and Core Team in the charter, pre-work and BPRI review of findings and learning workshops.
 - Document and update an inventory of databases and tables in the scope the Data Governance project.
 - Begin annotations to identify:
 - Source Systems
 - Who maintains with resource estimates for staffing models
 - Who loads data with resource estimates for staffing models
 - Who provides access and views for what purposes with estimates for staffing models to support this effort
 - Other annotations helpful to support the scope of work.
 - Identify and begin to put in place staffing support to complete the pre-work cycle within the desired timing.
 - Establish in collaboration with Treasury and DTMB SMEs the requisite level of mapping and quality required for the project.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of the completed deliverables.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification if appropriate.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as meetings with the BPRI steering committee, core team, subject matter experts and others.
- Prepare and deliver contractors' project organization structure and staffing table.

- Other activities appropriate for the area under review.

Weeks 2 to 8:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of the completed deliverables.
- Complete evaluation of information technology (IT).
 - May involve additional IT Systems expert support provided by MetaOps.
- Complete research activities for best practices identification as appropriate.
 - Liaise with and coordinate as appropriate with state-wide Data Governance efforts as part of the pre-work effort.
- Complete review and analysis of statutory requirements.
 - Does not include review and mapping of data sharing agreements and requirements with all entities with which Treasury receives and shares data.
- Begin and complete compiling the deliverables to support future efforts for data warehouse process improvement and data governance planning efforts. This includes analysis, Database ID Table Mapping, 'value stream' maps for each Database ID if appropriate, document repository including the prior items and procedures reports, etc.
 - Involves completion of:
 - Mapping of Data bases and their tables – providing added technical resources as required to complete the mapping effort and to validate mapping quality meets desired standards.
 - Validation and review of the mapping with Treasury and DTBM subject matter experts.
 - Compilation of a master inventory of in-scope data (more than 20 data base IDs and more than 600 discrete data tables in three different data-warehouse locations including Teradata, ESKORT and JELF). Compilation to include:
 - Source System (s) of the data.
 - Who maintains with resource estimates for staffing models.
 - Who loads data with resource estimates for staffing models.
 - Who provides access and views for what purposes with estimates for staffing models to support the current state efforts.
 - Known gaps and issues identified.
 - Other information identified as appropriate for the project.
 - Value Stream Maps – VISIO flow and swim lane maps, with supporting data for each Database ID where such is helpful in documenting current state.
 - An overall 'single view' or series of views to create a visualization of the end-to-end flow of data during it's lifecycle for the Treasury data warehouses – Teradata, ESKORT and JELF.
 - In collaboration with Treasury, MetaOps will assist in outlining content for and establishing a repository in Treasury-provided SharePoint (or the repository) to house the project's deliverables including working documents, policies, procedures, plans and other requisite artifacts to support the project.

- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Weeks 9 and 10

- Conduct a full-day custom workshop for an 'as-is' full review for a group of up to 25 people as requested by Treasury to:
 - Review and fully understand the end-to-end mapping that illustrates the full life-cycle of all data impacting data warehousing. This will include:
 - Source System (s) of the data.
 - Who maintains with resource estimates for staffing models.
 - Who loads data with resource estimates for staffing models.
 - Who provides access and views for what purposes with estimates for staffing models to support this effort.
 - Known gaps and issues identified.
 - Other information identified as appropriate for the project.
- Complete development of the materials to be used for the ½-day BPRI Skills workshop for up to 25 people.
- Conduct ½ day customized BRPI Skills workshop for up to 25 people that is focused on issues relevant to Data Governance issues.
- Review / project close-out process meeting materials prepared by Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions if any.
- Contractor will assist in transition & transfer of remaining project management activities to Treasury designated personnel.

6. To Be Determined Division(s)/Office(s)

Week 1 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 & 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews..
- Complete survey of inputs from internal and external customers..
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 3 or 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct 3-day initial workshop with Treasury Process Improvement Team – *this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.*
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of
- process improvement meetings.

Weeks 4 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management support by Contractor to track / report progress to process improvement team activities.
 - Coaching and mentoring support by Contractor to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of 1 to 4 hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- Contractor will assist in transition & transfer of remaining project management activities to Treasury designated personnel.

7. Local Government

Week 1 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:

- Project management to track / report progress to process improvement team activities.
- Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
- Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
- Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
- Weekly project progress and change management program reviews.

Week 1:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

8. Facility and Mail Operations Section

Week 1 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.

- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

Note that the Contractor must be prepared to support implementation of the reviews of these areas in any time frame Treasury desires. They can occur in a serial fashion; as each area nears the end of an improvement cycle a new area can be kicked-off. In some cases there may be benefits to overlapping certain areas' implementation to leverage resources more efficiently.

1.050 Criteria – See Contract

1.060 Proposal Pricing

1.061 Proposal Pricing

Deliverable	Total Hours	Hourly Rate	Total Cost
1. Office of Human Resources Process Review	EL & PM - 94 SA - 45 Clerical – 30 Total - 308	\$ 250.00 \$ 225.00 \$ 60.00	\$ 23,500.00 \$ 10,125.00 \$ 1,800.00 \$ 35,425.00 Total \$ 32,945.00 w/7% discount \$ 31,298.00 w/additional 5% payment/10 days
2. Special Taxes Division, Technical Services Division and Tax Processing Bureau	EL & PM - 75 SA - 67 Clerical – 30 Total - 314	\$ 250.00 \$ 225.00 \$ 60.00	\$ 18,750.00 \$ 15,075.00 \$ 1,800.00 \$ 35,625.00 Total \$ 33,131.00 w/7% discount \$ 31,475.00 w/additional 5% payment/10 days
3. Michigan Education Trust	EL & PM - 67 SA - 77 Clerical – 30 Total - 318	\$ 250.00 \$ 225.00 \$ 60.00	\$ 16,750.00 \$ 17,325.00 \$ 1,800.00 \$ 35,875.00 Total. \$ 33,364.00 w/7% discount \$ 31,696.00 w/additional 5% payment/10 days
4. Office of Privacy and Security	EL & PM - 58 SA - 88	\$ 250.00 \$ 225.00	\$ 14,500.00 \$ 19,800.00

	<u>Clerical – 30</u> Total - 322	\$ 60.00	\$ 1,800.00 \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days
5. Data Governance	EL & PM - 75 SA - 180 <u>Clerical – 90</u> Total - 345	\$ 250.00 \$ 225.00 \$ 60.00	\$ 18,750.00 \$ 40,500.00 <u>\$ 5,400.00</u> \$ 64,650.00 Total. \$ 60,124.50 w/7% discount \$ 57,118.28 w/additional 5% payment/10 days
6. To Be Determined Division(s)/Office(s)	To be determined	To be determined	To be determined.
7. Local Government	EL & PM - 58 SA - 88 <u>Clerical – 30</u> Total - 322	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 19,800.00 <u>\$ 1,800.00</u> \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days \$15,000 If needed to accommodate additional survey and value stream mapping creation requirements \$51,100 Total \$47,523 w/7% discount and additional 5% payment/10 days.
8. Facility and Mail Operations	EL & PM - 58 SA - 80 Clerical – 30 Total - 306	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 18,000.00 <u>\$ 1,800.00</u> \$ 34,300.00 Total. \$ 31,899.00 w/7% discount \$ 30,304.00 w/additional 5% payment/10 days
Total: Office of Human Resources; Special Taxes Division, Technical Services Division and Tax Processing Bureau – Workflow Improvement Project; and Michigan Education Trust			\$293,075 w/o 7% discount

Pricing includes all administrative and travel costs. The State will not reimburse for travel.

Key to pricing table:

Executive Liaison and Project Management = EL & PM

Senior Analyst = SA (includes the following roles: Lead Facilitator -- Process Improvement Teams, Lead Analyst Process, Lead Analyst – Information Technology, Lead Analyst – Change Management)

Clerical = Clerical

1.062 Price Term – See Contract

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET September 13, 2012
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE NO. 5
 To
CONTRACT NO. 071B0200306
 Between
THE STATE OF MICHIGAN
 And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
MetaOps, Inc. 30425 Munger Street Livonia, MI 48154	Ronald Crabtree	rcrabtree@MetaOps.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 424-1455	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Brandon Samuel	(517) 241-1218	samuelb@michigan.gov
BUYER:	DTMB	Brandon Samuel	(517) 241-1218	samuelb@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: Business Process Review/Consulting Services – Pre-Qualification – DTMB			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 years	8/18/2010	8/17/2013	2, one-year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	Per the attached specifications	Per the attached specifications	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:	
OPTION EXERCISED: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	IF YES, NEW EXPIRATION DATE:
<p>Effective immediately, this contract is hereby AMENDED to include the following: Add Business Process Review services per the attached Treasury Work Statement. This Contract is also hereby INCREASED by \$201,418.00. All other terms, conditions, pricing and specifications remain the same.</p> <p>Per Treasury request and DTMB Procurement approval and State Administrative Board approval on September 13, 2012.</p>	
VALUE/COST OF CHANGE NOTICE:	\$201,418.00
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	\$560,125.00

**Contract #071B0200306 (MetaOps, Inc.): Change Request 5
Business Process Review/Consulting Services – Department of Treasury**

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Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

The Department of Treasury is utilizing the Business Process Review/Consulting Services – Pre-Qualification contract to review certain Treasury business processes. The purpose of this proposed change request is to potentially amend contract #071B0200306 to modify the business areas to be reviewed.

All other terms/conditions of the Contract remain unchanged.

1.012 Background

The Department of Treasury engaged in efforts to modernize and streamline certain processes to provide higher level of services to Treasury customers and Michigan citizens while reducing costs and gaining efficiencies. After the initial review of the Office of Human Resources, the Department of Treasury determined it would be beneficial to rearrange and restructure the business areas for subsequent business process review. The CCI may change the sequence of the areas to be reviewed.

The revised Treasury areas that will have the business process review performed are:

1. Office of Human Resources
2. Tax Administration (to include Special Taxes Division, Technical Services Section and the Tax Processing Bureau)
3. Michigan Education Trust
4. Office of Privacy and Security
5. To Be Determined Division(s) or Office(s)
6. To Be Determined Division(s) or Office(s)
7. Local Government
8. Facility and Mail Operations Section.

1.020 Scope of Work and Deliverables

1.021 In Scope

The Department of Treasury areas that will require a business process review follow:

1. Office of Human Resources
2. Special Taxes Division, Technical Services Section and Tax Processing Bureau
3. Michigan Education Trust
4. Office of Privacy and Security
5. To Be Determined Division(s)/Office(s)
6. To Be Determined Division(s)/Office(s)
7. Local Government
8. Facility and Mail Operations Section

1.022 Work and Deliverable

The Contractor must review Treasury's Office of Human Resources; Special Taxes Division, Technical Services Section and Tax Processing Bureau; and Michigan Education Trust processes. These processes will include internal Treasury processes and may include processes external to Treasury including processes in other State departments (e.g., Civil Service, DTMB, etc.).

1. The Contractor must survey internal customers and may survey external customers to determine the areas with the greatest potential for process improvement.
2. The Contractor must consult with the development of consolidation plans and implementation.
3. The Contractor must identify, capture, and evaluate synergies.
4. The Contractor must evaluate value creation opportunities.
5. The Contractor must develop integration plans with a value added focus and hierarchy.

6. The Contractor must conduct business process reviews and provide recommendations for achieving process efficiencies.
7. The Contractor must evaluate Information Technology (IT) infrastructures, platforms, and processes.
8. The Contractor must research best practices and approaches toward government business processes.
9. The Contractor must examine and recommend change management programs.
10. The Contractor must develop cost benefit analysis designed to provide a calculated Return On Investment (ROI).
11. The Contractor must conduct and participate in meetings as necessary.
12. The Contractor should compare the current State process(es) with best practices and strategies to determine opportunities for improvement and implementation appropriate to departmental policies and mandates.
13. The Contractor must analyze statutory requirements of a process and develop the plan for implementation of the requirements.
14. The Contractor must develop work project requests.
15. The Contractor must facilitate, record, and develop a recommendation and plan as a result of process improvement meetings with internal and external stakeholders.
16. The Contractor must maintain subject matter experts for the duration of each project, subject to the approval of the lead State agency or local unit.

1.030 Staff, Roles and Responsibilities – See Contract

1.040 Project Plan

1.041 Project Plan Management

As indicated in section 1.021, the project plan must include the 8 areas. The sequence of the areas will be determined by the Contract Compliance Inspector and will be communicated in writing to the contractor

1. Office of Human Resources

Week 1:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log must be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.

- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in Week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording, and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 11:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

2. Special Taxes Division, Technical Services Section and Tax Processing Bureau – Workflow Improvement Project

Week 1:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager if issues exist. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal customers and stakeholders if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 & 3

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.

- Complete survey of inputs from internal customers and stakeholders.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, data, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Weeks 3 and 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct two, 1 & ½ day initial workshops with Treasury Process Improvement Team – *this can occur in weeks 4 and 5 if desired by Treasury to accommodate stakeholder schedules and workloads and readiness for the workshops.*
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 4 to 9:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management support by Contractor to track / report progress to process improvement team activities.
 - Coaching and mentoring support by Contractor to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of 1 to 4 hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Facilitate establishing and implement score-card tracking (if appropriate) for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 10:

- Review / project close-out process meeting materials prepared by Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- Contractor will assist in transition & transfer of remaining project management activities to Treasury designated personnel.

3. Michigan Education Trust

Week 1 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.

- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

4. Office of Privacy and Security

Week 1: (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

5 and 6. To Be Determined Division(s)/Office(s)

Week 1 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.

- Other activities appropriate for the area under review.

Weeks 2 & 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews..
- Complete survey of inputs from internal and external customers..
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 3 or 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct 3-day initial workshop with Treasury Process Improvement Team – *this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.*
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 4 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management support by Contractor to track / report progress to process improvement team activities.
 - Coaching and mentoring support by Contractor to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of 1 to 4 hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- Contractor will assist in transition & transfer of remaining project management activities to Treasury designated personnel.

7. Local Government

Week 1 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.

- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
- Project management to track / report progress to process improvement team activities.
- Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
- Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
- Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
- Weekly project progress and change management program reviews.

Week 1:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

8. Facility and Mail Operations Section

Week 1 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.

- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

Note that the Contractor must be prepared to support implementation of the reviews of these areas in any time frame Treasury desires. They can occur in a serial fashion; as each area nears the end of an improvement cycle a new area can be kicked-off. In some cases there may be benefits to overlapping certain areas' implementation to leverage resources more efficiently.

1.050 Criteria – See Contract

1.060 Proposal Pricing

1.061 Proposal Pricing

Deliverable	Total Hours	Hourly Rate	Total Cost
1. Office of Human Resources Process Review	EL & PM - 94 SA - 45 Clerical – 30 Total - 308	\$ 250.00 \$ 225.00 \$ 60.00	\$ 23,500.00 \$ 10,125.00 \$ 1,800.00 \$ 35,425.00 Total \$ 32,945.00 w/7% discount \$ 31,298.00 w/additional 5% payment/10 days
2. Special Taxes Division, Technical Services Division and Tax Processing Bureau	EL & PM - 75 SA - 67 Clerical – 30 Total - 314	\$ 250.00 \$ 225.00 \$ 60.00	\$ 18,750.00 \$ 15,075.00 \$ 1,800.00 \$ 35,625.00 Total \$ 33,131.00 w/7% discount \$ 31,475.00 w/additional 5% payment/10 days
3. Michigan Education Trust	EL & PM - 67 SA - 77 Clerical – 30 Total - 318	\$ 250.00 \$ 225.00 \$ 60.00	\$ 16,750.00 \$ 17,325.00 \$ 1,800.00 \$ 35,875.00 Total. \$ 33,364.00 w/7% discount \$ 31,696.00 w/additional 5% payment/10 days
4. Office of Privacy and Security	EL & PM - 58 SA - 88 Clerical – 30 Total - 322	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 19,800.00 \$ 1,800.00 \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days
5. To Be Determined Division(s)/Office(s)	EL & PM - 58 SA - 88 Clerical – 30 Total - 322	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 19,800.00 \$ 1,800.00 \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days
6. To Be Determined Division(s)/Office(s)	EL & PM - 58 SA - 88 Clerical – 30 Total - 322	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 19,800.00 \$ 1,800.00 \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days
7. Local Government	EL & PM - 58 SA - 88 Clerical – 30 Total - 322	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 19,800.00 \$ 1,800.00 \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days \$15,000 If needed to accommodate additional survey and value stream mapping creation requirements \$51,100 Total \$47,523 w/7% discount and additional 5% payment/10 days.
8. Facility and Mail Operations	EL & PM - 58 SA - 80 Clerical – 30 Total - 306	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 18,000.00 \$ 1,800.00 \$ 34,300.00 Total. \$ 31,899.00 w/7% discount \$ 30,304.00 w/additional 5% payment/10 days
Total: Office of Human Resources; Special Taxes Division, Technical Services Division and Tax Processing Bureau – Workflow Improvement Project; and Michigan Education Trust			\$300,625 w/o 7% discount \$279,581.00 with 7% discount/additional 5% payment/10 days

Pricing includes all administrative and travel costs. The State will not reimburse for travel.

Key to pricing table:

Executive Liaison and Project Management = EL & PM

Senior Analyst = SA (includes the following roles: Lead Facilitator -- Process Improvement Teams, Lead Analyst Process, Lead Analyst – Information Technology, Lead Analyst – Change Management)

Clerical = Clerical

1.062 Price Term – See Contract

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

August 16, 2012

CHANGE NOTICE NO. 4
 To
CONTRACT NO. 071B0200306
 Between
THE STATE OF MICHIGAN
 And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
MetaOps, Inc. 30425 Munger Street Livonia, MI 48154	Ronald Crabtree	rcrabtree@MetaOps.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 424-1455	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Brandon Samuel	(517) 241-1218	samuelb@michigan.gov
BUYER:	DTMB	Brandon Samuel	(517) 241-1218	samuelb@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: Business Process Review/Consulting Services – Pre-Qualification – DTMB			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 years	8/18/2010	8/17/2013	2, one-year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	Per the attached specifications	Per the attached specifications	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:	
OPTION EXERCISED: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	IF YES, NEW EXPIRATION DATE:
Effective immediately, this contract is hereby AMENDED to include the following: Add Business Process Review services per the attached Treasury Work Statement. This Contract is also hereby INCREASED by \$99,207.00.	
All other terms, conditions, pricing and specifications remain the same.	
Per Treasury request and DTMB Procurement approval.	
VALUE/COST OF CHANGE NOTICE:	\$99,207.00
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	\$358,707.00

**Contract #071B0200306 (MetaOps, Inc.): Change Request 4
Business Process Review/Consulting Services – Department of Treasury**

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Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

The Department of Treasury is utilizing the Business Process Review/Consulting Services – Pre-Qualification contract to review certain Treasury business processes. The purpose of this proposed change request is to potentially amend contract #071B0200306 to modify the business areas to be reviewed.

All other terms/conditions of the Contract remain unchanged.

1.012 Background

The Department of Treasury engaged in efforts to modernize and streamline certain processes to provide higher level of services to Treasury customers and Michigan citizens while reducing costs and gaining efficiencies. After the initial review of the Office of Human Resources, the Department of Treasury determined it would be beneficial to rearrange and restructure the business areas for subsequent business process review. Two business areas in the initial proposal would be combined with another business area and moved to priority number 2 [Special Taxes Division (number 4), Technical Services Division (number 5) and Associated Tax Divisions].

The revised Treasury areas that will have the business process review performed are:

1. Office of Human Resources
2. Tax Administration (to include Special Taxes Division, Technical Services Section and the Tax Processing Bureau)
3. Michigan Education Trust
4. Office of Privacy and Security
5. To Be Determined Division(s) or Office(s)
6. Facility and Mail Operations Section.

1.020 Scope of Work and Deliverables

1.021 In Scope

The Department of Treasury areas that will require a business process review follow:

1. Office of Human Resources
2. Special Taxes Division, Technical Services Section and Tax Processing Bureau
3. Michigan Education Trust

Optional Services

4. Office of Privacy and Security
5. To Be Determined Division(s)/Office(s)
6. Facility and Mail Operations Section

1.022 Work and Deliverable

The Contractor must review Treasury's Office of Human Resources; Special Taxes Division, Technical Services Section and Tax Processing Bureau; and Michigan Education Trust processes. These processes will include internal Treasury processes and may include processes external to Treasury including processes in other State departments (e.g., Civil Service, DTMB, etc.).

1. The Contractor must survey internal customers and may survey external customers to determine the areas with the greatest potential for process improvement.
2. The Contractor must consult with the development of consolidation plans and implementation.
3. The Contractor must identify, capture, and evaluate synergies.

4. The Contractor must evaluate value creation opportunities.
5. The Contractor must develop integration plans with a value added focus and hierarchy.
6. The Contractor must conduct business process reviews and provide recommendations for achieving process efficiencies.
7. The Contractor must evaluate Information Technology (IT) infrastructures, platforms, and processes.
8. The Contractor must research best practices and approaches toward government business processes.
9. The Contractor must examine and recommend change management programs.
10. The Contractor must develop cost benefit analysis designed to provide a calculated Return On Investment (ROI).
11. The Contractor must conduct and participate in meetings as necessary.
12. The Contractor should compare the current State process(es) with best practices and strategies to determine opportunities for improvement and implementation appropriate to departmental policies and mandates.
13. The Contractor must analyze statutory requirements of a process and develop the plan for implementation of the requirements.
14. The Contractor must develop work project requests.
15. The Contractor must facilitate, record, and develop a recommendation and plan as a result of process improvement meetings with internal and external stakeholders.
16. The Contractor must maintain subject matter experts for the duration of each project, subject to the approval of the lead State agency or local unit.

1.030 Staff, Roles and Responsibilities – See Contract

1.040 Project Plan

1.041 Project Plan Management

As indicated in section 1.021, the project plan must include the six areas beginning with the Office of Human Resources process review as follows:

1. Office of Human Resources

Week 1:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log must be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.

- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in Week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording, and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 11:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

2. Special Taxes Division, Technical Services Section and Tax Processing Bureau – Workflow Improvement Project

Week 1:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager if issues exist. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal customers and stakeholders if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.

- Begin initial interviews and business process reviews if possible.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 & 3

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal customers and stakeholders.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, data, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Weeks 3 and 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct two, 1 & ½ day initial workshops with Treasury Process Improvement Team – *this can occur in weeks 4 and 5 if desired by Treasury to accommodate stakeholder schedules and workloads and readiness for the workshops.*
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 4 to 9:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management support by Contractor to track / report progress to process improvement team activities.
 - Coaching and mentoring support by Contractor to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of 1 to 4 hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Facilitate establishing and implement score-card tracking (if appropriate) for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 10:

- Review / project close-out process meeting materials prepared by Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- Contractor will assist in transition & transfer of remaining project management activities to Treasury designated personnel.

3. Michigan Education Trust

Week 25 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.

- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 26 and 27:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 28:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 29 to 35:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 36:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

4. Office of Privacy and Security

Week 37: (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.

- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 38 and 39:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 40:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 41 to 47:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 48:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

5. To Be Determined Division(s)/Office(s)

Week 1 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 & 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews..
- Complete survey of inputs from internal and external customers..
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 3 or 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct 3-day initial workshop with Treasury Process Improvement Team – *this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.*
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 4 to 12:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management support by Contractor to track / report progress to process improvement team activities.
 - Coaching and mentoring support by Contractor to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of 1 to 4 hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- Contractor will assist in transition & transfer of remaining project management activities to Treasury designated personnel.

6. Facility and Mail Operations Section

Week 61 (The number of weeks will not be sequential due to Change Request 1):

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 62 and 63:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 64:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 65 to 71:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.

- Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
- Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
- Weekly project progress and change management program reviews.

Week 72:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

Note that the Contractor must be prepared to support implementation of the reviews of these areas in any time frame Treasury desires. They can occur in a serial fashion; as each area nears the end of an improvement cycle a new area can be kicked-off. In some cases there may be benefits to overlapping certain areas' implementation to leverage resources more efficiently.

1.050 Criteria – See Contract

1.060 Proposal Pricing

1.061 Proposal Pricing

Deliverable	Total Hours	Hourly Rate	Total Cost
1. Office of Human Resources Process Review	<u>EL & PM - 94</u> <u>SA - 45</u> <u>Clerical – 30</u> Total - 308	\$ 250.00 \$ 225.00 \$ 60.00	\$ 23,500.00 \$ 10,125.00 <u>\$ 1,800.00</u> \$ 35,425.00 Total \$ 32,945.00 w/7% discount \$ 31,298.00 w/additional 5% payment/10 days
2. Special Taxes Division, Technical Services Division and Tax Processing Bureau	<u>EL & PM - 75</u> <u>SA - 67</u> <u>Clerical – 30</u> Total - 314	\$ 250.00 \$ 225.00 \$ 60.00	\$ 18,750.00 \$ 15,075.00 <u>\$ 1,800.00</u> \$ 35,625.00 Total \$ 33,131.00 w/7% discount \$ 31,475.00 w/additional 5% payment/10 days
3. Michigan Education Trust	<u>EL & PM - 67</u> <u>SA - 77</u> <u>Clerical – 30</u> Total - 318	\$ 250.00 \$ 225.00 \$ 60.00	\$ 16,750.00 \$ 17,325.00 <u>\$ 1,800.00</u> \$ 35,875.00 Total. \$ 33,364.00 w/7% discount \$ 31,696.00 w/additional 5% payment/10 days
4. Office of Privacy and Security	<u>EL & PM - 58</u> <u>SA - 88</u> <u>Clerical – 30</u> Total - 322	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 19,800.00 <u>\$ 1,800.00</u> \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days
5. To Be Determined Division(s)/Office(s)	<u>EL & PM - 58</u> <u>SA - 88</u> <u>Clerical – 30</u> Total - 322	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 19,800.00 <u>\$ 1,800.00</u> \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days

6. Facility and Mail Operations	EL & PM - 58 SA - 80 Clerical – 30 Total - 306	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 18,000.00 <u>\$ 1,800.00</u> \$ 34,300.00 Total. \$ 31,899.00 w/7% discount \$ 30,304.00 w/additional 5% payment/10 days
Total: Office of Human Resources; Special Taxes Division, Technical Services Division and Tax Processing Bureau – Workflow Improvement Project; and Michigan Education Trust			\$99,207.00 with 7% discount/additional 5% payment/10 days

Pricing includes all administrative and travel costs. The State will not reimburse for travel.

Key to pricing table:

Executive Liaison and Project Management = EL & PM

Senior Analyst = SA (includes the following roles: Lead Facilitator -- Process Improvement Teams, Lead Analyst Process, Lead Analyst – Information Technology, Lead Analyst – Change Management)

Clerical = Clerical

1.062 Price Term – See Contract

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

**CHANGE NOTICE NO. 3
 To
 CONTRACT NO. 071B0200306**

Between
THE STATE OF MICHIGAN
 And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
MetaOps, Inc. 30425 Munger Street Livonia, MI 48154	Ronald Crabtree	rcrabtree@MetaOps.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 424-1455	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Jim Wilson	(517) 241-1916	Wilsonj4@michigan.gov
BUYER:	DTMB	Jim Wilson	(517) 241-1916	Wilsonj4@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: Business Process Review/Consulting Services – Pre-Qualification – DTMB			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 years	8/18/2010	8/17/2013	2, one-year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	Per the attached specifications	Per the attached specifications	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:	
OPTION EXERCISED: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	IF YES, NEW EXPIRATION DATE: _____
Effective immediately, this contract is hereby AMENDED to include the following: 1. Add Business Process Review services per the attached 2012 LARA UIA ITB Work Statement.	
Contract is also hereby INCREASED by \$100,000.00. All other terms, conditions, pricing and specifications	

remain the same. Per LARA, DTMB Procurement and State Administrative Board approval on April 17, 2012.

VALUE/COST OF CHANGE NOTICE:	\$100,000.00
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	\$259,500.00

2012 LARA-UIA #1 ITB WORK STATEMENT

A. Brief Description of Work

The replacement of the Department of Licensing and Regulatory Affairs (LARA)/Unemployment Insurance Agency (UIA) operational systems will require significant changes to current operating processes. These changes and their effect on the current business processes and resources need to be identified and an action plan implemented. The purpose of this Invitation to Bid (ITB) is to obtain quotations for one (1)-Project Manager Senior and two (2)-Business Analysts for up to 1984 hours to assist LARA in identifying opportunities for process improvement and an actionable plan that emphasizes effectiveness and efficiencies in all locations of the agency. An assessment of operations and related tax and claims processing and appeals workflow will cover strategy, operations, processes, metrics, call routing, quality monitoring, self-service strategy, and workflow and technology. An assessment and planning effort will define quick hits that can reap immediate benefits, create a vision and prioritize recommendations that will provide the best value and operational efficiency, while ensuring employer and claimant continued operations that support business objectives.

LARA needs the services to review key areas ascertaining Critical Success Factors (CSF). This intensive reengineering project will identify each step in the processes, assess its impact on the process in terms of efficiency and timeliness, and develop recommended improvements. This would ensure that the UIA unemployment insurance program meets USDOL performance standards for tax operations, timely first payments and non-monetary determinations. The CONTRACTOR will produce an Action Plan for Process changes after the 16 week process reengineering project. A review of all areas within the UIA is necessary.

The approach we are seeking will effectively and efficiently create a plan that is actionable. The following information provides a framework for the analysis approach and details each step below.

Discovery: Understand UIAs environment, issues, and goals through information review, site visits, and discussions. Develop process maps.

Assess and Analyze: Identify issues, opportunities, and options based on understanding of UIA environment, best practices and market knowledge. Conduct initial analysis. Develop recommendations.

Define and Develop: Define and develop plans based on discussion of issues, opportunities, options, tradeoffs and recommendations in working session.

Document and Validate: Document plan. Revise, discuss, validate/revise and finalize.

B. Background on the work requested PROJECT DISCOVERY

The discovery process provides an understanding of UIAs environment - what is unique about it, the issues we face, the directions our organization, and the operations, processes, and technology we have today and are planning for tomorrow. Discovery provides a complete view of the current environment, as well as the challenges and opportunities we are trying to address, and the goals and needs defined for going forward.

Discovery will cover the tax operations, claims processing, adjudication, appeals and security of employer and claimant information areas.

After a kick-off call or meeting to review the project scope, objectives, and approach, the discovery process will begin, which consists of:

Site visits: The Contractor must conduct a site visit to allow the Contractor to experience operations first hand, and gain a deeper understanding of how the organization and operations work, how technology is used, claims, adjudication and appeals processes, the support functions and processes, what works well, and what challenges are faced. The Contractor must discuss current and planned operations and the technology environment, and begin to identify opportunities for improvement. The Contractor must spend time in the Cadillac Place offices and the Remote Initial Claims Centers, as well as with the appropriate technology staff and support functions. In meetings, the Contractor may pose "what if" scenarios and gain input and feedback on some preliminary ideas. The Contractor must provide UIA with a detailed agenda identifying how the Contractor's time will be spent. The visit will include:

- Overview of operations and how UIA uses technology;

- Meetings with leadership to understand issues, opportunities, challenges, and goals, and planned changes;
- System and process demonstrations;
- Side-by-side observations and process walk through including the claims, adjudication and appeals processes;
- Meetings with operations leaders to discuss current operations, the challenges faced, strengths and weaknesses, and additional opportunities;
- Meetings with supervisors/managers and any relevant support roles to discuss support functions such as workforce planning, quality assurance, reporting/metrics/performance optimization, process optimization, etc. to understand current processes, issues, opportunities, and directions;
- Meetings with technology staff to discuss the current technology infrastructure and applications, how it is being applied, issues, and potential directions;
- Focus groups with staff to understand their view of the strengths and challenges in meeting constituent needs; and
- Focus groups with employers and claimants to understand their view of the strengths and challenges in service delivery.

Additional information needs:

Following the on-site visits, the Contractor must identify any additional information that would be helpful to them as well also requesting any follow up discussions needed in order to prepare process maps.

PROJECT ASSESSMENT AND ANALYSIS

The Contractor must use the information and insights gained from the discovery process, as well as their industry knowledge and experience, to conduct an assessment and analysis. This step creates input to the definition and development of the recommendations and action plan, including quick hits. The Contractor must identify issues, opportunities, options, pros and cons, and generate topics for further discussion based on the assessment of UIA's situation and the Contractor's knowledge of best practices and business functions. The Contractor must frame preliminary recommendations, priorities, options, and tradeoffs and also conduct any research necessary.

The focus of the Contractor's effort will cover strategy, operations, processes, metrics, call and work routing, quality monitoring, self-service strategy, technology and other opportunities identified through discovery. The Contractor must develop options as appropriate, with supporting analysis of tradeoffs and decisions. The Contractor must also assess the potential impact of the changes identified for their value to UIA's organization. The Contractor must identify short-term changes that can quickly improve UIA's your operations and performance.

The assessment and analysis should address these topics:

Business, operations, and technology strategy - definition, clarity, communication of strategies, and their alignment;

Operations and processes - process design and definition, contact routing, workflows, quality review, process improvement approach and opportunities, etc.;

Organizational structure - including roles and responsibilities;

Metrics and reporting and alignment with goals - including reporting, Key Performance Indicators, processes for review, feedback, and action; and

Technology (voice and data) infrastructure and applications - including use of technology, support structure and processes, addressing your existing systems and their optimization, as well as opportunities for other technologies.

The Contractor's analysis in each of these areas addresses strengths to build on, opportunities to improve, actions to take, critical success factors, priority, and outcomes to expect for each recommendation. Further, each of these areas should provide a list of topics that the Contractor can address based on the current environment

and UIA goals. The Contractor must evaluate the pros and cons of options, and identify key decision factors and impacts. The Contractor must also identify the value the key recommendations may have for consideration in phasing and prioritization.

During this phase of the project, the Contractor must provide any preliminary information for review and validation or discussion. The Contractor must use conference calls, as needed, to address preliminary information, or to seek additional information review, input or validation to support their analysis.

PROJECT DEFINE AND DEVELOP

The Contractor must conduct this step with preparation for and execution of a working session with UIA's team. This collaborative approach maximizes the efficiency of the process and leverages best practices, while creating an action plan optimized to UIA's specific needs and identifying achievable objectives for UIA. The Contractor must schedule a working session with UIA to discuss the scope defined.

The Contractor must provide a detailed agenda for the working session that focuses on achieving the goals defined, and addressing the issues and opportunities identified. The Contractor must develop charts to support the discussion, based on the assessment and analysis. These charts should provide the Contractor's preliminary findings and recommendations.

The working session should be a highly interactive event. The session will cover the following topics, at a minimum, and discuss findings, recommendations, and key areas for discussion and refinement to reach an action plan:

Introduction - validation of goals, objectives, and scope (this should be brief, as they should be validated prior to the meeting);

Feedback from discovery and analysis steps - provides comments on discovery observations; validate or correct understanding of key factors; discuss specific issues identified (brief, as expected to be validated these prior to the meeting);

Vision of operations and technology - review suggested operational, organizational and technology characteristics that may be appropriate for your employer accounts and claims handling; define vision to meet goals; discuss challenges and ways to mitigate risks;

Operations and process recommendations- identify process and operational changes that are recommended for contact handling, claims processing, adjudication and appeals, or support functions;

Technology implications - identify issues in using existing systems differently, or priorities for new technology;

Metrics considerations - review issues and opportunities to change metrics and reporting;

Organization and people impacts - identify impacts on staff and changes that are required in organizational structure or roles and responsibilities to support other changes;

Value - discuss value of recommended changes and cost and benefit considerations; Implementation approach - define key steps to pursue the changes defined, prioritization (including quick hits), target timeline and phasing;

Critical success factors - define factors to ensure success in executing the plan; and next steps.

The Contractor must vary the time and depth on these various topics depending on their findings. The outcome of the working session is a commonly understood vision and action plan, with specific recommendations and timing. It will serve as a roadmap for moving forward.

Background information review: A review of background information provided on the current strategy, organization, operations and technology. In response to a detailed information request by the Contractor, UIAs will provide available information (in addition to the process flows already provided) such as lists of technology that the UIA uses, high level system diagrams, overview of technology infrastructure, screen shots, operational overviews that show the functions and sizes, organizational charts, quality assurance forms, key performance indicators, sample reports, and any documentation that defines goals, directions, and strategy. All this information will help the Contractor to gain a basic understanding of our environment today and planned directions.

C. Location where the work is to be performed

The majority of work will be performed in the Project Office at Cadillac Place, Detroit, Michigan. Other sites may be required. UIA has a main office, warehouse, remote initial claims centers, and problem resolution offices.

D. Hours

Hours of Operation are from 8:00am – 5:00pm. However, flexibility is required.

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

March 19, 2012

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B0200306
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR MetaOps, Inc. 30425 Munger Street Livonia, MI 48154 rcrabtree@MetaOps.com	TELEPHONE (734) 424-1455 Ronald Crabtree
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Jim Wilson 517-241-1916 Business Process Review/Consulting Services – Pre-Qualification – DTMB	
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: August 18, 2010 To: August 17, 2013	
TERMS <p style="text-align: center;">Net 45 Days</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective immediately this contract is hereby **AMENDED** to include the following:

1. Add Business Process Review services per the attached Statement of Work (SOW) No. 271Q2207, and clarifications dated 3/5/2012

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

AUTHORITY/REASON:

Per Treasury request (PRF dated 1/19/2012) and DTMB Procurement approval.

INCREASE: \$99,107.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$159,500.00

1.020 Scope of Work and Deliverables

1.021 In Scope

Listed below in sequential order are the Department of Treasury areas that will require a Business process reviews:

1. Office of Human Resources
2. Office of Privacy and Security
3. Michigan Education Trust

Optional Services

4. Special Taxes Division
5. Technical Services Section
6. Facility and Mail Operations Section

The process review will begin with the 1. Human Resource Division followed by these two areas: 2. Office of Privacy and Security and 3. Michigan Education Trust.

1.022 Work and Deliverable

The Contractor must review Treasury's Office of Human Resources, Office of Privacy and Security and Michigan Education Trust processes. These processes will include internal Treasury processes and may include processes external to Treasury including processes in other State departments (e.g., Civil Service, DTMB, etc.).

17. The Contractor must survey internal and external customers to determine the areas with the greatest potential for process improvement.
18. The Contractor must consult with the development of consolidation plans and implementation.
19. The Contractor must identify, capture, and evaluate synergies.
20. The Contractor must evaluate value creation opportunities.
21. The Contractor must develop integration plans with a value added focus and hierarchy.
22. The Contractor must conduct business process reviews and provide recommendations for achieving process efficiencies.
23. The Contractor must evaluate Information Technology (IT) infrastructures, platforms, and processes.
24. The Contractor must research best practices and approaches toward government business processes.
25. The Contractor must examine and recommend change management programs.
26. The Contractor must develop cost benefit analysis designed to provide a calculated Return On Investment (ROI).
27. The Contractor must conduct and participate in meetings as necessary.
28. The Contractor should compare the current State process(es) with best practices and strategies to determine opportunities for improvement and implementation appropriate to departmental policies and mandates.
29. The Contractor must analyze statutory requirements of a process and develop the plan for implementation of the requirements.

30. The Contractor must develop work project requests.
31. The Contractor must facilitate, record, and develop a recommendation and plan as a result of process improvement meetings with internal and external stakeholders.
32. The Contractor must maintain subject matter experts for the duration of each project, subject to the approval of the lead State agency or local unit.

1.040 Project Plan

1.041 Project Plan Management

1. As indicated in section 1.021, the project plan must include the six areas beginning with the Office of Human Resources process review as follows:

1. Office of Human Resources

Week 1:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log must be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 2 and 3:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 4:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in Week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording, and development of recommendations and plan as a result of process improvement meetings.

Weeks 5 to 11:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 12:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

2. Office of Privacy and Security

Week 13:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log must be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 14 and 15:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 16:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 17 to 23:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 24:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

3. Michigan Education Trust

Week 25:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 26 and 27:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.

- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 28:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 29 to 35:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 36:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

4. Special Taxes Division

Week 37:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 38 and 39:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 40:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 41 to 47:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 48:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

5. Technical Services Section

Week 49:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.
- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.

- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 50 and 51:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 52:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 53 to 59:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 60:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition & transfer of remaining project management activities to Treasury designated personnel.

6. Facility and Mail Operations Section

Week 61:

- Meet with designated Treasury stakeholders and management – initiate a charter with process improvement team members identified and establish the initial governance and change management plan.
- Initiate the change management issues log – institute weekly review with the Treasury project manager. This log will be maintained as needed on a day-to-day basis for the duration of the engagement.
- Initiate pre-work activities and establish interview / process review schedules for the review process to commence.
- Begin survey of inputs from internal and external customers if possible.
- Initiate on-going consultation for the development of consolidation plans and implementation.
- Begin initial interviews and business process reviews if possible.

- Initiate evaluation of information technology (IT) if possible.
- Initiate research activities for best practices identification.
- Initiate review and analysis of statutory requirements.
- Initiate as appropriate work project requests; this is an on-going task that will be handled when needed throughout the engagement.
- Prepare and provide the detailed project plan for approval with timing and specific dates for activities such as process improvement team meetings.
- Prepare and deliver contractors' project organization structure and staffing table.
- Other activities appropriate for the area under review.

Weeks 62 and 63:

- Conduct interviews and business process reviews, commence compiling the results.
- Complete pre-work activities interviews / process reviews.
- Complete survey of inputs from internal and external customers.
- Continued on-going consultation for the development of consolidation plans and implementation.
- Complete evaluation of information technology (IT).
- Complete research activities for best practices identification.
- Complete review and analysis of statutory requirements.
- Begin and complete compiling the deliverables to support the initial process improvement team planning workshop – analysis, value stream maps, reports, etc.
- Weekly progress reviews with Treasury project manager and if appropriate, project sponsors.

Week 64:

- Complete development of the materials to be used for the first process improvement workshop.
- Interim review of the findings-in-process with project manager.
- Conduct three-day initial workshop with Treasury Process Improvement Team – this can occur in week 4 if desired by Treasury to accommodate stakeholder schedules and workloads.
- Document and provide the defined deliverables established in the detailed plan; conduct a formal report-out activity with Treasury sponsors and management.
- Initiate on-going facilitation, recording and development of recommendations and plan as a result of process improvement meetings.

Weeks 65 to 71:

- Implementation cycle by the Treasury process improvement team and others assigned tasks in the initial workshop and resulting deliverables. Supported by the Contractor for project management and coaching of implementation teams.
- Weekly activities:
 - Project management to track / report progress to process improvement team activities.
 - Coaching and mentoring to assist individuals and sub-teams working to execute the improve activities planned.
 - Facilitated weekly process improvement team meetings of one to four hours duration to review progress, conduct problem solving, and continue developing and refining implementation actions.
 - Establish and implement score-card tracking for the metrics developed for this area as a result of the review and process team's development.
 - Weekly project progress and change management program reviews.

Week 72:

- Review / project close-out process meeting materials prepared by the Contractor.
- Conduct a formal review with Treasury sponsors of the results to date against the original objectives.
- Provide a road-map recommendation to complete open actions.
- The Contractor must assist in transition and transfer of remaining project management activities to Treasury designated personnel.

Note that the Contractor must be prepared to support implementation of the reviews of these areas in any time frame Treasury desires. They can occur in a serial fashion; as each area nears the end of an improvement cycle a new area can be kicked-off. In some cases there may be benefits to overlapping certain areas' implementation to leverage resources more efficiently.

2. Within five working days of the Contract start date, the Contractor must submit a project plan to the Project Manager for final approval. This final project plan must be in agreement with proposal submitted by the Contractor and accepted by the State, and must include the following:

- a. The Contractor's project organizational structure.
- b. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
- c. The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each

1.060 Pricing

1.061 Pricing

Deliverable	Total Hours	Hourly Rate	Total Cost
1. Office of Human Resources Process Review	EL & PM - 94 SA - 45 Clerical - 30 Total - 308	\$ 250.00 \$ 225.00 \$ 60.00	\$ 23,500.00 \$ 10,125.00 <u>\$ 1,800.00</u> \$ 35,425.00 Total \$ 32,945.00 w/7% discount \$ 31,298.00 w/additional 5% payment/10 days
2. Office of Security	EL & PM - 75 SA - 67 Clerical - 30 Total - 314	\$ 250.00 \$ 225.00 \$ 60.00	\$ 18,750.00 \$ 15,075.00 <u>\$ 1,800.00</u> \$ 35,625.00 Total \$ 33,131.00 w/7% discount \$ 31,475.00 w/additional 5% payment/10 days
3. Michigan Education Trust	EL & PM - 67 SA - 77 Clerical - 30 Total - 318	\$ 250.00 \$ 225.00 \$ 60.00	\$ 16,750.00 \$ 17,325.00 <u>\$ 1,800.00</u> \$ 35,875.00 Total. \$ 33,364.00 w/7% discount \$ 31,696.00 w/additional 5% payment/10 days
4. Special Taxes Division	EL & PM - 58 SA - 88 Clerical - 30 Total - 322	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 19,800.00 <u>\$ 1,800.00</u> \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days
5. Technical Services Section	EL & PM - 58 SA - 88 Clerical - 30 Total - 322	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 19,800.00 <u>\$ 1,800.00</u> \$ 36,100.00 Total. \$ 33,573.00 w/7% discount \$ 31,894.00 w/additional 5% payment/10 days
6. Facility and Mail Operations	EL & PM - 58 SA - 80 Clerical - 30 Total - 306	\$ 250.00 \$ 225.00 \$ 60.00	\$ 14,500.00 \$ 18,000.00 <u>\$ 1,800.00</u> \$ 34,300.00 Total. \$ 31,899.00 w/7% discount

			\$ 30,304.00 w/additional 5% payment/10 days
Total: Office of Human Resources, Office Privacy and Security Michigan Education Trust			\$99,207.00 with 7% discount/additional 5% payment/10 days

Pricing includes all administrative and travel costs. The State will not reimburse for travel.

Key to pricing table:

Executive Liaison and Project Management = EL & PM

Senior Analyst = SA (includes the following roles: Lead Facilitator -- Process Improvement Teams, Lead Analyst Process, Lead Analyst – Information Technology, Lead Analyst – Change Management)

Clerical = Clerical

1.062 Price Term

Prices quoted are firm/fixed for the entire length of the Contract.

1.070 Additional Requirements

1.071 Prior Experience – Deleted – N/A

1.072 Staffing

Personnel assigned to the project.

Ron Crabtree – will serve in different roles, as appropriate, including: Executive Liaison, Project Management duties, and Lead Facilitator for process improvement teams

Sally Lollie – will serve in different roles, as appropriate, including: Project Management, Change Management, and Human Relations Subject Matter Expert support.

Jeff Johnston – will serve in roles, as appropriate, including: Lead Facilitator for process improvement teams and Lead Analyst for Process.

Dale Rinke – will serve as the Contractor Subject Matter Expert in Information Technology (IT) analysis and recommendations.

Adrien Michael – Clerical Support for the project

1.073 Safeguard Requirements of Confidential Data

Safeguard Requirements of Confidential Data sets forth the safeguard requirements for handling, storage, and processing of confidential tax information for a Contractor and their Subcontractor(s) and is incorporated as an integral part of the Contract. It will facilitate administration and enforcement of the laws of the State of Michigan applicable to State contractual agreements in a manner consistent with the applicable statutes, regulations, published rules and procedures or written communication. The Contractor must abide by the requirements of this document and must sign the vendor confidentiality agreement.

This section sets forth the safeguard requirements for handling, storage, and processing of confidential tax information for a Contractor and their Subcontractor(s) and is incorporated as an integral part of the Contract. It will facilitate administration and enforcement of the laws of the State of Michigan applicable to the State of Michigan and in a manner consistent with the applicable statutes, regulations, published rules and procedures or written communication.

I. Authority

Authority for the Michigan Department of Treasury to require that this section be included in the Contract is contained in 1941 PA 122, as amended, MCL 205.28(1)(f), which states in part that subject to the same restrictions and penalties imposed upon department employees on the treatment of confidential information, a private contractor or its employees are strictly prohibited from disclosing taxpayer information to a third party. The prohibition against disclosure does not bar an employee of a private contractor with whom the State of Michigan (State) contracts that processes tax returns or payments pursuant to the Contract from having access to confidential information that is reasonably required for the processing or collection of amounts due this State.

II. Confidentiality

It is agreed that all information exchanged under this section will be kept confidential in accordance with the confidentiality provisions contained within section MCL 205.28(1)(f) and MCL 205.28(2) of the Michigan Department of Treasury Revenue Act, which state in part;

“Except as otherwise provided in this subdivision, an employee, authorized representative, or former employee or authorized representative of the department or anyone connected with the department will not divulge any facts or information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the department for a tax administered by the department.”

“A person who violates subsection (1)(e), (1)(f), or (4) is guilty of a felony, punishable by a fine of not more than \$5,000.00, or imprisonment for not more than five years, or both, together with the costs of prosecution. In addition, if the offense is committed by an employee of this state, the person will be dismissed from office or discharged from employment upon conviction.”

All information obtained by either Treasury or Contractor will not be disclosed except as necessary for the proper administration of and execution of the Contract. In the event, confidentiality statutes are amended, the State will notify Contractor of any changes.

No employee, agent, authorized representative or legal representative of Contractor will disclose any information obtained by virtue of this section to any other division within their company or any other governmental agency, department or unit within such governmental agency, to any other state or nation, or unauthorized third party. No tax returns or tax return information provided to Contractor will be duplicated or disseminated within or outside the company without the written approval of the Contract Administrator. Michigan's tax returns and tax return information remain the property of the Department of Treasury.

Contractor may use a taxpayer's name, address, and Social Security number or employer identification number to the extent necessary in connection with the processing and mailing of forms for any report or return required in the administration of any tax in the performance of the Contract.

Information received by the Michigan Department of Treasury from the U.S. Internal Revenue Service, pursuant to section 6103(d) of the Internal Revenue Code or any other U.S. federal Agency will only be subject to the exchange if received as part of the State of Michigan tax return filing requirements.

III. Procedure for Security

At a minimum, Contractor must safeguard any tax return information obtained under the Contract as follows:

- A. Access to the tax returns and tax return information will be allowed only to those authorized employees and Officials of Contractor who need the information to perform their official duties in connection with the uses of the information authorized in the Contract. The Contractor will be responsible for ensuring that each employee authorized to access Michigan tax information has signed the Vendor, Contractor or Subcontractor Confidentiality Agreement (Form 3337, see Attachment A) and provide a copy to the Department of Treasury, Disclosure Officer and Contract Administrator.
- B. Any records created from tax returns and tax return information will be stored in an area that is physically safe from access by unauthorized persons during duty hours as well as non-duty hours or when not in use.

- C. All personnel who will have access to the tax returns and to any records created by the tax return information will be advised of the confidential nature of the information, the safeguards required to protect the information and the civil and criminal sanctions for noncompliance contained in MCL 205.28(1)(f) and (2).
- D. All confidential information, which includes, but is not limited to: data stored electronically and any related output and paper documents must be secured from unauthorized access and with access limited to designated personnel only. Michigan tax return information will not be commingled with other information. Further, when appropriate, Michigan tax return information will be marked as follows:

CONFIDENTIAL-MICHIGAN TAX RETURN INFORMATION

Protect at all times. Do not disclose. MI tax information is exempt from disclosure under the Freedom of Information Act (FOIA).

- E. The records must be transported under appropriate safeguards as defined in the Contract.
- F. The Department of Treasury, Disclosure Officer or Contract Administrator may make onsite inspections or make other provisions to ensure that adequate safeguards are being maintained by the Contractor.
- G. The Michigan Department of Treasury, Office of Privacy and Security, may monitor compliance of systems security requirements during the lifetime of the Contract.
- H. Contractor will also adopt policies and procedures to ensure that information contained in their respective records and obtained from Treasury and taxpayers will be used solely as provided in the Contract.

IV. Computer System Security of Tax Data

The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.

Computer system security and physical security of tax data stored and processed by Contractor must be in compliance with the following security guidelines and standards established by the Michigan Department of Treasury as follows (these guidelines apply to any computer system developed by Contractor, either through its own systems staff, or through a contractor, subcontractor or vendor):

A. Controlled Access Protection –Common Criteria (C2)

All computer systems processing, storing and transmitting Michigan tax information must have computer access protection controls – (C2). These security standards are delineated in the “Common Criteria for Information Technology Security Evaluation” (CCITSE) at http://www.radium.ncsc.mil/tpep/library/ccitse/cc_over.html. To meet these standards, the operating security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation.

- 1) **Security Policy** – A security policy is a written document describing the system in terms of categories of data processed, users allowed access and access rules between the users and the data. Additionally, it describes procedures to prevent unauthorized access by clearing all protected information on objects before they are allocated or reallocated out of or into the system. Further protection must be provided where the computer system contains information for more than one program/project, office, or Agency and those personnel do not have authorization to see all information on the system.
- 2) **Accountability** – Computer systems processing Michigan tax information must be secured from unauthorized access. All security features must be available (audit trails, identification and authentication) and activated to prevent unauthorized users from indiscriminately accessing Michigan tax information. Everyone who accesses computer systems containing Michigan tax information is accountable. Access controls must be maintained to ensure that unauthorized access does not go undetected. Computer programmers and contractors who have a need to access databases, and are authorized under the law, must be held accountable for the work performed on the system. The use of passwords and access control measures must be in place to identify who accessed protected information and limit that access to persons with a need to know.

a) On-line Access – Users will be limited to any Treasury on-line functions, by limiting access through functional processing controls and organization restrictions.

Any employee granted access privileges through the Contractor's Security Administrator must be approved for access and viewing rights to Treasury on-line systems by the Department of Treasury Disclosure Officer. The on-line access will be provided by Treasury's Office of Security.

b) Operating Features of System Security

Contractor must meet the following levels of protection with respect to tax return information. Individual user accountability must be ensured through user identification number and password:

- i. Access rights to confidential tax information must be secured through appropriate levels of authorization.
- ii. An audit trail must be maintained of accesses made to confidential information.
- iii. All confidential and protected information must be cleared from a system before it is used for other purposes not related to the enforcement, collection or exchange of data not covered by this section or by an addendum to this Contract.
- iv. Hard copies made of confidential tax return information must be labeled as confidential information.
- v. Confidential Treasury tax information will be blocked or coded as confidential on system.
- vi. Any computer system in which Michigan tax return information resides must systematically notify all users upon log-in of the following disclosure penalties for improperly accessing or making an authorized disclosure of Michigan tax return information:

NOTICE TO STATE AGENCY EMPLOYEES AND AUTHORIZED REPRESENTATIVES

This system contains Michigan Department of Treasury tax return information. **DO NOT DISCLOSE OR DISCUSS MICHIGAN RELATED TAX RETURN INFORMATION** with unauthorized individuals. The Michigan Department of Treasury Revenue Act, MCL 205.28(10(f)(1), (2), prohibits such disclosure. A person making a willful unauthorized disclosure or inspection (browsing) of tax return information may be charged with the following Michigan penalties:

MICHIGAN PENALTIES

The Michigan Revenue Act imposes criminal penalties up to \$5,000.00 and/or imprisonment for five years, plus costs and dismissal from employment if it is found that an employee has made an unauthorized disclosure of a tax return or tax return information or divulged audit selection or processing parameters.

This statement is subject to modification. A confidentiality statement, subject to modification, as needed, will be sent annually by the Security Administrator to all employees, contractors, and legal representatives of Contractor.

- 3) **Assurance** – Contractor must ensure that all access controls and other security features are implemented and are working when installed on their computer system. Significant enhancements or other changes to a security system must follow the process of review, independent testing, and installation assurance. The security system must be tested at least annually to assure it is functioning correctly. All anomalies must be corrected immediately.
 - a) The Contractor must initiate corrective action for all non-conformities as soon as detected and immediately advise the Contract Administrator. Notice of the corrective action must be provided to the Contract Administrator. All non-conformities must be reported to the Contract Administrator with the following:
 - a. Duration of non-conformity/interruption
 - b. Reason for non-conformity/interruption
 - c. Resolution.
 - b) All non-conformities to the specifications/tasks of the Contract must be corrected within four hours. The State recognizes there will be instances when adherence to this time frame will not be possible.

However, the State will only tolerate this on an exception basis. To request an exception to this time frame, the Contractor must submit a detailed project plan to address the non-conformity within four hours to the Contract Compliance Inspector (CCI) for approval.

- 4) **Documentation** – Design and test documentation must be readily available to the state. The developer or manufacturer should initially explain the security mechanisms, how they are implemented and their adequacy (limitations). This information should be passed on to the security officer or supervisor. Test documentation should describe how and what mechanisms were tested and the results. If recognized organizations/tests/standards are used, then a document to that effect will suffice. For example, a system that has been tested and certified as meeting certain criteria may have a document stating this fact, without detailed tests/results of information. Contractor, however, must ensure the documentation covers the exact system and that it includes the specific computer system used by Contractor.

Additionally, documentation must include a security administrator's guide. The security administrator's guide is addressed to the System's Administrator and Security Officer and must describe the protection mechanisms provided by the security system, guidelines on their use and how they interact. This document will present cautions about security functions and describe privileges that should be controlled when running a secure system. The document must be secured and locked at all times with access rights only by the Systems Administrator and Security Officer.

Note: When a security system is designed or purchased for a specific computer or computer system, the security mechanisms must be reviewed by the State to ensure that needed security parameters are met. An independent test should be implemented on the specific computer or computer system to ensure that the security system meets the security parameters within this contract and developed with the computer system. The test may be arranged by the developer but must be done by an independent organization. Contractor must assign responsible individuals (Security Officers) with knowledge of information technology and applications to oversee the testing process. These individuals must be familiar with technical controls used to protect the system from unauthorized entry.

Finally, contingency and backup plans must be in place to ensure protection of Michigan tax information.

V. Electronic Transmission of Michigan Tax Information

The two acceptable methods of transmitting Michigan tax information over telecommunications devices are encryption and the use of guided media. Encryption involves the altering of data objects in a way that the objects become unreadable until deciphered. Guided media involves the use of protected microwave transmitting or the use of end to end fiber optics.

The Department of Information Technology (DIT) has defined encryption standards in DIT Standard 1410.17 section 6.5 which must be used to provide guidance for encryption, message authentication codes or digital signatures and digital signatures with associated certification infrastructure.

Unencrypted, cable circuits of fiber optics are an alternative for transmitting Michigan tax information. Adequate measures must be taken to ensure that circuits are maintained on cable and not converted to unencrypted radio transmission. Additional precautions must be taken to protect the cable (i.e., burying the cable underground or in walls or floors and providing access controls to cable vaults, rooms and switching centers).

A. Remote Access

Accessing databases containing Michigan tax information from a remote location – that is, a location not directly connected to the Local Area Network (LAN) will require adequate safeguards to prevent unauthorized entry.

For dial up access, the system must require an identification security card that requires both PIN and card in possession. According to DIT- Procedure 1410.17 (4.1), dial in access into any connected state network will only be permitted after a dial-in user has been authenticated. Authentication is provided through ID and password.

B. Portable Computer Devices

Any entrusted confidential information collected or accessed during this Contract must be encrypted when stored on all storage devices and media. This includes, but not limited to, disk drives for servers and workstations, and portable memory media (PDAs, RAM drives, memory sticks, etc.).

VI. Record Keeping Requirements for Information Received in a Paper Format

Each Contractor employee or Contractor requesting and receiving information must keep an accurate accounting of the information received. The audit trail will be required which will include the following information:

- a. Taxpayer's name
- b. Identification number
- c. Information requested
- d. Purpose of disclosure request
- e. Date information received
- f. Name of Agency/Division and employee making request
- g. Name of other employees who may have had access
- h. Date destroyed
- i. Method of destruction

A. Electronic Media

Contractor must keep an inventory of magnetic and electronic media received under the Contract. Contractor must ensure that the removal of tapes and disks and paper documents containing Michigan tax return information from any storage area is properly recorded on charge-out records. Contractor is accountable for missing tapes, disks, and paper documents.

B. Recordkeeping Requirements of Disclosure Made to State or Federal Auditor General

When disclosures are made by Contractor to State or Federal Auditors, these requirements pertain only in instances where the Auditor General's staff extracts Michigan tax returns or tax information for further review and inclusion in their work papers. Contractor must identify the hard copies of tax records or if the tax information is provided by magnetic tape format or through other electronic means, the identification will contain the approximate number of taxpayers' records, the date of inspection, the best possible description of the records and the name of the Auditor(s) making the inspection.

The Office of Privacy and Security must be notified, in writing, of any audits done by auditors, internal or otherwise, of Contractor that would involve review of Treasury processing parameters.

VII. Contract Services

The following language must be included in any contract entered into by Contractor with a Subcontractor if the Subcontractor will process Michigan tax return information provided under this Safeguard Provision.

The identification of confidential tax records and defining security controls are intended to protect Treasury tax return information from unlawful disclosure, modification, destruction of information and unauthorized secondary uses.

Definition of Treasury Tax Return Information

Treasury tax return information is defined in RAB 1989-39 as follows:

Taxpayer's identity, address, the source or amount of his/her income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments, or tax payments whether the taxpayer's return was, is being or will be examined or subject to their investigation or processing, or any other data, received by, recorded by, prepared by, furnished to or collected by the agency with respect to a return or with respect to the determination of the existence, or liability (or the amount thereof) of any person under the tax laws administered by the Department, or related statutes of the state for any tax, penalty, interest, fine, forfeiture, or other imposition or offense. The term "tax return information" also includes any and all account numbers assigned for identification purposes.

An acknowledgment that a taxpayer has filed a return is known as a "fact of filing" and may not be disclosed. All tax return data made available in any format will be used only for the purpose of carrying out the provisions of the Contract between Contractor and the sub-contractor. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract between Contractor and the subcontractor. In addition, all related output will be given the same level of protection as required for the source material.

The Subcontractor must certify that the data processed during the performance of the Contract between Contractor and the Subcontractor must be completely purged from all data storage components of the Subcontractor's computer facility, and no output will be retained by the subcontractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Subcontractor must

certify that any Michigan data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

Destruction of tax data, including any spoilage or any intermediate hard copy printout which may result during the processing of Michigan tax return information, must be documented with a statement containing the date of destruction, description of material destroyed, and the method used.

Computer system security and physical security of tax data stored and processed by the Subcontractor must be in compliance with security guidelines and standards established by this contract. See section VI (Record Keeping Requirements for Information Received in Paper Format) for more details.

The Contractor must ensure that each employee authorized to access Michigan tax information has signed the Vendor, Contractor or Subcontractor Confidentiality Agreement (Form 3337, see Attachment A) and provide a copy to the Department of Treasury, Office of Privacy and Security and the Contract Compliance Officer.

No work involving information furnished under the contract between Contractor and a Subcontractor will be further subcontracted without the specific approval of the Michigan Department of Management and Budget. Contractor and approved subcontractors handling Michigan tax return information will be required to sign the Vendor, Contractor or Subcontractor Confidentiality Agreement provided by Treasury, (Form 3337, see Attachment A). The original agreements will be returned to the Office of Privacy and Security for the Department of Treasury and a copy sent to the Contract Compliance Officer.

VIII. Transport of Tax Information

In the event it is necessary to transport confidential tax return information, the Contractor is responsible for holding the carrier responsible for safeguarding the records. The Contractor must obtain a signed Vendor, Contractor or Subcontractor Confidentiality Agreement (Form 3337, see Attachment A) for each carrier employee who has access to Michigan tax return information. The original agreements must be returned to the Department of Treasury, Office of Privacy and Security and a copy sent to the Contract Administrator.

If it is necessary to transfer records and responsibility for transport to a third carrier due to a mishap during transportation, the Contractor is responsible for ensuring safeguard standards remain enforce. Any such incidents must be reported to the CCI immediately.

IX. Disposal of Tax Information

Materials furnished to Contractor, such as tax returns, remittance vouchers, W-2 reports, correspondence, computer printouts, carbon paper, notes, memorandums and work papers must be destroyed by burning, mulching, pulverizing, or shredding. If shredded, strips should not be more than 5/16-inch, microfilm should be shredded to effect a 1/35-inch by 3/8-inch strip, and pulping should reduce material to particles of one inch or smaller.

Disk media must be destroyed by overwriting all data tracks a minimum of three times or running a magnetic strip over and under entire area of disk at least three times. If the CD or DVD cannot be overwritten, it must be destroyed in an obvious manner to prevent use in any disk drive unit and discarded. Hand tearing, recycling, or burying information in a landfill are unacceptable methods of disposal. Electronic data residing on any computer systems must be purged based on Treasury's retention schedule.

Contractor and its Subcontractor(s) must retain all confidential tax information received by Treasury only for the period of time required for any processing relating to the official duties and then will destroy the records. Any confidential tax information that must be kept to meet evidentiary requirements must be kept in a secured, locked area and properly labeled as confidential return information. See Procedure for Security (Section V of this section) for more details.

X. Security Responsibility

Contractor must designate a security person who must ensure that each individual having access to confidential tax information or to any system which processes Michigan tax return information is appropriately screened, trained, and executes a Vendor, Contractor or Subcontractor Confidentiality Agreement (Form 3337, see Attachment A) before gaining access or transaction rights to any process and computer system containing Treasury tax return information.

Each Contractor or their Subcontractor(s) employees' access and transaction rights will be reviewed periodically to ensure that there is a need to know Treasury tax return information displayed in any media.

Michigan tax return information will be made available only to individuals authorized by the Contract. State and Contractor will maintain a list of persons authorized to request and receive information and will update the list as necessary. A copy of the list must be furnished to the Michigan Department of Treasury Office of Privacy and Security and the Contract Compliance Officer.

XI. Effective Date

These Safeguard requirements will be reviewed whenever the Contract modifications include specifications or processes that affect tax data.

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

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B0200306
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (734) 424-1455 Ronald Crabtree
MetaOps, Inc. 30425 Munger Street Livonia, MI 48154 rcrabtree@MetaOps.com		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Jim Wilson 517-241-1916 Business Process Review/Consulting Services – Pre-Qualification – DTMB		
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: August 18, 2010 To: August 17, 2013		
TERMS	SHIPMENT	
Net 45 Days		N/A
F.O.B.	SHIPPED FROM	
N/A		N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE:

This contract is hereby **INCREASED** by \$62,300.00. No other changes.

All other terms, conditions and specifications remain unchanged.

AUTHORITY/REASON:

Per request of DTMB Purchasing Operations.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$62,300.00

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

NOTICE
OF
CONTRACT NO. 071B0200306
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR MetaOps, Inc. 30425 Munger Street Livonia, MI 48154 <p style="text-align: right;">rcrabtree@MetaOps.com</p>	TELEPHONE (734) 424-1455 Ronald Crabtree CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Jim Wilson 517-241-1916 <p style="text-align: center;">Business Process Review/Consulting Services – Pre-Qualification – DTMB</p>	
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: August 18, 2010 To: August 17, 2013	
TERMS <p style="text-align: center;">Net 45 Days</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: <p style="color: blue;">THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT.</p> <p>The terms and conditions of this Contract are those of RFP #071I0200163, this Contract Agreement and the vendor's quote dated. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Current Authorized Spend Limit: \$0.00</p>	

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

CONTRACT NO. 071B0200306
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR MetaOps, Inc. 30425 Munger Street Livonia, MI 48154 <p style="text-align: right;">rcrabtree@MetaOps.com</p>	TELEPHONE (734) 424-1455 Ronald Crabtree CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1916 Jim Wilson
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F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: <p style="color: blue;">THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT.</p> <p>The terms and conditions of this Contract are those of RFP #071I0200163, this Contract Agreement and the vendor's quote dated. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Current Authorized Spend Limit: \$0.00</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the RFP #071I0200163. Orders for delivery may be issued directly by State agencies and departments through the issuance of a Purchase Order Form.

FOR THE CONTRACTOR: <p style="text-align: center;">MetaOps, Inc.</p> <hr/> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	FOR THE STATE: <hr/> <p style="text-align: center;">Signature</p> <p style="text-align: center;">Jim Wilson, Buyer Specialist</p> <hr/> <p style="text-align: center;">Name/Title</p> <p style="text-align: center;">Services Division, Purchasing Operations</p> <hr/> <p style="text-align: center;">Division</p> <hr/> <p style="text-align: center;">Date</p>
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ATTACHMENTS:

Attachment A, Pricing



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 within the scope of the Contract, but not specifically provided under any Statement of Work.

Audit Period means the seven year period following Contractor's provision of any work under the Contract.

Bidder(s) are those companies that submit a proposal in response to the RFP.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CCI means Contract Compliance Inspector.

Days means calendar days unless otherwise specified.

Deleted – N/A means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

Deliverable means physical goods and/or services required or identified in a Statement of Work.

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

Environmentally Preferable Products means 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 which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

Hazardous Material means 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 means any interruption in any function performed for the benefit of a Plan Sponsor.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

Local Unit means any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college within the borders of the State of Michigan.

New Work means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

Ozone-depleting Substance means 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, hydrochlorofluorocarbons.

Post-Consumer Waste means 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 means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.



Recycling means 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.

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

RFP means a Request for Proposal designed to solicit proposals for services.

Services means any function performed for the benefit of the State.

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

State Location means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Subcontractor means a company selected by the Contractor to perform a portion of the Services, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

Unauthorized Removal means the Contractor's removal of Key Personnel without the prior written consent of the State.

Waste Prevention means source reduction and reuse, but not recycling.

Pollution Prevention means 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 means 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 the Contract.



Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

This is a pre-qualification program for providing State agencies and local units of government the ability to contract for Business Process Review (BPR)/Post Merger Integration (PMI) and other related consulting services on a fast-track, as-needed basis.

1.012 Background

The State is engaging in efforts to modernize and streamline State government in order to achieve efficiencies and provide higher level of services to Michigan citizens while also reducing costs (http://www.michigan.gov/documents/gov/Government_Reform_265920_7.pdf). As a result, several Executive Orders have been issued to consolidate and merge Executive Departments and functions:

- Executive Order 2009-54 combining the Department of Natural Resources and Department of Environmental Quality.
- Executive Order 2009-55 combining the Department of Technology, Management and Budget and Department of Information Technology.

1.020 Scope of Work and Deliverables

1.021 In Scope

The Contractor must provide BPR/PMI and related consulting services based on individual SOW's as requested by individual State agencies or local units.

1.022 Work and Deliverable

Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

- A. The Contractor must provide services as required by SOW issued by individual agencies or local units. Services may contain subject matter specific requirements including but not limited to:
1. Health & human services
 2. Natural resources
 3. Economic/work force development
 4. Customer service
 5. Human resources
 6. Finance/accounting
 7. Information technology
 8. Education
 9. Labor Relations
 10. Supply Chain Management/Purchasing
 11. Public Administration
 12. Change Management
 13. Marketing
 14. Project Management
- B. While each SOW will contain unique service levels and requirements, general deliverables may include but are not limited to:



33. Develop, analyze, and implement PMI processes.
 34. Consult with the development of consolidation plans and implementation.
 35. Identify, capture and evaluate synergies.
 36. Evaluate value creation opportunities.
 37. Develop integration plans with a value added focus and hierarchy.
 38. Conduct business process reviews and provide recommendations for achieving process efficiencies.
 39. Evaluate Information Technology (IT) infrastructures, platforms and processes.
 40. Research best practices and approaches toward government business processes.
 41. Examine and recommend change management programs.
 42. Develop cost benefit analysis designed to provide a calculated Return On Investment (ROI).
 43. Conduct and participate in regular meetings as necessary.
 44. Compare the current State supply chain systems with best practices and strategies to determine opportunities for improvement and implementation appropriate to departmental policies and mandates.
 45. Analyze statutory requirements of a process and develop the plan for implementation of the requirements.
 46. Develop work project requests.
 47. Facilitate, record, and develop a recommendation and plan as a result of process improvement meetings with internal and external stakeholders.
 48. Maintain subject matter experts for the duration of each project, subject to the approval of the lead State agency or local unit.
- C. The State or local unit will issue each SOW to all pre-qualified Contractors. The SOW will identify the deliverables, period of performance, specific response information required, work evaluation and payment criteria, and any additional terms and conditions that may apply to that SOW. The process for the State or local unit issuing and the Contractor(s) responding to an SOW is as follows:.
1. Issue an SOW to all pre-qualified Contractors within that service region (and to all Statewide Contractors) with a timeline including due dates for questions, due dates for responses, and period of performance.
 2. Contractor responses must follow criteria required in each SOW. Contractor pricing must not exceed rates provided in Attachment A.
 3. The State or local unit's selection will be based on a best value evaluation using the criteria identified in the SOW. Other selection criteria or tools which may be in the best interest of the State or local unit may be utilized to make a selection.

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

- A. The Contractors single point of contact to receive and respond to SOW's is as listed on the cover page.
- B. The Contractor must provide services during normal working hours (Monday through Friday, 7:00 AM. to 6:00 PM EST.) and possible night and weekend hours depending on the SOW requirements. Specific work schedules will be provided with each SOW. No overtime will be authorized or paid. The State or local unit reserves the right to modify the work hours in the best interest of the project. The Contractor shall observe the same standard holidays as State or local unit employees. The Contractor will not be compensated for holiday pay. The Contractor will not be reimbursed for travel expenses or travel time.

Contractor staff are subject to the rules, regulations, and policies of MDIT, Civil Service Commission and local unit.



Contractor staff assigned to work with restricted (e.g. sensitive) data must safeguard and protect the confidentiality of such data. Further, if the staff member accidentally or purposefully releases restricted or sensitive data, the Contractor must assume full responsibility for any resulting penalties.

Contractor personnel proposed for any SOW must satisfy the security requirements for the agencies or local unit in which they will be working. This may include signing the security forms. In addition, some agencies (Treasury for example) require personnel to attend additional security training and agree to be bound by their requirements. Any agency-specific security requirements will be identified in the SOW.

1.040 Project Plan – Deleted/Not Applicable

1.042 Reports – Deleted/Not Applicable

1.050 Acceptance – Deleted/Not Applicable

1.060 Proposal Pricing

1.061 Proposal Pricing

See Attachment A for not-to-exceed rates for each position. Pricing in Attachment A includes all administrative and travel costs. The State will not reimburse for travel.

State Administrative Fee

The Contractor must collect an Administrative Fee on the sales transacted under the Contract. The Contractor must remit the Administrative Fee in U.S. dollars within 30 days after the end of the quarterly sales reporting period. The Administrative Fee equals one percent of the total quarterly sales reported. Contractor must include the Administrative Fee in their prices.

The Contractor must remit any monies due as a result of the close-out report at the time the close-out report is submitted to Purchasing Operations.

The Contractor must pay the Administrative Fee by check. To ensure the payment is credited properly, the Contractor must identify the check as an "Administrative Fee" and include the following information with the payment: *Applicable State BPO Number, report amount(s), and reporting period covered.*

Contractor must forward the check to the following address:

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

Please make check payable to: State of Michigan

1.062 Price Term

Prices quoted are firm/fixed for the entire length of the Contract.



1.063 Tax Excluded from Price

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

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

1.064 Holdback – Deleted/Not Applicable

1.070 Additional Requirements

1.071 Additional Terms and Conditions specific to this Contract – Deleted/Not Applicable



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

The Contract is for a period of three (3) years beginning August 18, 2010 through August 17, 2013. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

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

2.003 Legal Effect

Contractor must show acceptance of the Contract by signing two (2) copies of the Contract and returning them to the Contract Administrator. The Contractor must 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 the Contract, until Contractor is notified in writing that the Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

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

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, to order any Services/Deliverables under the Contract. All orders are subject to the terms and conditions of the 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's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor must 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

(a) 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**.

(b) 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 (1) 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 (1) 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**

The Contract is issued by the Department of Technology, Management and Budget, Purchasing Operations (collectively, including all other relevant State of Michigan departments, agencies and local units, 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. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.** The Contractor Administrator within Purchasing Operations for the Contract is:

Jim Wilson, Buyer Specialist
Purchasing Operations
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
WilsonJ4@michigan.gov
517-241-1916

2.022 Contract Compliance Inspector – Deleted/Not Applicable**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 Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

**Change Requests:**

- (a) 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 the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Purchasing Operations.
- (c) 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 the 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 State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of this contract, 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.

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 deemed to be an employee, agent or servant of the State for any reason. Contractor is 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 must 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

(a) 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 requirements of 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.

(b) 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 (1) entity continues.

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

2.030 General Provisions**2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates must 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 the 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 the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, 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 the Contract must 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 the Contract must 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 the Contract is subsequently reduced by the State, the parties must 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 the Contract, the State must not be obligated to pay any amounts in addition to the charges specified in the Contract.

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under the Contract must 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 must 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 must 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 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the agency or local unit that issued the SOW and the Contractor.

The specific payment schedule for any SOW entered into must be mutually agreed upon. The schedule must show payment amount and must reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy, statements must be forwarded to the designated representative by the 15th day of the following month.

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 State, 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 must 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 the 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 (1) party against the other arising from unsettled claims or failure by a party to comply with the 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 the Contract must constitute a waiver of all claims by Contractor against the State for payment under the 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. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must 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.

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 (2) 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 the 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 the 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 the 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 agency with the names of the Key Personnel.

(b) Key Personnel must be dedicated as defined in the SOW 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 reserves 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 must notify the State of the proposed assignment, must introduce the individual to the appropriate State representatives, and must 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 must provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements and appropriate transition planning must 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 must perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel must, 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 must 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 must 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 the 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 must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

2.067 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.

**2.068 Contract Management Responsibilities**

The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.070 Subcontracting by Contractor**2.071 Contractor Full Responsibility**

Contractor has 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 the Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to Delegation

Contractor must not delegate any duties under the Contract to a Subcontractor unless the Department of Technology, Management and Budget, Purchasing Operations has given written consent to such delegation. The State reserves 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 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 Subcontractor(s) for the removed Subcontractor must 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 must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of the Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by the 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 is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must 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 the Contract will not relieve Contractor of any obligations or performance required under the Contract.

2.074 Flow Down

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

2.075 Competitive Selection

The Contractor must 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 must 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 must 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 must 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 must 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. The Contractor must present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff must 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 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 – Deleted/Not Applicable**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 the Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including the Contract) that is publicly available under the Michigan FOIA.

**2.102 Protection and Destruction of Confidential Information**

The State and Contractor must 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 the 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 must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the 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 of **Section 2.100** 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 **Section 2.100** 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 the Contract for any reason.

2.110 Records and Inspections**2.111 Inspection of Work Performed**

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

**2.112 Examination of Records**

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

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, 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 must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors

(a) 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 45 days of the last quarterly invoice that the balance appeared on or termination of the Contract, whichever is earlier.

(b) 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 the Contract. The performance of all obligations under the Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under the 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 the 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 the 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 the 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 the 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 the 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 the 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) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract start date, the Contractor must report those changes immediately to the Department of Technology, Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability – Deleted/Not Applicable

2.123 Warranty of Fitness for a Particular Purpose – Deleted/Not Applicable

2.124 Warranty of Title – Deleted/Not Applicable

2.125 Equipment Warranty – Deleted/Not Applicable

2.126 Equipment to be New – Deleted/Not Applicable

2.127 Prohibited Products – Deleted/Not Applicable

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 the Contract.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the 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 the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are 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 the Contract or required by law, whichever is greater.



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

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

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

1. Commercial General Liability with the following minimum coverage:
- \$1,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$1,000,000 Products/Completed Operations Aggregate Limit
 - \$500,000 Personal & Advertising Injury Limit
 - \$500,000 Each Occurrence Limit

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

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

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

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

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

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

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

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

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

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



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

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under the 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 must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies **MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED** without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Technology, Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds 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 the 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 the 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 the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of the 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 must 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 the 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 the Contract.

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.



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

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

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

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

2.152 Termination for Cause

(a) The State may terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the 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 the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the 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 the 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 the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c) If the State chooses to partially terminate the Contract for cause, charges payable under the 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 the Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates the 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 the Contract for a termination for convenience.

**2.153 Termination for Convenience**

The State may terminate the 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 the Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the 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 the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

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

(c) If the State terminates the 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 the 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 the 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 must 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 the 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 the 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 the 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 the 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 the 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 the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of the 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 Deleted/Not Applicable

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates the 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 the 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 30 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175.**

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 the 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 must 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 the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must 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 – Deleted/Not Applicable

2.175 Transition Payments

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of the Contract. 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 must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

**2.176 State Transition Responsibilities**

In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

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

2.180 Stop Work**2.181 Stop Work Orders**

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. 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 2.150**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must 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 2.150**, 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 2.180**.

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 the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

(i) 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.

(ii) During the course of negotiations, all reasonable requests made by one (1) party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.



(iii) 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.

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

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

2.202 Unfair Labor Practices

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

2.203 Workplace Safety and Discriminatory Harassment

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

2.204 Prevailing Wage – Deleted/Not Applicable



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 must 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 the 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 the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

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

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

- (i) the ability of Contractor (or a Subcontractor) to continue to perform the Contract according to its terms and conditions, or
- (ii) 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 the 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:
 - (a) Contractor and its Subcontractors must be able to continue to perform the Contract and any Statements of Work according to its terms and conditions, and
 - (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.



- (c) Contractor must make the following notifications in writing:
- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB Purchasing Operations.
 - (2) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure – Deleted/Not Applicable

2.233 Bankruptcy

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

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under the 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 – Deleted/Not Applicable

2.250 Approval of Deliverables – Deleted/Not Applicable

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables as they are works 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

- (a) 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 must 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 must 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.

(b) 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 must 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 must 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

1984 PA 431 permits the State of Michigan, Department of Technology, 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, Contractors supply merchandise at the established State of Michigan contract prices and terms. The Contractor must submit invoices and pay the authorized MIDEAL member on a direct and individual basis according to contract and SOW terms.

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

2.282 State Employee Purchases – Deleted/Not Applicable



2.290 Environmental Provision

2.291 Environmental Provision

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 such 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 **Section 2.242** for 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).

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 must 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 the Contract.

Environmental Performance:

Waste Reduction Program: Contractor must establish a program to promote cost-effective waste reduction in all operations and facilities covered by the Contract. The Contractor's programs must 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 Other Provisions

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials
Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

3.001 Definitions

Definitions:

ARRA means the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

3.010 Reporting & Registration Requirements (Section 1512)

These reporting requirements are a material obligation of the Contract. Contractor's failure to comply may be a material basis for termination under Section 2.150, Termination by the State.

On July 1, October 1, January 1, and April 1, Contractor must provide the following information to the State:

- (A) The name of the project or activity;
- (B) A description of the project or activity;
- (C) An evaluation of the completion status of the project or activity;
- (D) An estimate of the number of jobs created and the number of jobs retained by the project or activity; and
- (E) Detailed information on any subcontracts awarded by Contractor to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282), as prescribed by the Director of OMB as follows:

For all subcontracts that meet any of the following qualifications, Contractor must provide the total number and total monetary amount of subcontracts:

- (1) valued at less than \$25,000;
- (2) awarded to an individual; or
- (3) awarded to an entity other than an individual which had less than \$300,000 in gross income in the previous tax year.

For all other subcontracts, Contractor must provide:

- (1) Subcontractor identifying information:
 - (a) Subcontractor's nine digit Data Universal Numbering System (DUNS) number; or
 - (b) U.S. Central Contractor Registration plus 4 extended DUNS number.
- (2) Award number or other identifying number assigned by Contractor.
- (3) Subcontractor's Legal Name as registered in the U.S. Central Contractor Registry.
- (4) Subcontractor's location, including:
 - (a) Physical location as listed in the Central Contractor Registry; and
 - (b) United States Congressional District (format of MI-002 where the Michigan 2nd Congressional District is the location).



- (5) Subcontractor's entity type (choose one):
- (a) State government
 - (b) County government
 - (c) City or Township government
 - (d) Regional organization
 - (e) Independent School District
 - (f) Public/State-controlled institution of higher education
 - (g) Federally recognized Indian/Native American Tribal government
 - (h) Non-Federally recognized Indian/Native American Tribal government
 - (i) Indian/Native American Tribally designated organization
 - (j) Non-profit with 501(c)(3) IRS status (not institution of higher education)
 - (k) Non-profit without 501(c)(3) IRS status (not institution of higher education)
 - (l) Private institution of higher education
 - (m) Individual
 - (n) For-Profit organization (not small business)
 - (o) Small business
 - (p) Hispanic-serving institution
 - (q) Historically Black Colleges and Universities (HBCUs)
 - (r) Tribally Controlled Colleges and Universities (TCCUs)
 - (s) Alaska Native and Native Hawaiian serving institutions
 - (t) Non-domestic (non-US) entity
 - (u) Other
- (6) Cumulative amount of cash disbursed to subcontractor as of reporting period end date.
- (7) Total amount of cash to be disbursed by the end of the subcontract.
- (8) Date that the subcontract was awarded.
- (9) Date that the subcontractor's contract is scheduled to be completed.
- (10) Primary performance location.
- (11) The names and Total Compensation of the 5 most highly compensated officers of the entity if the public does not have access to information about the compensation of the senior executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 or section 6104 of the Internal Revenue Code of 1986, and the subcontractor in the preceding Federal fiscal year received:
- (a) 80 percent or more of its annual gross revenues from Federal awards; and
 - (b) \$25,000,000 or more in annual gross revenues from Federal awards.

For the purposes of this provision, "Total Compensation" means the cash and non-cash dollar value earned by the executive during the subcontractor's past fiscal year, including the following:

- (a) Salary and bonus.
- (b) Awards of stock, stock options, stock appreciation rights. Use the dollar value used for financial statement reporting purposes with respect to the fiscal year.
- (c) Earnings for services under non-equity incentive plans. Do not include group life, health, hospitalization, medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
- (d) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
- (e) Above-market earnings on deferred compensation which are not qualified.
- (f) Other compensation, including severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property if the value for the executive exceeds \$10,000.00.

**3.020 Buy American Requirement (Section 1605)**Definitions as used in this section:

- (A) *Designated Country* means:
- (1) a World Trade Organization Government Procurement Agreement country: Aruba, Austria, Belgium, Bulgaria, 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; or
 - (2) a Free Trade Agreement (FTA) country: Australia, Chile, and Singapore.
- (B) *Designated Country Good* is iron, Steel, or a Manufactured Good (other than construction-grade steel, motor vehicles, and coal) 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.
- (C) *Domestic Good* is iron, Steel, 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.
- (D) *Federal Agency* means the department or agency of the federal government that awarded funds to the State of Michigan from the ARRA which finances the project described in this Contract.
- (E) *Foreign Good* is iron, Steel, or a Manufactured Good that is not a Domestic or Designated Country Good.
- (F) *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.
- (G) *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.
- (H) *Steel* means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
- (I) *United States* means the 50 States, the District of Columbia, and outlying areas.

II. Required Use of Domestic and Designated Country Goods

- (A) Under ARRA section 1605, only Domestic or Designated Country Goods will be used in the construction, alteration, maintenance, or repair of a Public Building or Public Work, unless an exception applies. This requirement does not apply to the Domestic or Designated Country Goods listed:

None



(B) A Contractor requesting a determination regarding the inapplicability of ARRA section 1605 must submit the request to the Federal Agency with adequate time to allow a determination. A Contractor must provide a copy of this request to the DTMB Buyer. The Federal Agency is the sole entity authorized to make determinations regarding the inapplicability of ARRA section 1605.

(C) The Federal Agency may except other iron, Steel, or Manufactured Goods (other than construction-grade steel, motor vehicles, and coal) if it determines that:

- (1) the cost of Domestic or Designated Country Goods would be unreasonable. The cost of Domestic or Designated Country 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;
- (2) the iron, Steel, or Manufactured Good (other than construction-grade steel, motor vehicles, and coal) is not produced or manufactured in the United States or a Designated Country in sufficient and reasonably available quantities and of a satisfactory quality; or
- (3) the application of ARRA section 1605 would be inconsistent with the public interest.

(D) Regardless of the status of any determination request, any Contractor that requests to use Foreign Goods must include:

- (1) a description of the iron, Steel, or Manufactured Goods;
- (2) unit of measure;
- (3) quantity;
- (4) cost;
- (5) time of delivery or availability;
- (6) location of the construction project;
- (7) name and address of the proposed supplier; and
- (8) a detailed justification of the reason for use of Foreign Goods.

(E) If the Contractor's pursues the use of Foreign Goods, the Contractor must submit an alternate proposal based on the use of equivalent Domestic or Designated Country Goods. If an alternate proposal is submitted, the Contractor must submit a separate cost comparison table similar to the DOMESTIC/DESIGNATED COUNTRY AND FOREIGN GOODS COST COMPARISON table.

(F) A request based on the unreasonable cost of a Domestic or Designated Country Good must include a survey of suppliers and a completed cost comparison table listed below for each item. The Contractor must list the name, address, telephone number, e-mail address, and contact person for each supplier surveyed. The Contractor must also attach a copy of each supplier's response; if the response is oral, the Contractor must attach a summary. The Contractor may include other supporting information.

DOMESTIC/DESIGNATED COUNTRY AND FOREIGN GOODS COST COMPARISON

Description of Goods	Unit of measure	Quantity	Cost (dollars)*
Item 1: Domestic/Designated Country Goods..... Foreign Goods.....			
Item 2: Domestic/Designated Country Goods..... Foreign Goods.....			

**Include all delivery costs to the construction site.*

(G) If the Federal Agency denies an exception requested under ARRA section 1605, the State will pursue only the Contractor's use of Domestic or Designated Country Goods.

(H) Any request under subsection (b) submitted after the contract award must explain why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before the contract was awarded. If the Contractor does not submit a satisfactory explanation, the Federal Agency does not need to make a determination.



(I) If the Federal Agency determines after the contract award that an exception to ARRA section 1605 or the Buy American Act applies, and the agency and the Contractor negotiate adequate consideration, the agency will modify the contract to allow use of the Foreign Goods. However, when the basis for the exception is the unreasonable cost of a Domestic or Designated Country Good, adequate consideration must not be less than the differential established in the DOMESTIC/DESIGNATED COUNTRY AND FOREIGN GOODS COST COMPARISON table.

(J) ARRA section 1605 does not apply to equipment or tools which are not incorporated into the building or work.

3.030 Prevailing Wages

Under ARRA section 1606, wages paid to all laborers and mechanics employed by the Contractor and each subcontractor on projects funded in whole or in part with funds available under ARRA must not be less than prevailing wages on projects of a similar character 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. The Secretary of Labor's determination regarding the prevailing wages applicable in Michigan is available at <http://www.gpo.gov/davisbacon/mi.html>. This provision supersedes section 2.204, Wage Rate Requirements.

3.040 Inspection & Audit of Records

In addition to the requirements of Article 2:

(A) Contractor must permit both the United States Comptroller General or its representative and the United States Inspector General or its representative to:

- (1) examine any records that directly pertain to, or involve transactions relating to, this contract; and
- (2) interview any officer or employee of the Contractor or any of its subcontractors, regarding the activities funded with funds appropriated or otherwise made available by the ARRA.

(B) This provision must be included in all subcontracts.

(C) Failure to comply with subsection (a) or (b) is considered a material breach and may result in the termination of the Contract.

3.050 Whistle Blower Protection for Recipients of Funds

Contractor must post notice of an employee's rights and remedies for whistleblower protections under ARRA section 1553. Contractor must include this section in all subcontracts.

3.060 Funding of Programs

Under 2009 PA 7, Section 209, this Contract is supported with temporary federal funds made available by the ARRA. The programs supported with the temporary federal funds will not be continued with state financed appropriations once the temporary federal funds are expended.

3.070 Fixed Price- Competitively Bid

Contractor must, to the maximum extent possible, award subcontracts as fixed-price contracts through competitive bid procedures.

3.080 Reserved

**3.090 Publication**

Contractor must identify projects supported by the ARRA by including the appropriate emblems as the State may require.

3.100 Reserved**3.110 Non-Discrimination**

In addition to the requirements of Article 2, Contractor must 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.

3.120 Prohibition on Use of Funds

Funds paid to the Contractor must not be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

3.130 False Claims Act

Contractor must promptly refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act, 31 U.S.C. 3729, or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving the ARRA.

3.140 Reserved**3.150 Job Opportunity Posting Requirements**

Contractor shall post notice of job opportunities funded by this Contract in the Michigan Talent Bank, www.michworks.org/mtb.

**Attachment A, Price Proposal**

Resource	Hourly Rate
Project Manager	\$250.00
Senior Analyst	\$225.00
Analyst	\$200.00
Clerical Support	\$60.00

MetaOps, Inc. offers to the State of Michigan a fast payment discount for services provided (not expenses) of 5% off our invoice if payment is received by MetaOps within 10 business days of our invoice date.