Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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. 084B6600002
between
THE STATE OF MICHIGAN

NAME & ADDRESS OF CONTRACTOR **Double Line Partners** **6801 N. Capital of Texas Highway** **Building II, Suite 225** **Austin, TX 78731**	**TELEPHONE** john.sheppard@doublelinepartners.com John Shepherd, President 512-646-4929 CONTRACTOR NUMBER/MAIL CODE 2452584341/001 **BUYER/CA** 517-241-1640 Lisa Feury, feuryL@michigan.gov
Contract Compliance Inspector: Douglas S. Collier 517- 241-4431	
CONTRACT PERIOD: **1 yrs. + one-one year option** From: March 21, 2016 To: March 20, 2017	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
CONTRACTED SERVICES:	
MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are those of ITB #107116B0006629, this Contract Agreement and the vendor's quote dated January 4, 2015. 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.** **Estimated Contract Value: $231,595.00**	

FOR THE CONTRACTOR:	FOR THE STATE:
Double Line Partners Firm Name	Lacey Wilke Signature
Authorized Agent Signature	Lacey Wilke, Procurement Manager Name/Title
John Sheppard Authorized Agent (Print or Type)	DTMB, Financial Services Division
3/22/2016 Date	4/6/16 Date

All terms and conditions of the invitation to bid are made a part hereof.

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APPENDIX A – PROJECT PLAN ERROR! BOOKMARK NOT DEFINED.

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DEFINITIONS—DTMB

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.

Blanket Purchase Order is an alternate term for Contract and is used in MDE's computer system.

Business Day is any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00 a.m. Eastern through 5:00 p.m. Eastern unless otherwise stated.

CCI means Contract Compliance Inspector.

Day means calendar day unless otherwise specified.

Deleted/Not Applicable 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 toxins 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 (Key Staff) means any personnel identified in Section 1.031: Contractor Staff, Roles, and Responsibilities as Key Personnel.

New Work means any Services/Deliverables outside the scope of the Contract and not specifically provided for 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 that would otherwise go to disposal and wastes generated after completion of a manufacturing process. It 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 and in furtherance of performing the services required by the Contract.

DEFINITIONS—Division of Accountability Services (DAS)

AAA (Authentication/Authorization/Accounting) — A term for a framework to intelligently control user access to computer resources and information. It enforces policies and monitors usage for auditing and accounting purposes.

Accommodation — Accommodations are practices and procedures in the areas of presentation, response, setting, and timing/scheduling that provide equitable access during instruction and assessment for students with disabilities. Educators and administrators design accommodations in order to compensate for or mitigate a disability the student may have, or to address a physical, mental, or emotional need a student exhibits. Accommodations administered both in regular instruction and during assessments is one way that educators ensure that students have access to education in a way that is equal to their peers. Accommodations are intended to reduce or eliminate the effects of a student's disability; they do not reduce the learning experience.

Accountability — The Michigan School Accountability Scorecard program annually determines whether each school and district in Michigan has made progress toward targets for student outcomes in the areas of mathematics, English language arts, science, social studies, attendance, and graduation rate (for high schools) and has complied with state and federal laws in educator evaluations and school improvement plan completion.

Activity-based observation item — In Michigan, this is a type of MI-Access Supported Independence or Participation performance-based item (SI/P) that takes into account the degree of assistance provided by the test administrator(s) to a student in completing an individual or group activity. The single digit response rating is A, B, C, or 1, 2, 3.

ADA (Americans with Disabilities Act) — Wide-ranging legislation intended to make American society more accessible to people with disabilities. It extends protection against discrimination to all State and local government services (including public schools) whether or not they receive Federal funds.

AERA (**American Educational Research Association)** — The national interdisciplinary research association for scholars who undertake research in education.

Alternate Achievement Standards — Explicit definitions of how students are expected to demonstrate attainment of the knowledge and skills covered in the State's extended content standards.

Alternate Assessment — An assessment used to measure the learning progress and performance of students with disabilities whose IEP Teams have determined that it is not appropriate for them to participate in general education assessments (i.e., the MEAP or the MME). As allowed by Federal law, these assessments may be based either on grade-level achievement standards or alternate achievement standards.

AI (Artificial Intelligence) Scoring — Computer-automated scoring of constructed-response items.

AIF (Assessment Interoperability Framework) – The framework being developed by the joint SIF/IMS working group to define how interoperability standards should be applied for an assessment platform in support of Common Core assessments.

APA (American Psychological Association) - The largest scientific and professional organization representing psychology in the United States.

API (Application Programming Interface) — A specification intended to be used as an interface by software components to communicate with each other.

APIP (Accessible Portable Item Protocol) Standard — A technical standard that focuses on accessibility in assessment items. APIP is an extension of the QTIv2.1 standard, allowing accessibility information to be included in a digital test item definition so that items can be transferred between APIP compliant item banks.

Assessment — A tool or instrument that measures what a student knows and can do. This measurement is often expressed as a score on a numerical rating scale, as well as a description of a performance level.

Assessment Accommodation — Changes the way a student accesses an assessment without changing the actual standards the student is working toward or the content being assessed. The goal of an assessment accommodation is to minimize the impact of a student's disability on his or her performance on an assessment. Decisions regarding assessment accommodations are to be made on a case-by-case basis and are to be based on relative appropriateness to a disability and the impact it has on the student. Decisions about assessment accommodations should be made well in advance of the actual assessment.

Assessment Coordinator — School or District Coordinator for MDE assessment programs.

Assessment Window — The span of days over which assessments are administered.

Benchmarks — While content standards describe what all students should know and be able to do in certain broad subject areas, benchmarks indicate what students should know and be able to do at various developmental levels (i.e., early elementary, later elementary, middle, and high school) within the content standards (Michigan Curriculum Framework, page 8).

Bulk XML — Provides the capability to load semi structured XML data into Microsoft SQL Server Tables. This provides improved performance when inserting large amounts of XML data into data tables.

CEDS (Common Education Data Standards) – A national collaborative effort to develop voluntary, common data standards for a key set of education data elements to streamline the exchange and comparison of data across institutions and sectors. (https://ceds.ed.gov)

CEPI (Center for Educational Performance and Information) — Collects and reports data about Michigan's K–12 public schools. Initiatives in data collection and reporting facilitate school districts' compliance with the Federal *No Child Left Behind Act of 2001* and the Michigan Department of Education's accreditation plan, *EducationYes!*

CAT (Computer Adaptive Test) — A computer adaptive test is one in which the next test question is selected (and typically administered) by a computer algorithm based on the student's performance on previously administered items. In such a way, an assessment can be tailored to the individual student's response, thereby adding precision to the resulting scores since students only see the test questions most appropriate for them.

CCR (Change Control Request) —In Michigan, the process to alter the Specifications or the Statement of Work in a contract.

Concurrent Users — Users who are logged in and using the Online Test Delivery System at any given time.

Content Area — Course or discipline of study, including reading, mathematics, science, social studies, and writing. (Content areas can also include languages, art, music, theater arts, and other disciplines not typically assessed on statewide assessments.)

Cut Score — A specific point on a score scale, such that scores at or above that point are interpreted or acted upon differently from the scores below that point (Standards for Educational and Psychological Testing, 1999).

Data Hub —Part of the Michigan Technology Readiness Infrastructure Grant (TRIG) initiative. There are 5 regional data hubs, each providing that region with a single point access to SIS information as well as local information. Each Data Hub has an ODS which may be expanded to include additional student data.

Digital Test Item — An electronic item format allowing items to be transported using a standardized exchange file format or standard, such as QTI or APIP.

Disability — The Individuals with Disabilities Education Act (IDEA) is a four part (A-D) piece of American legislation that ensures students with a disability are provided with Free Appropriate Public Education (FAPE) that is tailored to their individual needs. IDEA was previously known as the Education for All Handicapped Children Act (EHA) from 1970 to 1990.

EDT — Eastern Daylight Time.

Economically Disadvantaged — A student from a family with an annual income below a level that is based on low-income thresholds according to family size published by the U.S. Bureau of the Census, adjusted annually for changes in the Consumer Price Index. These students are eligible for free and reduced-price meals.

EEM (Educational Entity Master) — The single repository for all statewide school and district information. It is managed by Center for Educational Performance Information (CEPI), which is part of the Department of Technology Management and Budget. EEM data required for assessments (school, district, Intermediate School District) are transferred to the MDE Secure Site. Contractor access to these data will be provided via web services or direct table read from the MDE Secure Site database.

ELA — English Language Arts, subjects or content areas that include reading, writing, listening, and speaking in the Common Core State Standards. ELA aims at developing the student's comprehension and capacity for use of written and oral language in English.

ED-FI — The Ed-Fi solution is a universal educational data standard and tool suite (unifying data model, data exchange framework, application framework, and sample dashboard source code) that aligns with Common Education Data Standards, the foundation for enabling interoperability among secure education data systems. Ed-Fi tool suite is designed to integrate information from a broad range of existing education data sources. It facilitates data comparisons and interoperability, and allows vendors to develop reusable products across multiple states.

ED-FI Cockpit Dashboard — An application that will be built within the current Data Hub Cockpit for this Contract. It will allow authorized local users to assign the reports that are available to be viewed by various levels or users.

ED-FI REST (Representational State Transfer) — specifies application programming interfaces (API) guidelines for licensees seeking to incorporate a RESTful API into their implementation of Ed-Fi technology.

ELL English Language Learner (also referred to as English learner) — The Michigan definition is a student who has a primary or home language other than English who—because of limited proficiency in speaking, reading, writing, and understanding the English language—requires alternative programs or services to equally access the local educational agency's total academic curriculum. These students are sometimes referred to as students with limited English proficiency (LEP).

ESEA — Elementary and Secondary Education Act.

ESSA (Every Student Succeeds Act of 2015) — An act that reauthorizes the Elementary and Secondary Education Act, including Title programs I–IX.

EST — Eastern Standard Time.

Extended response — Constructed-response items that require AI and/or handscoring to determine a student's performance on an assessment task or essay item.

Field Test — A test administration used to check the adequacy of testing procedures, generally including test administration, test responding, test scoring, and item test reporting. A field test is more extensive than a pilot test.

Field-test Item — A test question (often embedded within the operational items) that is inserted to obtain statistical information about its performance and ability to measure its intended content; this item does not count toward the student score; the statistical data are used in item selection for future tests.

Homeless — A homeless student is one who lacks a fixed, regular, and adequate nighttime residence. This includes students who live in shelters, abandoned buildings, cars, and public spaces, as well as students whose families share housing with other families because of economic hardship or who live in motels, hotels, trailer parks, or campgrounds.

Home-schooled — Students who are receiving instruction at home and take the State assessment in their local school district. Public school districts are required to administer State-level assessments to home-schooled students who wish to be assessed.

IDEA 1997 — The Federal Individuals with Disabilities Education Act, which describes and regulates educational opportunities for individuals with disabilities. It also requires that students with disabilities be included in state-wide assessments. Reauthorized in 2004.

IEP (Individualized Education Program) — A written Statement for each child with a disability that is developed, reviewed, and revised in a meeting in accordance with the Individuals with Disabilities Education Act regulations.

ISD — Intermediate School District**.**

IT — Information Technology.

IBS (Item Bank System) — The MDE Item Bank System is a State-developed Web-Based application that encompasses all of the following functions within a single framework: the Complete Item Development Life Cycle, Test Development Processes, and Test Composition Process.

KEA — Kindergarten Entry Assessment

LEP (Limited English Proficient) — The terms “limited English proficient” or “English language learner,” when used with respect to an individual, mean someone who:

- is aged 3 through 21;
- is enrolled in or preparing to enroll in an elementary school or secondary school;
- (i) was not born in the United States or whose native language is a language other than English; (ii) (I) is a Native American or Alaska Native, or a native resident of the outlying areas; and (II) comes from an environment where a language other than English has had a significant impact on the individual’s level of English language proficiency; or (iii) is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and
- whose difficulties in speaking, reading, writing, or understanding the English language may be sufficient to deny the individual (i) the ability to meet the State’s proficient level of achievement on State assessments described in section 1111(b)(3); (ii) the ability to successfully achieve in classrooms where the language of instruction is English; or (iii) the opportunity to participate fully in society.

MDE (Michigan Department of Education) — Under the direction of the Superintendent of Public Instruction, this agency carries out the policies of the State Board of Education and implements Federal and State legislative initiatives.

MDE Secure Site — This is the entry point, or **Portal**, where end-users access all components (paper-and-pencil and online) of Michigan’s assessment and reporting systems. The Secure Site has a multi-tier security structure that controls user rights based on pre-established permissions. It is used for pre-identifying students for online and/or paper-and-pencil assessments by assessment program, grade level, and content area; for ordering materials and tracking order status; for displaying which students have tested; and for identifying possible administration issues.

MEIS (Michigan Education Information System) — A security system implemented and used with various Michigan Department of Education (MDE) and Center for Educational Performance and Information (CEPI) applications.

MI-Access — Michigan’s alternate assessment system, which is composed of three assessment programs (Functional Independence, Supported Independence, and Participation) and is based on Alternate Achievement Standards (AA-AAS). As a component of the MEAS, MI-Access is intended for students for whom the M-STEP, either with or without assessment accommodations, are not appropriate as determined by a student’s Individualized Education Program (IEP) Team.

MI-Access Functional Independence (FI) Assessments — The MI-Access Accessing Print (reading), Expressing Ideas (writing), mathematics, and science assessments for students who have, or function as if they have, mild cognitive impairment.

MI-Access Participation (P) Assessments — The MI-Access English language arts, mathematics, and science assessments for students who have, or function as if they have, severe cognitive impairment.

MI-Access Supported Independence (SI) Assessments — The MI-Access English language arts, mathematics, and science assessments for students who have, or function as if they have, moderate cognitive impairment.

Modified Achievement Standards — An expectation of performance that is challenging for eligible students, but may be less difficult than a grade-level achievement standard. Modified achievement standards will be aligned with a State’s academic content standards for the grade in

which a student is enrolled. Thus, only the achievement standards are modified, not the content standards on which those modified achievement standards are based.

MSDS (Michigan Student Data System) — Data submitted by school districts, including discrete information about individual students, such as age, gender, ethnicity, and program participation. The data collected via the MSDS are used to meet the reporting requirements of the Federal No Child Left Behind Act of 2001, including the determination of Adequate Yearly Progress (AYP).

M-STEP (Michigan Test of Educational Progress) - The M-STEP will include our summative assessments designed to measure student growth effectively for today's students. English language arts and mathematics will be assessed in grades 3–8, science in grades 4 and 7, and social studies in grades 5 and 8. It also includes the Michigan Merit Examination in 11th grade, which consists of a college entrance exam, work skills assessment, and M-STEP summative assessments in English language arts, mathematics, science, and social studies.

Multiple Choice — The most common type of selected-response item, consisting of two parts: a stem and various response options.

NCME — National Council on Measurement in Education.

Nonstandard Accommodation — Changes the construct being measured by an assessment or assessment item and, thus, results in an invalid test score. This includes any accommodation not deemed "standard" in the Assessment Accommodation Summary Tables approved by the State Board of Education.

Operational item — A test question with statistical information that is selected for use on a test that measures student perform on content; this item does count toward the student score; the resulting statistical data are used in item selection for future tests.

Performance Task — Collections of items and activities that require multiple steps and may include components of other items in the task. These activities are meant to measure capacities such as depth of understanding, writing and research skills, and complex analysis, which cannot be adequately assessed with traditional assessment questions.

Pilot Test — A test administered to a sample of test takers to try out some aspects of the test or test items, such as instructions, time limits, item response format, or item response options.

Pilot Item — A test question that is newly developed (often used in stand-alone testing) that do not count toward a student score.

PNP — Personal Needs Profile.

Pre-ID — Pre-identification of which students in each school will take which assessments with which accommodations.

Proficient — Sometimes expressed by a numerical "cut score" on a Statewide assessment, a student who is proficient in a content area demonstrates knowledge of that content area appropriate to grade-level expectations. Those expectations may vary based on the student's grade level and instructional setting. See Grade Level Content Expectation (GLCE), High School Content Expectation (HSCE), English Language Learner (ELL) Standards, Extended Grade Level Content Expectations (EGLCEs), Extended High School Content Expectations (EHSCEs), and Extended Benchmarks (EBs).

Progress — Annual gains made by the student, as evidenced by the acquisition of what the student knows and can do or by an increase in assessment scores or performance levels.

PSAT® — the Preliminary Scholastic Aptitude Test, which is administered to Michigan students enrolled in grades 9 and 10 each spring.

SAML - Security Assertion Markup Language 2.0 (**SAML 2.0**) is a version of the SAML standard for exchanging authentication and authorization data between security domains. SAML 2.0 is an XML-based protocol that uses security tokens containing assertions to pass information about a principal (usually an end user) between a SAML authority, that is, an identity provider, and a SAML consumer, that is, a service provider. SAML 2.0 enables web-based authentication and authorization scenarios including cross-domain single sign-on (SSO), which helps reduce the administrative overhead of distributing multiple authentication tokens to the user.

SAT® — The SAT is a standardized test widely used for college admissions in the United States. It was first introduced in 1926, and its name and scoring have changed several times, being originally called the Scholastic Aptitude Test, then the Scholastic Assessment Test, then the SAT Reasoning Test, and now simply the SAT

SBE — State Board of Education.

Scoring Rubric — Descriptive scoring schemes that are developed by teachers or other evaluators to guide the analysis of the products or processes of students' efforts. Scoring rubrics are typically employed when judgment of quality is required and may be used to evaluate a broad range of subjects and activities (Practical Assessment, Research, & Evaluation, 2000).

SDs or SWDs (Students with Disabilities) — A student who is determined by an Individualized Education Program (IEP) Team or a hearing officer to have one or more of the impairments that necessitates special education or related services, or both, who is not more than 25 years of age as of September 1 of the school year of enrollment, who has not completed a normal course of study, and who has not graduated from high school. A student who reaches the age of 26 years after September 1 is a "student with a disability" and entitled to continue a special education program or service until the end of that school year.

Selected Response — In Michigan, this term is used to describe MI-Access Supported Independence and Participation items that take into account the degree of assistance provided by the test administrator(s) to a student in selecting a response to a picture card stimulus. The single digit response rating is A, B, C, or 1, 2, 3.

SEN – Michigan is currently establishing a **S**tate-wide **E**ducational **N**etwork which will provide a shared intranet backbone connecting all schools. This means 100% connectivity of ISDs, LEAs and PSAs with the necessary network capacity for collaboration and resource sharing.

SF (Spiral Fixed-Form) — Computer-based test containing multiple forms, or versions, of a test booklet where one or more sections vary from one test taker to another.

SIS (Student Information System) — A software application that is designed for education establishments to manage student data. In Michigan, MSDS system contains student data that are transferred to the MDE Secure Site system for assessment management purposes.

Standard Accommodation — An assessment provision given so that the effect of a disability is minimized and the student is provided an opportunity to demonstrate the degree of achievement he or she actually possesses. It does not change the construct being measured; therefore, it yields valid assessment scores.

Summative Assessment — A test that is used to evaluate student competency. A summative assessment is commonly delivered at the end of the school year during a fixed administration window and is commonly aligned with State standards.

Technology Enabled (TN) — Computer-based items that include features, such as reading the item to the test-taker in English or another language, such as Spanish or Arabic.

Technology Enhanced (TE) — Computer-based test items that allow students to reorder text, show evidence and use drop-down menus for responses.

Test Administration — Management of test windows, proctor assignment, class/group assignment for reporting, and student identification methods are components of the DAS Secure Site. This information is provided to administration Contractors via a direct table read or web services interface.

Test Cycle — Refers to the period of time, usually a range of dates, for administering an assessment. In Michigan, current assessment cycles are either fall or spring, with a specific date range for each. Interim assessments will have pre- and post- test cycles, which are fall and spring for year-long subjects or courses; September and January or February and May for ½ credit courses.

Test Delivery for Online Assessments — The overall responsibility of this component is to securely deliver the assessment to the student, securely store the student responses, store other information about how the student responded (i.e., time to answer, time to render for the student, etc.), and deliver the test items in the proper accessible format that the student needs. The Test Delivery System will also include two subcomponents:

- Student Workstations: This is a software subcomponent used to interact with the student. It is responsible for delivering the items to the student and gathering the responses and response metadata. It also contains the tools needed by the student to take the test (e.g., calculators, tables, accessibility tooling, etc.).
- Proctor Workstation: This is a software subcomponent the proctor uses to manage the test delivery. It allows the proctor to start and stop, or suspend and resume the test for the testing group or individual students. It also allows the proctor to monitor student progress, as well as helping students when they are having issues.

Test Event – The administration of an online computer-adaptive test.

Test Registration — Michigan students are registered for assessments, including assignment of class/group numbers for test administration/proctors, and the same or different class/group numbers for reporting using the pre-identification component of the DAS Secure Site.

Theta Value — Estimate of the relationship between a test item and the underlying attribute that is being measured. A distinction is made between the values that are actually obtained in a test setting and a hypothesized “true” underlying value.

Topology — The arrangement of various elements within a computer network, it is the topological structure of a network and may be depicted physically or logically.

Top-to-Bottom — The Top-to-Bottom Ranking accountability program ranks schools on their student performance in mathematics, English language arts, science, social studies, and graduation rate data (for high schools). School performance components include student achievement, improvement and achievement gaps between the highest and lowest scoring 30 percent of students in each school. It is also used to determine Reward schools, Beating the Odds schools, Focus Schools and Priority schools.

Universal Design — uses four principles of accessibility (perceptibility, operability, simplicity and forgiveness) ensures that the widest possible range of students can use a web-based system with ease.

UIC (Unique Identification Code) — A State-assigned code that allows the State to track student information without using a student's name.

WIDA® —World-class Instructional Design and Assessment is an educational consortium of state departments of education that designs and implements proficiency standards and assessment for grade K-12 students who are English language learners.

WorkKeys® — A job skills assessment system that helps employers select, hire, train, develop, and retain a high-performance workforce.

CONTRACT ACTIVITIES

This exhibit identifies the requirements and deliverables that the Contractor must fulfill for this Web-based Dynamic Reporting Contract.

Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

The Michigan Department of Education (MDE) Division of Accountability Services (DAS) worked with the Department of Technology Management and Budget (DTMB) to post a Request for Information (RFI) to learn about available technology for large-scale online data reporting solutions. Both commercial off-the-shelf (COTS) products and custom software solutions were presented by responding vendors as RFI "Spotlight" sessions. MDE used this information to divide the solution into two major functions, or components:

1. Infrastructure
2. Interactive Web-Based Reporting

To facilitate design and implementation of the final solution, MDE has determined that "proof of concept" pilots for the Infrastructure and Interactive Web-Based Reporting components should be conducted. The State is issuing separate contracts for both pilots, which are scheduled to be completed in the spring of 2016.

Infrastructure Component

This Contract is the infrastructure pilot which develops connections among existing Michigan systems utilizing established data exchange formats and applying current technology approaches as foundational elements for the final interactive web-based reporting system.

The Contractor's solution for the Infrastructure Pilot must be non-proprietary, vendor–neutral and serve as the foundation for a future scalable web-based reporting system to meet current and future State of Michigan needs. This Contract and the Interactive Web-Based Reporting Contract will occur in parallel, with some co-dependent activities, which must be accounted for in the Contractor's project planning. Current programs that must be leveraged for the Infrastructure For example, Ed-Fi Cockpit controls will be built within the TRIG's Data Hub configuration. Other important systems include Local Education Authority (LEA) chosen Student Information Systems (SIS) which represent school and local control of this pilot's system authentication, authorization, and accounting (AAA).

The work performed must be of the highest quality and conform to the most recent Standards for Educational and Psychological Testing as published by the American Educational Research Association, the American Psychological Association, and the National Council on Measurement in Education.

All tasks and activities that are carried out as part of this Contract must comply with all legislation, regulations, and policies surrounding the reporting of student assessment data. Where applicable, these include but are not limited to the following:

- The Michigan State School Aid Act, Section 104 or successor legislation.
- The Michigan School Code or successor legislation.
- The Michigan State Board of Education (SBE) policy on learning expectations for Michigan students, or successor policies.
- The Michigan Assessment of Remedial Assistance Programs or successor legislation.
- The Michigan SBE policy to include all students in the Michigan Educational Assessment System, or successor policies.

- The Elementary and Secondary Education Act (ESEA) Flexibility Request approved by the U.S. Department of Education (USED), July 2012.
- The Federal reauthorization of the ESEA, currently known as the Every Student Succeeds Act of 2015 (ESSA) or successor legislation.
- The Federal Individuals with Disabilities Education Act (IDEA), or successor legislation.
- The Federal Americans with Disabilities Act (ADA), or successor legislation.
- The Federal Family Educational Rights and Privacy Act (FERPA), or successor legislation.
- The Federal American Recovery and Reinvestment Act (ARRA), its various components, or successor legislation.
- The Federal guidelines and regulations regarding NCLB, IDEA, ADA, or ARRA, including both specifications for assessment programs as well as specifications for accountability using the results from those assessment programs.

During the term of this Contract, new legislation, SBE policy, and/or appropriation funding levels may require that a current program be modified and/or other programs added. The Contractor(s) must be reasonable and flexible in accommodating such changes. All proposed changes must be approved through the change management process (See section 1.403).

1.002 Background

Michigan's K-12 public educational system consists of 545 local school districts and 298 public school academies. Additionally, there are 56 Intermediate School Districts (ISDs), or Regional Educational Service Agencies (RESAs), which aid school districts in specific regions of the state by offering support services and leveraging resources. Altogether, there are 3,536 schools serving over 1.5 million students.

As part of Michigan's overall education strategy, the Michigan Department of Education's (MDE) Division of Accountability Services (DAS) is transitioning from paper/pencil to online administration of assessments.

M-STEP (Michigan Student Test of Educational Progress), the state's general education assessment was administered for the first time in the spring of 2015 to approximately 700,000 students. Over 80% of the assessments or approximately 3.9 million tests were administered online. The remaining tests were administered with a paper/pencil format.

Assessment reports prior to 2015 were static and ranged from individual student results by content to aggregate reports of proficiency, disaggregated by demographic groups. Parent reports and student record labels were also printed and distributed to schools. As Michigan transitions to online testing it is appropriate to transition reporting from paper reports to a more dynamic process of online reporting. Phase 1 is currently underway with the goal of providing authorized users with MDE Secure Site system access to on-demand, interactive reporting of Spring 2015 results at the student, grade, school, district, intermediate school district (ISD) and state levels. Reports are accessed through the MDE Secure Site system. Phase 2 will consist of utilizing the same technology and access for Spring 2016 with template revision and/or additional reports based on stakeholder feedback.

One of the goals of online assessments is to provide assessment data results to parents, teachers, and students immediately after scoring and as outlined in State School Aid Act 388.1704(d). The Spring 2016 Infrastructure and Interactive Web-Based Reporting pilots are planned as a proof of concept that supports local control (choice of SIS systems, and AAA) as part of a federated approach to provide, for the first time, parents and students with immediate access to student assessment data as Phase 3. This infrastructure Contract will ensure that the tunnel methodology for AAA can be used to access statewide assessment reports through a web-based interface that is included in a local district's SIS or ISD data hub.

The Interactive Web-Based Reporting Contract (No. 084B660001), provided via a separate contract will utilize state-of-the-art technology designed to handle large data sets to dynamically produce 10 reports of summative test results, which will include an individual student report, a parent report and a report of classroom level aggregated results for educator use. The web-based reporting pilot solution will have reports that are visually appealing online and that can be efficiently printed locally. The reporting of results will also be available to download to a comma delimited file (CSV) for educator use.

Together, the Infrastructure and Interactive Web-Based Reporting pilots must be of sufficient size to test out scalability and to grow with the needs of the schools and districts. When fully implemented, approximately 4 million assessments are planned to be administered with the ultimate goal of converging state and local assessment results at ISD data hubs, utilizing customized tools that allow individuals to create combined reports.

1.100 Scope of Work and Deliverables

1.101 In Scope

For the Infrastructure Contract, the Contractor will demonstrate an infrastructure pilot solution that, at MDE's direction, is integrated with two (2) Michigan data hubs, with a description of the level of effort to replicate the solution with the remaining three (3) data hubs (see Figure 1); and two (2) Student Information Systems (SIS) with multiple school districts, with a description of the level of effort to replicate the solution with the remaining SIS; and utilize Michigan 2015 assessment data (provided by MDE).

The solution must address data security, AAA and scalability. The infrastructure must support the Interactive Web-Based Reporting pilot and must be scalable such that it can support all school districts, all 5 data hubs, and the local districts that are not connected to the data hubs.

Standards-based SAML 2.0 specification will be used to provide the mechanism to pass the user identities between the SIS, which is the Identity Provider, and the reporting portal. With the Contractor's solution for the infrastructure pilot's tunnel methodology, will provide users with a single sign-on (SSO) experience.

As shown in Figure 2, the user will log into SIS and click on a link or button, navigating to an appropriate report served by the assessment reporting portal. The reporting portal, having previously established a trust relationship with the SIS by exchanging cryptographic keys, relies on an electronically signed SAML (or SAML-equivalent) token delivered by the SIS to identify the user running the report by unique identifier and role (i.e., parent, educator, or student).

This infrastructure pilot requires the Contractor to work closely with the Interactive Web-Based Reporting Contractor and MDE to coordinate with a variety of stakeholders. Examples are the TRIG 22i project, SIS vendors, school districts, the DTMB solutions team, and intended end users.

The manner in which data and documents are handled, transferred, protected against unauthorized access, and released to various parties has the potential to impinge on student privacy, both under FERPA and additional concerns as raised by the Michigan legislature and privacy advocacy groups. Maintaining student privacy is a critical responsibility of both the State and all Contractors.

The Contractor must comply with the requirements described in this Contract. Table 1 identifies the key deliverables for this Contract. Project completion is subject to MDE acceptance of all deliverables.

Table 1: Key Deliverables for the Infrastructure Pilot

Phase	Key Contract Deliverables
Planning	• Participate in Project Kick-off Meeting • Provide Preliminary "Top Milestones" list • Provide Project Plan • Provide Risk Register
Requirements/ Design	• Identify and provide Requirements Specifications o SEM-0402 format o Provide initial Requirements list and related Requirements Document(s) 2 weeks after KO Meeting o Update Requirements Document(s) throughout pilot project duration • Provide Detailed Functional Design Document o SEM-0501 format o **Authentication model** o Provide detailed description of how the Dynamic Reporting system user (i.e. educators, parent, student) authentication process utilizing an integrated approach with existing SIS system(s) user sign-on o **Authorization model** o Provide detailed description of how the data that Dynamic Reporting system users (i.e. educators, parent, student) will be authorized to access is controlled at the school/district level via existing SIS system(s). o **Network/Tunnel Diagram** o Microsoft Visio format o Provide detailed diagram of all components of the Network/Tunnel solution • Develop Test Plan o SEM-0602 format o Unit Testing o Function Testing o Performance Testing o Regression Testing o User Acceptance Testing o Standards Testing • Provide System Design Document
Implementation/ Testing	• Provide Individual Test Case Matrix o SEM-0401 o Detailed steps of each test case o Match test scenarios to system requirements o SEM-0606 format o Detailed steps of each test case o Test results • Establish Application Development Environments o **Physical diagrams of each environment** o Visio format o Development Environment o User Acceptance Testing Environment o Pilot Environment

Table 1: Key Deliverables for the Infrastructure Pilot

Phase	Key Contract Deliverables

Final Deliverable	• Conduct Knowledge Transfer
	• Deliver Functional interactive Web-Based Reporting Pilot system
	  o Non-proprietary, vendor–neutral, serve as blueprint for future scalable solution
	  o **Authentication model**
	  o Implement the solution for the Dynamic Reporting system user (i.e. educators, parent, student) authentication process utilizing an integrated approach with existing SIS system(s) user sign-on
	  o **Authorization model**
	  o Implement the solution for how the data that Dynamic Reporting system users (i.e. educators, parent, student) will be authorized to access is controlled at the school/district level via existing SIS system(s).
	  o Implement a control mechanism via data hub cockpits to control access to reports via assigned roles
	• Provide Lessons Learned Document
	• State-wide System Design Document

1.102 Out Of Scope

The following is considered out of scope:

- Any proposal that expects the State to leverage components of a commercial off-the-shelf solution that performs activities already performed by an existing State solution (e.g. accounting, GIS, document management);
- Decommissioning of legacy or replaced systems;
- Acquisition and support of software already owned by the State or available through State contract;
- Advertising, marketing, and press releases; and
- Assignment and management of State resources.

1.103 Environment

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

The Contractor is advised that the State has methods, policies, standards and procedures that have been developed over the years and that all contractors are expected to conform to State IT policies and standards. All services and products provided as a result of this RFP must comply with all applicable State IT policies and standards during the conduct of this Contract. All services and products provided as a result of this Contract must comply with all applicable State IT policies and standards. The Contractor is required to review all applicable links provided below.

Enterprise IT Policies, Standards and Procedures:
http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html

All software and hardware items provided by the Contractor must run on and be compatible with the DTMB Standard Information Technology Environment (SUITE). Additionally, the State must be able to maintain software and other items produced as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by DTMB. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The DTMB Project Manager must approve any tools, in writing, before use on any information technology project.

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. The State's Project Manager must approve any changes, in writing, and DTMB, before work may proceed based on the changed environment.

The Michigan Administrative Guide to State Government

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

- State Policy 1335: Information Technology Access Control
- State Policy 1340: Information Technology Information Security
- State Policy 1345: Information Technology Network and Infrastructure

Enterprise IT Security Policy and Procedures:
http://www.michigan.gov/documents/dmb/1210.32.pdf
http://www.michigan.gov/documents/dmb/1325_193160_7.pdf
http://www.michigan.gov/documents/dmb/1335_193161_7.pdf
http://www.michigan.gov/documents/dmb/1340_193162_7.pdf

There will be no public access to the Interactive Web-Based Reporting system. All State and contractual employees are required to have an application level login and password to access system functions. Any contract employee that accesses the system functions must adhere to all State security policies. For example, each contract employee must use his/her individual account with password, no shared accounts or passwords, and authorizations with least privileges based on need-to-know basis.

In the event the Contractor or an individual representing the Contractor is granted access to State IT resources, this individual acknowledges and agrees to the State's acceptable use policy: https://michigan.gov/documents/dtmb/1340.00.01_Acceptable_Use_of_Information_Technology_Standard_458958_7.pdf?20151015154802.

All computer information systems and applications must operate in a secure manner and comply with (General Security Requirements).

The Contractor must submit a completed Enterprise Architecture Solution Assessment (EASA) within 5 business days of the award of this Contract.

The State's security environment includes:

- DTMB Single Login
- DTMB provided SQL security database
- Secured Socket Layers
- Database encryption for data at rest
- Encryption for data in transit
- SecureID (State Security Standard for external network access and high risk Web systems)

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

Look and Feel Standards

All software items provided by the Contractor must be ADA complaint, consider mobile responsiveness and adhere to Look and Feel standards of the local student information systems or agreed upon branding by MDE. Refer to the standards of the ADA and mobility at the State of Michigan eMichigan website (http://michigan.gov/emichigan.

The “look and feel” of the reporting interface and administration of the Interactive Web-Based Reporting solution must allow equitable access to assessment results that will not be affected by disability, gender, ethnicity, or English language ability when fully implemented.

The State Unified Information Technology Environment (SUITE):
Includes standards for project management, systems engineering methodology (SEM), and associated forms and templates – must be followed: http://www.michigan.gov/suite

Agency Specific Technical Environment
The Contractor shall conform to SUITE and adopt said processes and templates in performance of the project. The State’s current development environment is:

Desktop Workstations	o Windows 7 and Windows 8
Software Listing	o ASP.Net using 4.6 framework
	o Visual Studio 2015
	o JavaScript
	o HTML
	o XML
	o MS Office 2013
	o Microsoft Project
	o Visio
Database	o MS SQL Server 2008 R2
Source Control, & Code Promotion	o Microsoft Team Foundation Server 2013

The intent of this Contract is to demonstrate “proof of concept” for the pilot solution. The Contractor has flexibility to determine a pilot solution, but it must work with the pilot solution implemented by the Contractor(s) working on the Interactive Web-Based Reporting Pilot, and work within the topology depicted in Figure 1.

Figure 1: Network Topology Diagram

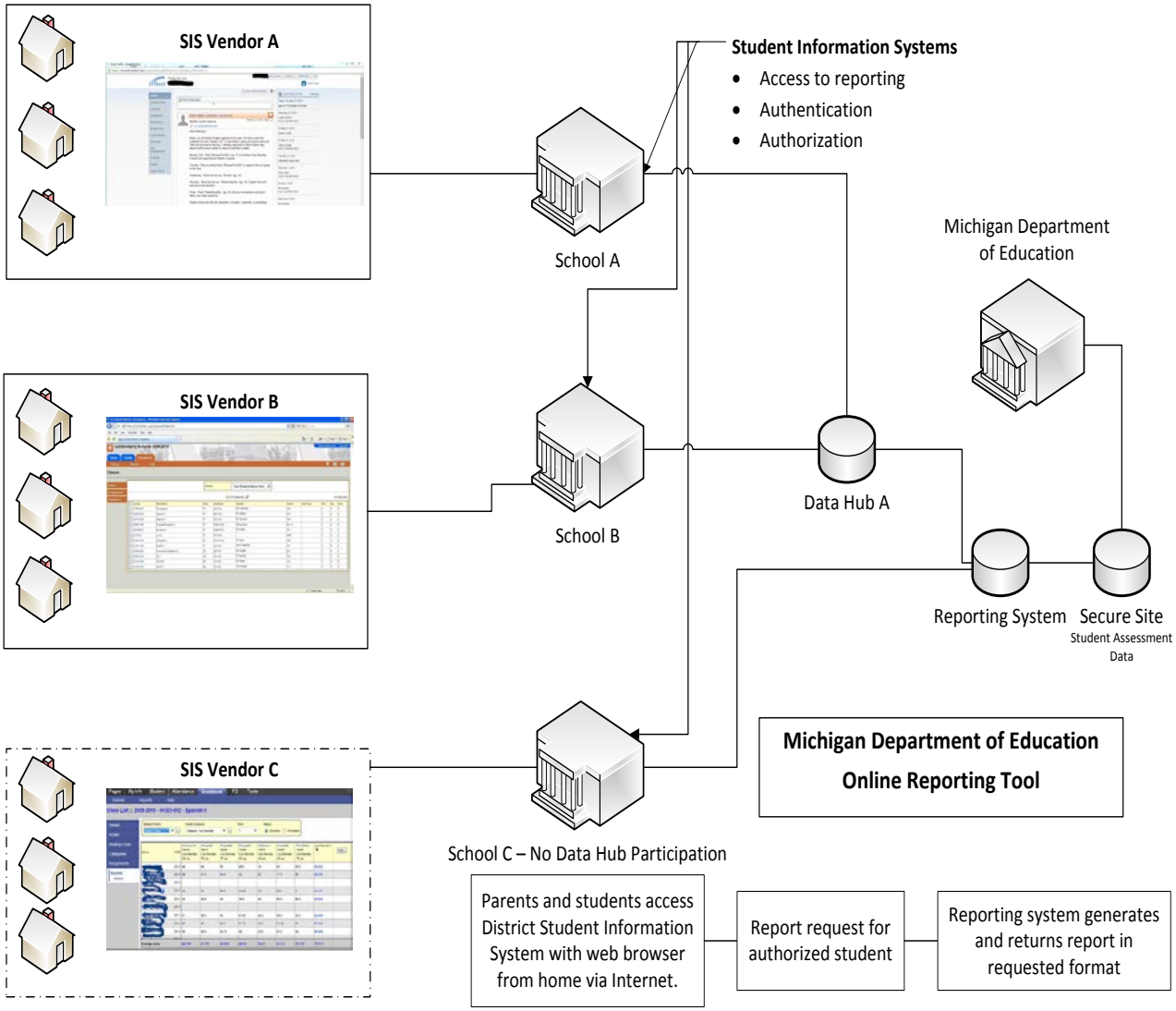
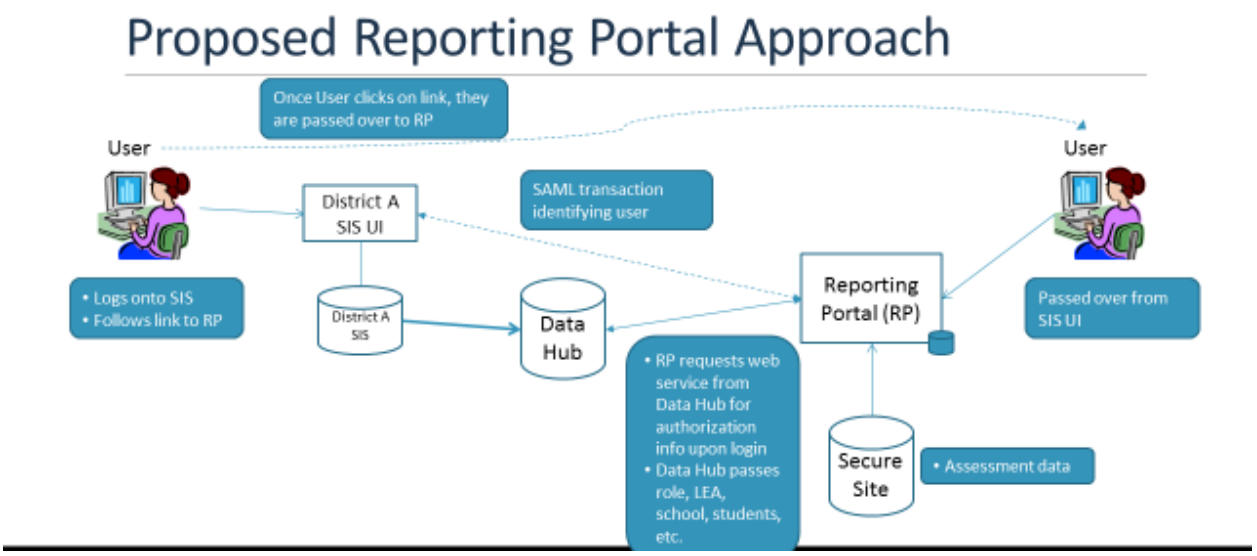


Figure 2: Tunnel Methodology & SSO Approach



1.104 Work and Deliverables

Services and Deliverables to Be Provided

For this Contract, Michigan is requesting a non-proprietary, vendor-neutral pilot solution that is scalable, can be implemented statewide and supports the interactive web-based reporting of Michigan assessment information for districts, schools, educators, parents, and students. The Contractor will consider that the system will be installed and in operation by 5/27/2016. The hardware will be installed and fully operational by 3/31/2016.

A. Business Requirements

The Contractor is responsible for meeting with all stakeholders to gather requirements for the Infrastructure Pilot. Requirements must be approved by the State before the work can begin.

The Contractor will be responsible for all requirements related to the following key features of this pilot:

- Tunnel Methodology
  - Recommend a highly available, redundant, secure, and scalable single sign-on (SSO) approach that provides users with a seamless experience (see Figure 2).
- Hardware
  - Leverage existing hardware within data hub and non-data hub environments
- Security
  - Secure data at rest and in flight and adhere to State of Michigan security polices and guidelines
  - Implement a security standard such as SAML 2.0 https://wiki.oasis-open.org/security/FrontPage.
- AAA
  - Recommend, design and implement an authentication/authorization/accounting system which leverages existing technology (Data hub & non-data hub) while being robust enough to adapt to strategic AAA plans.

Deliverable(s)

A.1 REQUIREMENTS DOCUMENT (SEM-0402)

After completion of the requirements gathering process to understand and define the viable infrastructure that works within the existing state network, the Contractor must use the SEM-0402 as a template to generate the Requirements Document for the Pilot. The Requirements Document must include all necessary information for MDE to review and approve, including the following:

- Functional requirements
- Performance requirements
- User Interface requirements
- System Interface requirements
- Security requirements
- Knowledge Transfer requirements

Acceptance Criteria

High-level acceptance criteria are listed in Section 1.501.
The Contractor will provide an initial Requirements Document for review during the requirements phase and an updated document as a final deliverable.

B. Application Design

Following the Michigan SUITE (1.103) and at MDE's direction, the Contractor will design the Infrastructure solution. This may be accomplished in an iterative fashion.

Deliverable(s)

B.1 FUNCTIONAL DESIGN DOCUMENT (SEM-0501)

The Contractor will use the SEM-0501 as a template to generate a high-level functional design document for the Infrastructure pilot. This document shall describe how the requirements defined during the requirements phase will be implemented. The Functional Design Document must include all necessary information for MDE to review and approve, including the following:

- Network/Tunnel diagram (see Figure 2)
- Security solution addressing student-level data exposure
  - User access controlled at the school/district level
  - Monitor for a Security breach of any SIS
- Disaster Recovery

Acceptance Criteria

High-level acceptance criteria are listed in Section 1.501. The Contractor will provide an initial functional design document for review during the design phase and an updated document as a final deliverable for MDE approval.

Deliverable(s)

B.2 INITIAL TEST PLAN (SEM-0602)

The Contractor shall provide MDE test scenarios, using a SEM-0602 as a template, which is subject to MDE review and approval. The initial test plan is created to communicate the overall testing process to all appropriate stakeholders (e.g., project team, business owners, sponsors, management). The test scenarios shall validate the requirements through demonstration or analysis. Key scenarios must include the following:

- Demonstration of secure communications between hosts and between locations
- Demonstration of performance criteria

Acceptance Criteria

High-level acceptance criteria is listed in Section 1.501. The Contractor will provide the initial test plan for review during the design phase and an updated plan as a final deliverable.

C. Implementation and Testing

Following the Michigan SUITE (1.103) and at MDE's direction, the Contractor will implement the infrastructure/tunnel pilot solution.

Deliverable(s)

C.1 IMPLEMENTED SOLUTION

The Contractor shall work with the necessary stakeholders to create, implement, update and validate the tunnel solution. The Contractor shall demonstrate successful secure communications between hosts and between heterogeneous and homogenous locations. Additionally, they shall demonstrate AAA, employing SIS User Access Control.

As part of this process, the Contractor will coordinate the work with the Interactive Web-Based Reporting project stakeholders to validate the solution. The Implementation/ Testing Phase includes supporting the Interactive Web-Based Reporting Contractor within parameters approved during requirements gathering so that the reporting pilot can demonstrate report creation via the implemented infrastructure solution.

The Contractor shall provide the solution to MDE, as well as any and all customized source code.

Acceptance Criteria

High-level acceptance criteria is listed in Section 1.501. The solution and its accompanying defect report are subject to MDE final acceptance.

Deliverable(s)

C.2 INFRASTRUCTURE VALIDATION REPORT - TEST CASES (SEM-0606)

The Contractor shall create test cases which validate the solution and successfully implement the requirements. These test cases will be derived from the test scenarios identified in the SEM-602 and as accepted by MDE. At a minimum, the test cases shall test functional requirements, performance requirements, and security requirements.

This document shall include a requirements/test scenario traceability matrix indicating how each requirement was validated. This report will be used to "demonstrate" successful implementation of the infrastructure pilot solution. This deliverable is subject to MDE review and approval.

In addition to the traceability matrix, the report shall provide the following key information:

- Identify all the tests that were executed, with their associated test results.
- Provide any analysis that was conducted in lieu of demonstrable results.
- Identify any and all deficiencies and/or discrepancies that must be resolved for the final infrastructure.
- Document the performance results, including, but not limited to, the performance expectations and capacities.

Acceptance Criteria

High-level acceptance criteria is listed in Section 1.501. The solution and its accompanying defect report are subject to MDE final acceptance. As part of the delivery, the Contractor shall also provide a Defect Report in the Contractor's format that identifies all known defects and their disposition.

D. Final Deliverables

Once the solution has been validated and deployed, the Contractor shall provide the recommended solution, knowledge transfer, and a lessons learned document; all subject to MDE review and approval.

Deliverable(s)

D.1 FINAL RECOMMENDED SOLUTION

The Contractor's will produce a document that describes the recommended solution, including all of the necessary information for MDE's review and approval as a deliverable. In addition to the proposed infrastructure/tunnel solution, this document shall include an explanation of its scalability, performance characteristics and load testing. The document must include the following key information:

- Tunnel Methodology and SSO Solution
- SAML (or SAML-equivalent) solution
- Hardware; leveraging existing hardware within the Michigan data hub and non-data hub environments
- Security
  - Secure at rest and in flight data
  - State of Michigan security polices and guidelines
- Authentication/authorization/accounting (AAA).

Acceptance Criteria
High-level acceptance criteria is listed in Section 1.501. The solution and its accompanying defect report are subject to MDE final acceptance. As part of the delivery, the Contractor shall also provide a Defect Report in the Contractor's format that identifies all known defects and their disposition.

Deliverable(s)

D.2 KNOWLEDGE TRANSFER/TRANSITION
With the delivery of the final solution and its accompanying documents, the Contractor shall provide knowledge transfer and support, as defined in requirements and according to MDE plan pre-approval, including their handling of activities and deliverables for the Knowledge Transfer/Transition Phase of the pilot.

Acceptance Criteria
High-level acceptance criteria is listed in Section 1.501.

Deliverable(s)

D.3 LESSONS LEARNED
As its final deliverable the Contractor shall provide a lessons learned document, which shall include the results of focus groups conducted with pilot participants and shall address the following key information:

- What went well?
- Variances that occurred during project execution and the reason a corrective action was taken
- What was overlooked on the project?
- Recommendations of what should be replicated or changed on a future similar project

Acceptance Criteria
High-level acceptance criteria is listed in Section 1.501.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, and Responsibilities

A. Contractor Staff
The Contractor has provided (Key Staff) in the attached (Appendix B), who will be assigned to the Contract, indicating the duties/responsibilities and qualifications of such personnel, and stating the amount of time each will be assigned to the project. The competence of the personnel the Contractor proposes for this project will be measured by the candidate's education and experience with particular reference to experience on similar projects as described in this

Statement of Work. The Contractor will commit that staff identified in its proposal will actually perform the assigned work.

Contractor must provide a list of all Subcontractors, including firm name, address, contact person, and a complete description of the work to be contracted. Include descriptive information concerning Subcontractor's organization and abilities.

The Contractor will identify a Single Point of Contact (SPOC). Key duties of the SPOC shall include:

- Supporting the management of the Contract,
- Facilitating dispute resolution, and
- Advising the State of performance under the terms and conditions of the Contract.

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

The Contractor must submit a letter of commitment for Key Personnel, signed by the identified resource, stating their commitment to work for the Contractor/Subcontractor on this project contingent on award of the bid. If the identified personnel are currently assigned to a State project the Contractor must provide a letter signed by the State Project Manager releasing the individual from the project upon execution of the contract.

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

All Key Personnel may be subject to the State's interview and approval process. Any key staff substitution must have the prior approval of the State. The State has identified the following as key personnel for this project see (Appendix B):

- *Project Manager*
- *System Architect*
- *Lead Developer*

The Contractor will provide a project manager to interact with the designated personnel from the State to insure a smooth transition to the new system. The project manager/technical lead will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager/technical lead responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project's budget

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

B. On Site Work Requirements

1. Location of Work

If approved by the MDE Project Manager, the work may be performed, completed, and managed at the Contractor's site.

2. Hours of Operation:

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

3. Travel:

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

4. Additional Security and Background Check Requirements:

Contractor must present certifications evidencing satisfactory Michigan State Police Background checks ICHAT and drug tests for all staff identified for assignment to this project.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project.

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

1.202 State Staff, Roles, and Responsibilities

The State will provide the following resources for the Contractor's use on this project if staff are working on site;

- Work space
- Desk
- Access to copiers and fax machine

The State project team will consist of Executive Subject Matter Experts (SME's), project support, and the MDE project manager:

Executive Subject Matter Experts

The Executive Subject Matter Experts representing the business units involved will provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis. The Executive SME's will be empowered to:

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

Name	Agency/Division	Title	Phone/e-mail
Dave Judd	MDE/DAS	Director, Office of Systems and Integration	517-373-4311 JuddD@michigan.gov

State Project Manager- MDE
MDE will provide a Project Manager who, together with assigned DTMB staff, will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Project Manager will provide the following services:

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

Name	Agency/Division	Title
John Price	MDE/DAS	Project Manager

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

Name	Agency/Division	Title
Doug Collier	MDE/DAS	Contract Administrator

1.300 Project Plan

1.301 Project Plan Management
The State of Michigan's Project Management Methodology (PMM) is consistent with Information Technology (IT) industry standard best practices and relies on the Project Management Book of Knowledge (PMBOK). The PMBOK is authored and updated by the Project Management Institute (PMI). Adherence to PMM is standard in State of Michigan contracts.

- Link to PMM manual: http://www.michigan.gov/documents/suite/SOM_PMM_Manual_456390_7.pdf?20140821115341
- Link to DTMB Technology Standards: http://www.michigan.gov/dtmb/0,5552,7-150-56355---,00.html
- Link to the Project Management Institute (PMI): http://www.pmi.org/.

Preliminary Project Plan
Contractor will provide a Preliminary Project Plan with the proposal for evaluation purposes, including all deliverables and necessary time frames for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

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

2. The Preliminary Project Plan shall include the following deliverable/milestones for which payment shall be made.
   a. Payment to the Contractor will be made upon the completion and MDE acceptance of the deliverable or milestone, not to exceed contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed.
   b. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2.

Note: A Final Project Plan will be required as stated in item 1 of 1.301 Project Control.

Kickoff Meeting

Pre-Planning

1. MDE will suggest date(s) for the Kickoff that needs to occur within 10 days of the start of the project.
2. The Contractor will work closely with MDE to prepare a preliminary agenda and schedule(s) that will be sent to MDE for review and approval no later than 5 business days in advance of the Kickoff Meeting.
3. The kickoff will include:

a. A review of key dates, review of the preliminary project schedule and identification of deliverables/tasks needing revision.
b. A Q&A regarding scope to ensure Contractor's questions are answered or added to an issue log for timely resolution.
c. A Q&A regarding capability of the Contractor's solution(s) to ensure MDE's questions are answered or added to an issue log for timely resolution.
d. A review of the risk register.

Conduct Kickoff

1. The face-to-face meeting will take place in Lansing for no more than one (1) days.
2. The kickoff will include MDE, Contractor and any subcontractors.
3. The Contractor will provide minutes including action items within three (3) business days after the meeting to all scheduled to attend.
4. The Contractor will handle all logistics as described below.

Performance Review Meetings

The Contractor must attend weekly meetings to review the Contractor's performance under the Contract. The meetings must be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting. One business day prior to the Project Status Meeting, the Contractor will provide a Status Report with content as defined in section 4.7, as requested by

the MDE Project Manager. One business day subsequent to the meeting, the Contractor will provide the meeting minutes for MDE review.

Project Control
Within 10 business days of the start of the project, the Contractor must submit the following items to the MDE Project Manager for final approval:

1. Updated Project Plan
2. The Contractor's project organizational structure indicating any proposed changes from the organization chart submitted in the Contractor's proposal.
3. The Contractor's staffing table with names and titles 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
4. A Kick Off Meeting Agenda

The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at http://www.michigan.gov/suite

1.302 Reports
The Contractor must submit to the MDE Project Manager the following written reports:

1. Weekly project status report including accomplishments this week, plans for the coming two (2) weeks, staff changes or unavailability.
2. Weekly update of the project schedule highlighting all late items.
3. Weekly issues log including issues closed in the prior week.
4. Monthly risk log.
5. And other reports in the approved communication plan.

Reporting formats must be submitted to the State's Project Manager for approval within 10 business days after the execution of the contract resulting from this RFP. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract.

1.400 Project Management

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

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

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

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

Level 1 – Business leads
Level 2 – Project Managers
Level 3 – Executive Subject Matter Experts (SME's)

1.402 Risk Management

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

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

A risk management plan format shall be submitted to the State for approval within ten (10) business days after the effective date of the contract resulting from the upcoming RFP. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

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

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

1.403 Change Management

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

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

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

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

1.500 Acceptance

1.501 Criteria

The State will use the following criteria to determine acceptance of the contract Activities:

- The Contractor must submit all deliverables to the MDE Project Manager (PM) and the MDE Authorized Approver(s). These individuals will be identified in a document created by MDE.
- Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.303.
- The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices.
- The MDE PM and Authorized Approvers will provide approval as is or submit in writing (email or other agreed to format) things to be changed.
- The Contractor must update and resubmit. This is repeated, as necessary, until the deliverable is correct and approved.

1.502 Final Acceptance

Final acceptance will occur when all deliverables defined in Article 1 and per the acceptance criteria defined in Section 1.501 have been completed and written approval have been obtained ("**Final Acceptance**").

In the event the work and/or deliverable is not accepted by MDE, the State will respond to the Contractor with written notice describing the deficiencies using a corrective action plan listing tasks with associated completion dates. The Contractor has five (5) business days to respond to the notice indicating agreement to the terms unless an alternate Solution is agreed by both parties. Upon completion, State will have ten (10) business days to accept and approve the revised deliverable(s).

If the State does not approve the revised deliverable(s) after the third (3rd) attempt, the State shall have the option to negotiate an acceptable alternative, collect penalties for the incomplete and/or late deliverable, or terminate the Contract pursuant to Section 2.152, Termination for Cause.

1.600 Compensation and Payment

1.601 Compensation and Payment

Method of Payment

The Contractor will be paid by fixed deliverables, upon approval by the MDE project manager. The Costs Table(s) attached must be used as the format for submitting pricing information.

If Contractor reduces its prices for any of the software or services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the State's MDE Contract Administrator with the reduced prices within fifteen (15) Business Days of the reduction taking effect.

Statements of Work and Issuance of Purchase Orders

- Unless otherwise agreed by the parties, each Statement of Work will include:
    1. Background
    2. Project Objective
    3. Scope of Work
    4. Deliverables
    5. Acceptance Criteria
    6. Project Control and Reports
    7. Specific Department Standards
    8. Payment Schedule
    9. Project Contacts

10. Agency Responsibilities and Assumptions
11. Location of Where the Work is to be performed
12. Expected Contractor Work Hours and Conditions

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

Invoicing
Contractor will submit properly itemized invoices to

DTMB – Financial Services
Accounts Payable
P.O. Box 30026
Lansing, MI 48909
or
DTMB-Accounts-Payable@michigan.gov

Invoices must provide and itemize, as applicable:

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

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

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

1.602 Holdback
The State shall have the right to hold back an amount based on the final pricing, equal to eight percent (8 %) of all amounts invoiced by Contractor for Services/Deliverables. The amounts held back shall be released to Contractor after the State has granted Final Acceptance.

CONTRACT TERMS

This CUSTOM SOFTWARE DEVELOPMENT CONTRACT (this "**Contract**") is agreed to between the State of Michigan (the "**State**") and Double Line Partners ("**Contractor**"). This Contract is effective on (March 21, 2016), and unless earlier terminated, will expire on March 20, 2017 (the "**Term**") This 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 **one** additional **one**-year period.

The parties agree as follows:

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

"**Acceptance**" has the meaning set forth in **Section 9.5**.

"**Acceptance Tests**" means such tests as may be conducted in accordance with **Section 9** and the Statement of Work to determine whether any Software Deliverable meets the requirements of this Contract and the Specifications and Documentation.

"**Affiliate**" means any entity which directly or indirectly controls, is controlled by or is under common control of Contractor. The term "control" means the possession of the power to direct or cause the direction of the management and the policies of an entity, whether through the ownership of a majority of the outstanding voting rights or by contract or otherwise.

"**Aggregate Software**" means the Software, as a whole, to be developed or otherwise provided under the Statement of Work. For avoidance of doubt, if the Statement of Work provides for a single Software Deliverable, such Software Deliverable also constitutes Aggregate Software.

"**Allegedly Infringing Materials**" has the meaning set forth in **Section 18.3(b) (ii)**.

"**Approved Open-Source Components**" means Open-Source Components that the State has approved to be included in or used in connection with any Software developed or provided under this Contract, and are specifically identified in the Statement of Work.

"**Approved Third-Party Materials**" means Third-Party Materials that the State has approved to be included in or for use in connection with any Software developed or provided under this Contract, and are specifically identified in the Statement of Work.

"**Background Technology**" means all Software, data, know-how, ideas, methodologies, specifications, and other technology in which Contractor owns such Intellectual Property Rights as are necessary for Contractor to grant the rights and licenses set forth in **Section 14.1**, and for the State (including its licensees, successors and assigns) to exercise such rights and licenses, without violating any right of any Third Party or any Law or incurring any payment obligation to any Third Party. Background Technology must: (a) be identified as Background Technology in the

Statement of Work; and (b) have been developed or otherwise acquired by Contractor prior to the date of the RFP.

"**Business Day**" means a day other than a Saturday, Sunday or State holiday.

"Business Owner" is the individual appointed by the end-user agency procuring the software to (a) act as such agency's representative in all matters relating to the Contract, and (b) co-sign off on the State's notice of Acceptance for all Software Deliverables and Aggregate Software. The Business Owner will be identified in the Statement of Work**.**

"**Business Requirements Specification**" means the initial specification setting forth the State's business requirements regarding the features and functionality of the Software, as set forth in the Statement of Work.

"**Change**" has the meaning set forth in **Section 2.2**.

"**Change Notice**" has the meaning set forth in **Section 2.4(b)**.

"**Change Proposal**" has the meaning set forth in **Section 2.4(a)**.

"**Change Request**" has the meaning set forth in **Section 2.2**.

"**Confidential Information**" has the meaning set forth in **Section 22.1**.

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

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

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

"**Contractor's Bid Response**" means the Contractor's proposal submitted in response to the RFP.

"**Contractor Personnel**" means all employees of Contractor or any Permitted Subcontractors involved in the performance of Services or providing Work Product under this Contract.

"**Deliverables**" means all Software Deliverables and all other documents, Work Product, and other materials that Contractor is required to or otherwise does provide to the State under this Contract and otherwise in connection with any Services, including all items specifically identified as Deliverables in the Statement of Work.

"**Derivative Work**" means any modification, addition, upgrade, update, or improvement of the Software and any other work constituting a derivative work under the United States Copyright Act, 17 U.S.C. Section 101, *et seq.*

“**Dispute Resolution Procedure**” means the procedure for resolving disputes under this Contract as set forth in **Section 26**.

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

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

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

“**Fees**” has the meaning set forth in **Section 11.1**

“Financial Audit Period” has the meaning set forth in **Section 24.1**.

“**Force Majeure**” has the meaning set forth in **Section 27.8**.

“**Harmful Code**” means any: (a) virus, trojan horse, worm, backdoor or other software or hardware devices the effect of which is to permit unauthorized access to, or to disable, erase, or otherwise harm, any computer, systems or software; or (b) time bomb, drop dead device, or other software or hardware device designed to disable a computer program automatically with the passage of time or under the positive control of any Person, or otherwise deprive the State of its lawful right to use such Software.

“**HIPAA**” has the meaning set forth in **Section 21.1**.

“**Implementation Plan**” means the schedule included in the Statement of Work setting forth the sequence of events for the performance of Services under the Statement of Work, including the Milestones and Milestone Dates.

"**Initial Statement of Work**" means the Statement of Work for the initial Software development and related Services, as attached to this Contract.

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

“**Intended Users**” means the users that are intended to use Software or particular features or functions of the Software, as described in the Specifications for such Software.

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

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

“**Maintenance and Support Schedule**” means the schedule attached as **Schedule C**, setting forth the Maintenance and Support Services, the Support Fees, and the parties’ additional rights and obligations with respect to such services.

“**Maintenance and Support Services**” means the Software maintenance and support services the Contractor is required to or otherwise does provide under this Contract as set forth in the Maintenance and Support Schedule.

“**Milestone**” means an event or task described in the Implementation Plan under the Statement of Work that must be completed by the corresponding Milestone Date.

“**Milestone Date**” means the date by which a particular Milestone must be completed as set forth in the Implementation Plan under the Statement of Work.

“**Non-Conformity**” means any failure of any: (a) Software or Documentation to conform to the requirements of this Contract (including the Statement of Work) or (b) Software to conform to the requirements of this Contract or the Specifications or Documentation.

“**Object Code**” means computer programs assembled or compiled in magnetic or electronic binary form on software media, which are readable and useable by machines, but not generally readable by humans without reverse assembly, reverse compiling, or reverse engineering.

“**Open-Source Components**” means any software component that is subject to any open-source copyright license contract, including any GNU General Public License or GNU Library or Lesser Public License, or other license contract that substantially conforms to the Open Source Initiative’s definition of “open source” or otherwise may require disclosure or licensing to any third party of any source code with which such software component is used or compiled.

“**Open-Source License**” has the meaning set forth in **Section 3.3**.

“**Operating Environment**” means, collectively, the State platform and environment on, in, or under which Software is intended to be installed and operate, as set forth in the Statement of Work, including such structural, functional and other features, conditions and components as hardware, operating software and system architecture and configuration.

“**Permitted Subcontractor**” has the meaning set forth in **Section 5.5**.

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

“**Project Manager**” is the individual appointed by each party to (a) monitor and coordinate the day-to-day activities of this Contract, and (b) in the case of the State, co-sign off on its notice of Acceptance for all Software Deliverables and Aggregate Software. Each party’s Project Manager will be identified in the Statement of Work.

“**Representatives**” means a party’s employees, officers, directors, consultants, legal advisors, and Permitted Subcontractors.

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

“**Services**” means any of the services Contractor is required to or otherwise does provide under this Contract or the Statement of Work, as more fully described in this Contract or the Statement of Work.

“**Site**” means the physical location designated by the State in, or in accordance with, this Contract or the Statement of Work for delivery and installation of any Software.

“**Software**” means the computer program(s), including programming tools, scripts and routines, the Contractor is required to or otherwise does develop or otherwise provide under this Contract, as described more fully in the Statement of Work, including all updates, upgrades, new versions, new releases, enhancements, improvements, and other modifications made or provided under the Maintenance and Support Services. As context dictates, Software may refer to one or more Software Deliverables or Aggregate Software.

“**Software Deliverable**” means any Software, together with its Documentation, required to be delivered as a Milestone as set forth in the Implementation Plan for such Software.

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

“**Specifications**” means, for any Software, the specifications collectively set forth in the Business Requirements Specification and Technical Specification, together with any other specifications set forth in the RFP or Contractor’s Bid Response, if any, for such Software, or elsewhere in the Statement of Work.

"**State**" means the State of Michigan.

"**State Data**" has the meaning set forth in **Section 21.1**.

"**State Materials**" means all materials and information, including documents, data, know-how, ideas, methodologies, specifications, software, content and technology, in any form or media, directly or indirectly provided or made available to Contractor by or on behalf of the State in connection with this Contract, whether or not the same: (a) are owned by the State, a Third Party or in the public domain; or (b) qualify for or are protected by any Intellectual Property Rights.

"**State Resources**" has the meaning set forth in **Section 6.1**.

"**Statement of Work**" means any statement of work entered into by the parties and attached as a schedule to this Contract. The Initial Statement of Work is attached as **Schedule A**, and subsequent Statements of Work shall be sequentially identified and attached as Schedules A-1, A-2, A-3, etc.

"**Stop Work Order"** has the meaning set forth in **Section 16**.

"**Support Fees**" means the fees, if any, payable by the State for Maintenance and Support Services as set forth in the Maintenance and Support Schedule.

"**Support Commencement Date**" means, with respect to any Software, the date on which the Warranty Period for such Software expires or such other date as may be set forth in the Maintenance and Support Schedule.

"**Technical Specification**" means, with respect to any Software, the document setting forth the technical specifications for such Software and included in the Statement of Work.

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

"**Testing Period**" has the meaning set forth in **Section 9.1**.

"**Third Party**" means any Person other than the State or Contractor.

"**Third-Party Materials**" means any materials and information, including documents, data, know-how, ideas, methodologies, specifications, software, content, and technology, in any form or media, in which any Person other than the State or Contractor owns any Intellectual Property Right, but excluding Open-Source Components.

"**Transition Period**" has the meaning set forth in **Section 15.3**.

"**Transition Responsibilities**" has the meaning set forth in **Section 15.3**.

"**Unauthorized Removal**" has the meaning set forth in **Section 5.4(b)**.

"**Unauthorized Removal Credit**" has the meaning set forth in **Section 5.4(c)**.

"**Warranty Period**" means, for any Software, the ninety (90) calendar-day period commencing (a) in the case of Aggregate Software, upon the State's Acceptance; and (b) in the case of any updates, upgrades, new versions, new releases, enhancements and other modifications to previously-Accepted Aggregate Software, upon the State's receipt of such modification.

"**Work Product**" means all Software, Documentation, Specifications, and other documents, work product and related materials, that Contractor is required to, or otherwise does, provide to the State under this Contract, together with all ideas, concepts, processes, and methodologies developed in connection with this Contract whether or not embodied in this Contract.

2. Statements of Work. Contractor shall provide Services and Deliverables pursuant to Statements of Work entered into under this Contract. No Statement of Work shall be effective unless signed by each party's Contract Administrator. The term of each Statement of Work shall commence on the parties' full execution of the Statement of Work and terminate when the parties have fully performed their obligations. The terms and conditions of this Contract will apply at all times to any Statements of Work entered into by the parties and attached as a schedule to this Contract. The State shall have the right to terminate such Statement of Work as set forth in **Section 15**. Contractor acknowledges that time is of the essence with respect to Contractor's obligations under each Statement of Work and agrees that prompt and timely performance of all such obligations in accordance with this Contract and the Statements of Work (including the Implementation Plan and all Milestone Dates) is strictly required.

2.1 Statement of Work Requirements. Each Statement of Work will include the following (also see Exhibit A, Section 3.1):

(a) names and contact information for Contractor's Contract Administrator, Project Manager and Key Personnel;

(b) names and contact information for the State's Contract Administrator, Project Manager and Business Owner;

(c) a detailed description of the Services to be provided under this Contract, including any training obligations of Contractor;

(d) a detailed description of the Software and other Work Product to be developed or otherwise provided under this Contract, including the:

(i) Business Requirements Specification;

(ii) Technical Specification; and

(iii) a description of the Documentation to be provided;

(e) an Implementation Plan, including all Milestones, the corresponding Milestone Dates and the parties' respective responsibilities under the Implementation Plan;

(f) Fees payable under this Contract, the manner in which such Fees will be calculated, the due dates for payment and any invoicing requirements, including any Milestones on which any such Fees are conditioned, and such other information as the parties deem necessary;

(g) disclosure of all Background Technology, Approved Third-Party Materials, Approved Open-Source Components (each identified on a separate exhibit to the Statement of Work), in each case accompanied by such related documents as may be required by this Contract;

(h) description of all liquidated damages associated with this Contract; and

(i) a detailed description of all State Resources required to complete the Implementation Plan.

2.2 Initial Statement of Work. The Initial Statement of Work is attached as **Schedule A** to this Contract. Commencing on the Effective Date, Contractor shall perform the Services set forth in **Schedule A** for purposes of creating and providing to the State Contractor's proposal for developing Software that meets all criteria set forth in the Business Requirements Specification.

2.3 Additional Statements of Work. Promptly following receipt of the State's request for additional Software development or other Services, Contractor shall provide the State with a proposal containing all information specified in **Section 2.1**. Upon the parties' agreement with respect to the terms of such proposal, all such terms shall be incorporated in a Statement of Work and each party shall cause the same to be signed by its Contract Administrator. Each fully executed Statement of Work shall be attached as a Schedule to, and by this reference incorporated in and made a part of, this Contract.

2.4 Change Control Process. The State may at any time request in writing (each, a "**Change Request**") changes to the Statement of Work, including changes to the Services, Work Product, Implementation Plan, or any Specifications (each, a "**Change**"). Upon the State's submission of a Change Request, the parties will evaluate and implement all Changes in accordance with this **Section 2.2**.

(a) As soon as reasonably practicable, and in any case within twenty (20) Business Days following receipt of a Change Request, Contractor will provide the State with a written proposal for implementing the requested Change ("**Change Proposal**"), setting forth:

(i) a written description of the proposed Changes to any Services, Work Product, or Deliverables;

(ii) an amended Implementation Plan reflecting: (A) the schedule for commencing and completing any additional or modified Services, Work Product, or Deliverables; and (B) the effect of such Changes, if any, on completing any other Services or Work Product under the Statement of Work;

(iii) any additional Third-Party Materials, Open-Source Components, and State Resources Contractor deems necessary to carry out such Changes; and

(iv) any increase or decrease in Fees resulting from the proposed Changes, which increase or decrease will reflect only the increase or decrease in time and expenses Contractor requires to carry out the Change.

(b) Within thirty (30) Business Days following the State's receipt of a Change Proposal, the State will by written notice to Contractor, approve, reject, or propose modifications to such Change Proposal. If the State proposes modifications, Contractor must modify and re-deliver the Change Proposal reflecting such modifications, or notify the State of any disagreement, in which event the parties will negotiate in good faith to resolve their disagreement. Upon the State's approval of the Change Proposal or the parties' agreement on all proposed modifications, as the case may be, the parties will execute a written agreement to the Change Proposal ("**Change Notice**"), which Change Notice will be signed by the State's Contract Administrator and will constitute an amendment to the Statement of Work to which it relates; and

(c) If the parties fail to enter into a Change Notice within fifteen (15) Business Days following the State's response to a Change Proposal, the State may, in its discretion:

(i) require Contractor to perform the Services under the Statement of Work without the Change;

(ii) require Contractor to continue to negotiate a Change Notice;

(iii) initiate a Dispute Resolution Procedure; or

(iv) notwithstanding any provision to the contrary in the Statement of Work, terminate this Contract for cause under **Section 15.1**.

(d) No Change will be effective until the parties have executed a Change Notice. Except as the State may request in its Change Request or otherwise in writing, Contractor must continue to perform its obligations in accordance with the Statement of Work pending negotiation and execution of a Change Notice. Contractor will use its best efforts to limit any delays or Fee increases from any Change to those necessary to perform the Change in accordance with the applicable Change Notice. Each party is responsible for its own costs and expenses of preparing, evaluating, negotiating, and otherwise processing any Change Request, Change Proposal, and Change Notice.

(e) The performance of any functions, activities, tasks, obligations, roles and responsibilities comprising the Services as described in this Contract are considered part of the Services and, thus, will not be considered a Change. This includes the delivery of all Deliverables in accordance with their respective Specifications, and the diagnosis and correction of Non-Conformities discovered in Deliverables prior to their Acceptance by the State or, subsequent to their Acceptance by the State, as necessary for Contractor to fulfill its associated warranty requirements and its Maintenance and Support Services under this Contract.

(f) Contractor may, on its own initiative and at its own expense, prepare and submit its own Change Request to the State. However, the State will be under no obligation to approve or otherwise respond to a Change Request initiated by Contractor.

3. Software. Contractor will design, develop, create, test, deliver, install, configure, integrate, customize and otherwise provide and make fully operational Software as described in the Statement of Work on a timely and professional basis in accordance with all terms, conditions, and Specifications set forth in this Contract and the Statement of Work.

3.1 Software Specifications. Contractor will ensure all Software complies with the Specifications. Contractor will provide all Software to the State in both Object Code and Source Code form.

3.2 Third-Party Materials.

(a) Contractor will not include in any Software, and operation of all Software in accordance with its Specifications and Documentation will not require, any Third-Party Materials, other than Approved Third-Party Materials, which must be specifically approved by the State and identified and described in the Statement of Work, and will be licensed to the State in accordance with **Section 14.3**.

(b) Contractor must secure, at its sole cost and expense, all necessary rights, licenses, consents, approvals, and authorizations necessary for the State to use, perpetually and throughout the universe, all Approved Third-Party Materials as incorporated in or otherwise used in conjunction with Software as specified in the Statement of Work or elsewhere in this Contract.

3.3 Open-Source Components. Contractor will not include in any Software, and operation of all Software in accordance with its Specifications and Documentation will not require the use of, any Open-Source Components, other than Approved Open-Source Components, which must be specifically approved by the State and identified and described in the Statement of Work, and for which the relevant open-source license(s) (each, an "**Open-Source License**") are attached as exhibits to the Statement of Work. Contractor will provide the State with the Source Code for Approved Open-Source Components in accordance with the terms of the Open-Source License(s) at no cost to the State.

4. Documentation. Prior to or concurrently with the delivery of any Software, or by such earlier date as may be specified in the Implementation Plan for such Software, Contractor will provide the State with complete and accurate Documentation for such Software. Where the Statement of Work requires or permits delivery of Software in two or more phases, Contractor will also provide the State with integrated Documentation for the Aggregate Software upon its delivery.

4.1 Adequacy of Documentation. All Documentation must include all such information as may be reasonably necessary for the effective installation, testing, use, support, and maintenance of the applicable Software by the Intended User, including the effective configuration, integration, and systems administration of the Software and performance of all other functions set forth in the Specifications.

4.2 Documentation Specifications. Contractor will provide all Documentation in both hard copy and electronic form, in such formats and media as are set forth in the Statement of Work, or as the State may otherwise reasonably request in writing.

4.3 Third-Party Documentation. Other than Documentation for Approved Third-Party Materials and Approved Open-Source Components, no Documentation will consist of or include Third-Party Materials. To the extent Documentation consists of or includes Third-Party Materials, Contractor must secure, at its sole cost and expense, all rights, licenses, consents, approvals and authorizations specified in **Section 14.3** with respect to Approved Third-Party Materials.

5. Performance of Services. Contractor will provide all Services and Work Product in a timely, professional and workmanlike manner and in accordance with the terms, conditions, and Specifications set forth in this Contract and the Statement of Work.

5.1 State Standards (See also Exhibit A, Section 1.103).

(a) 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/dmb/0,4568,7-150-56355-108233--,00.html

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

(c) Contractor is not authorized to make changes to any State systems without prior written authorization from the State's Project Manager. Any changes Contractor makes to any State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration standards.

5.2 Contractor Personnel.

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

(b) Prior to any Contractor Personnel performing any Services, Contractor will:

(i) ensure that such Contractor Personnel have the legal right to work in the United States;

(ii) require such Contractor Personnel to execute written agreements, in form and substance acceptable to the State, that bind such Contractor Personnel to confidentiality provisions that are at least as protective of the State's information (including all Confidential Information) as those contained in this Contract and Intellectual Property Rights provisions that grant the State rights in the Work Product consistent with the provisions of **Section 13.1** and, upon the State's request, provide the State with a copy of each such executed Contract; and

(iii) if requested by the State, and at Contractor's sole cost and expense, conduct background checks on such Contractor Personnel, which background checks must comprise, at a minimum, a review of credit history, references and criminal record, in accordance with applicable Law.

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

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

5.3 Contractor's Project Manager. Throughout the Term of this Contract, Contractor must maintain a Contractor employee acceptable to the State to serve as Contractor's Project Manager. Contractor's Project Manager will be identified in the Statement of Work (also see Exhibit A, Section 1.200).

(a) Contractor's Project Manager must:

(i) have the requisite authority, and necessary skill, experience, and qualifications, to perform in such capacity;

(ii) be responsible for overall management and supervision of Contractor's performance under this Contract; and

(iii) be the State's primary point of contact for communications with respect to this Contract, including with respect to giving and receiving all day-to-day approvals and consents.

(b) Contractor's Project Manager must attend all regularly scheduled meetings as set forth in the Implementation Plan, and will otherwise be available as set forth in the Statement of Work.

(c) Contractor will maintain the same Project Manager throughout the Term of this Contract, unless:

(i) the State requests in writing the removal of Contractor's Project Manager;

(ii) the State consents in writing to any removal requested by Contractor in writing;

(iii) Contractor's Project Manager ceases to be employed by Contractor, whether by resignation, involuntary termination or otherwise.

(d) Contractor will promptly replace its Project Manager on the occurrence of any event set forth in **Section 5.3(c)**. Such replacement will be subject to the State's prior written approval.

5.4 Contractor's Key Personnel (also see Exhibit A, Section 1.200).

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

(b) Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability,

leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under **Section 15.1**.

(c) It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 15.1**, Contractor will issue to the State the corresponding credits set forth below (each, an "**Unauthorized Removal Credit**"):

(i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be $8,000 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

(ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the $8,000 credit specified above, Contractor will credit the State $267 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to $8,000 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed $16,000 per individual.

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

5.5 Subcontractors. Contractor will not, without the prior written approval of the State, which consent may be given or withheld in the State's sole discretion, engage any Third Party to perform Services (including to create any Work Product). The State's approval of any such Third Party (each approved Third Party, a "**Permitted Subcontractor**") does not relieve Contractor of its representations, warranties or obligations under this Contract. Without limiting the foregoing, Contractor will:

(a) be responsible and liable for the acts and omissions of each such Permitted Subcontractor (including such Permitted Subcontractor's employees who, to the extent providing

Services or creating Work Product, shall be deemed Contractor Personnel) to the same extent as if such acts or omissions were by Contractor or its employees;

(b) name the State a third party beneficiary under Contractor's Contract with each Permitted Subcontractor with respect to the Services and Work Product;

(c) be responsible for all fees and expenses payable to, by or on behalf of each Permitted Subcontractor in connection with this Contract, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits; and

(d) prior to the provision of Services or creation of Work Product by any Permitted Subcontractor:

(i) obtain from such Permitted Subcontractor confidentiality, work-for-hire and intellectual property rights assignment agreements, in form and substance acceptable by the State, giving the State rights consistent with those set forth in **Section 13.1** and **Section 21** and, upon request, provide the State with a fully-executed copy of each such contract; and

(ii) with respect to all Permitted Subcontractor employees providing Services or Work Product, comply with its obligations under **Section 5.2(b)**.

6. State Obligations.

6.1 State Resources and Access. The State is responsible for:

(a) providing the State Materials and such other resources as may be specified in the Statement of Work (collectively, "**State Resources**"); and

(b) providing Contractor Personnel with such access to the Site(s) and Operating Environment as is necessary for Contractor to perform its obligations on a timely basis as set forth in the Statement of Work.

6.2 State Project Manager. Throughout the Term of this Contract, the State will maintain a State employee to serve as the State's Project Manager under this Contract. The State's Project Manager will be identified in the Statement of Work. The State's Project Manager or designee will attend regularly scheduled meetings as set forth in the Implementation Plan and will otherwise be available as set forth in the Statement of Work.

7. Pre-Delivery Testing.

7.1 Testing By Contractor. Before delivering and installing any Software Deliverable, Contractor must:

(a) test the Software component of such Software Deliverable to confirm that it is fully operable, meets all applicable Specifications and will function in accordance with the Specifications and Documentation when properly installed in the Operating Environment;

(b) scan such Software Deliverable using the most up-to-date scanning software and definitions to confirm it is free of Harmful Code;

(c) remedy any Non-Conformity or Harmful Code identified and retest and rescan the Software Deliverable; and

(d) prepare, test and, as necessary, revise the Documentation component of the Software Deliverable to confirm it is complete and accurate and conforms to all requirements of this Contract.

7.2 State Participation. The State has the right to be present for all pre-installation testing. Contractor must give the State at least fifteen (15) calendar days' prior notice of all such testing.

8. Delivery and Installation.

8.1 Delivery. Contractor will deliver each Deliverable, and install all Software, on or prior to the applicable Milestone Date in accordance with the delivery criteria set forth in the Statement of Work. Contractor will deliver each Software Deliverable, including complete Documentation in compliance with **Section 4**, and the applicable Source Code. No Software Deliverable will be deemed to have been delivered or installed unless it complies with the preceding sentence.

8.2 Site Preparation. As specified in the Statement of Work, the State or Contractor is responsible for ensuring the relevant Operating Environment is set up and in working order to allow Contractor to deliver and install each Software Deliverable on or prior to the applicable Milestone Date. Contractor will provide the State with such notice as is specified in the Statement of Work, prior to delivery of each such Software Deliverable to give the State sufficient time to prepare for Contractor's delivery and installation of the Software Deliverable. If the State is responsible for Site preparation, Contractor will provide such assistance as the State requests to complete such preparation on a timely basis.

9. Acceptance Testing; Acceptance.

9.1 Acceptance Testing.

(a) Upon installation of each Software Deliverable, Acceptance Tests will be conducted as set forth in this **Section 9.1** to ensure the Software Deliverable, including all Software and Documentation, conforms to the requirements of this Contract, including the applicable Specifications and, in the case of the Software, the Documentation.

(b) All Acceptance Tests will take place at the designated Site(s) in the Operating Environment described in the Statement of Work for the Software Deliverable, commence on the

Business Day following installation of such Software Deliverable and be conducted diligently for up to thirty (30) Business Days, or such other period as may be set forth in the Statement of Work (the "**Testing Period**"). Acceptance Tests will be conducted by the party responsible as set forth in the Statement of Work or, if the Statement of Work does not specify, the State, provided that:

(i) for Acceptance Tests conducted by the State, if requested by the State, Contractor will make suitable Contractor Personnel available to observe or participate in such Acceptance Tests; and

(ii) for Acceptance Tests conducted by Contractor, the State has the right to observe or participate in all or any part of such Acceptance Tests.

Contractor is solely responsible for all costs and expenses related to Contractor's performance of, participation in, and observation of Acceptance Testing.

(c) Upon delivery and installation of the Aggregate Software under the Statement of Work, additional Acceptance Tests will be performed on the Aggregate Software as a whole to ensure full operability, integration, and compatibility among all elements of the Aggregate Software ("**Integration Testing**"). Integration Testing is subject to all procedural and other terms and conditions set forth in **Section 9.1**, **Section 9.3**, and **Section 9.4**.

(d) The State may suspend Acceptance Tests and the corresponding Testing Period by written notice to Contractor if the State discovers a material Non-Conformity in the tested Software Deliverable or part or feature of such Software Deliverable. In such event, Contractor will immediately, and in any case within ten (10) Business Days, correct such Non-Conformity, whereupon the Acceptance Tests and Testing Period will resume for the balance of the Testing Period.

9.2 Notices of Completion, Non-Conformities, and Acceptance. Within fifteen (15) Business Days following the completion of any Acceptance Tests, including any Integration Testing, the party responsible for conducting the tests will prepare and provide to the other party written notice of the completion of the tests. Such notice must include a report describing in reasonable detail the tests conducted and the results of such tests, including any uncorrected Non-Conformity in the tested Software Deliverables.

(a) If such notice is provided by either party and identifies any Non-Conformities, the parties' rights, remedies, and obligations will be as set forth in **Section 9.3** and **Section 9.4**.

(b) If such notice is provided by the State, is signed by the State's Business Owner and Project Manager, and identifies no Non-Conformities, such notice constitutes the State's Acceptance of such Software Deliverable or Aggregate Software.

(c) If such notice is provided by Contractor and identifies no Non-Conformities, the State will have thirty (30) Business Days to use such Software Deliverable in the Operating Environment and determine, in the exercise of its sole discretion, whether it is satisfied that such

Software Deliverable or Aggregate Software contains no Non-Conformities, on the completion of which the State will, as appropriate:

(i) notify Contractor in writing of Non-Conformities the State has observed in the Software Deliverable or, in the case of Integration Testing, Aggregate Software, and of the State's non-acceptance thereof, whereupon the parties' rights, remedies and obligations will be as set forth in **Section 9.3** and **Section 9.4**; or

(ii) provide Contractor with a written notice of its Acceptance of such Software Deliverable or Aggregate Software, which must be signed by the State's Business Owner and Project Manager.

9.3 Failure of Acceptance Tests. If Acceptance Tests identify any Non-Conformities, Contractor, at Contractor's sole cost and expense, will remedy all such Non-Conformities and re-deliver the Software Deliverables, in accordance with the requirements set forth in the Statement of Work. Redelivery will occur as promptly as commercially possible and, in any case, within thirty (30) Business Days following, as applicable, Contractor's:

(a) completion of such Acceptance Tests, in the case of Acceptance Tests conducted by Contractor; or

(b) receipt of the State's notice under **Section 9.1(a)** or **Section 9.2(c)(i)**, identifying any Non-Conformities.

9.4 Repeated Failure of Acceptance Tests. If Acceptance Tests identify any Non-Conformity in any Software Deliverable after a second or subsequent delivery of such Software Deliverable, or Contractor fails to re-deliver the Software Deliverable on a timely basis, the State may, in its sole discretion, by written notice to Contractor:

(a) continue the process set forth in this **Section 9**;

(b) accept the Software Deliverable as a nonconforming deliverable, in which case the Fees Such Software Deliverable will be reduced equitably to reflect the value of the Software Deliverable as received relative to the value of the Software Deliverable had it conformed; or

(c) deem the failure to be a non-curable material breach of this Contract and the Statement of Work and terminate this Contract for cause in accordance with **Section 15.1**.

9.5 Acceptance. Acceptance ("**Acceptance**") of each Software Deliverable (subject, where applicable, to the State's right to Integration Testing) and Aggregate Software will occur on the date that is the earliest of the State's delivery of a notice accepting such Software Deliverable under **Section 9.2(b)**, or **Section 9.2(c)(ii)**.

10. Training; Maintenance and Support.

10.1 Training. With respect to all Software, Contractor will provide the State with training as set forth in the Statement of Work. All training set forth in the Statement of Work will be provided at no additional charge to the State, it being acknowledged and agreed that the development and other Fees include full consideration for such services. The State may request, and if so requested, Contractor must provide on a timely basis, additional training at the rates specified in the Pricing Schedule set forth in **Exhibit C**.

10.2 Maintenance and Support. With respect to all Software, Contractor will provide the State with the Maintenance and Support Services set forth in **Exhibit C**. Such Maintenance and Support Services will be provided:

(a) free of charge, during the Warranty Period, it being acknowledged and agreed by the parties that the development and other Fees include full consideration for such Services during such period; and

(b) thereafter, for so long as the State elects to receive Support and Maintenance Services for such Software, in consideration of the State's payment of the Support Fees as determined in accordance with the rates set forth in the Maintenance and Support Schedule C.

11. Fees.

11.1 Fees. Subject to all terms and conditions set forth in this **Section 11** and Contractor's performance of Services to the State's satisfaction and the State's Acceptance of the applicable Deliverables, the State will pay the fees set forth in Exhibit C ("**Fees**"). All such Fees will be determined in accordance with the fees, billing rates, and discounts ("**Pricing**") set forth in **Exhibit C** (the "**Pricing Schedule**").

11.2 Firm Pricing. The Pricing set forth in the Pricing Schedule is firm and may not be modified during the Term.

11.3 Administrative Fee and Reporting. Not Applicable

(a) Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales.

(b) Itemized purchasing activity reports should be mailed to DTMB-Procurement and the administrative fee payments shall be made by check payable to the State of Michigan and mailed to:

The Department of Technology, Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.

P.O. Box 30681
Lansing, MI 48909

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

12. Invoices and Payment.

12.1 Invoices. Contractor will invoice the State for Fees in accordance with the requirements set forth in the Statement of Work, including any requirements that condition the rendering of invoices and the payment of Fees upon the successful completion of Milestones. Contractor must submit each invoice in both hard copy and electronic format, via such delivery means and to such address as are specified by the State in the Statement of Work. Each separate invoice must:

(a) clearly identify the Contract to which it relates, in such manner as is required by the State;

(b) list each Fee item separately;

(c) include sufficient detail for each line item to enable the State to satisfy its accounting and charge-back requirements;

(d) for Fees determined on a time and materials basis, report details regarding the number of hours performed during the billing period, the skill or labor category for such Contractor Personnel and the applicable hourly billing rates; and

(e) include such other information as may be required by the State as set forth in the Statement of Work.

12.2 Payment. Invoices are due and payable by the State, in accordance with the State's standard payment procedures as specified in 1984 Public Act no. 279, MCL 17.51, *et seq*., within forty-five (45) calendar days after receipt, provided the State determines that the invoice was properly rendered. The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at http://www.michigan.gov/cpexpress to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

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

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

12.5 Right of Set Off. Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

12.6 Payment Does Not Imply Acceptance. The making of any payment by the State, or Contractor's receipt of payment, will in no way affect the responsibility of Contractor to perform the Services in accordance with this Contract, and will not imply the State's acceptance of any Services or Deliverables or the waiver of any warranties or requirements of this Contract.

12.7 Support Not to be Withheld or Delayed. Contractor will not withhold, delay, or fail to perform any Services or obligations under this Contract by reason of the State's good faith withholding of any payment or amount in accordance with this **Section 12**.

13. Intellectual Property Rights.

13.1 State Ownership of Work Product. Except as set forth in **Section 13.3**, the State is and will be the sole and exclusive owner of all right, title, and interest in and to all Work Product, including all Intellectual Property Rights. In furtherance of the foregoing, subject to **Section 13.3**:

(a) Contractor will create all Work Product as work made for hire as defined in Section 101 of the Copyright Act of 1976; and

(b) to the extent any Work Product or Intellectual Property Rights do not qualify as, or otherwise fails to be, work made for hire, Contractor hereby:

(i) assigns, transfers, and otherwise conveys to the State, irrevocably and in perpetuity, throughout the universe, all right, title, and interest in and to such Work Product, including all Intellectual Property Rights; and

(ii) irrevocably waives any and all claims Contractor may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of *droit moral* with respect to the Work Product.

13.2 Further Actions. Contractor will, and will cause the Contractor Personnel to, take all appropriate action and execute and deliver all documents, necessary or reasonably requested by the State to effectuate any of the provisions or purposes of **Section 13.1**, or otherwise as may be necessary or useful for the State to prosecute, register, perfect, record, or enforce its rights in or to any Work Product or any Intellectual Property Right therein. Contractor hereby appoints the State as Contractor's attorney-in-fact with full irrevocable power and authority to take any such actions and execute any such documents if Contractor refuses, or within a period deemed reasonable by the State otherwise fails, to do so.

13.3 Background Technology, Approved Third-Party Materials, and Open-Source Components.

(a) Contractor is and will remain the sole and exclusive owner of all right, title, and interest in and to the Background Technology, including all Intellectual Property Rights therein, subject to the license granted in **Section 14.1**.

(b) Ownership of all Approved Third-Party Materials, and all Intellectual Property Rights therein, is and will remain with its respective owners, subject to any express licenses or sublicenses granted to the State under this Contract.

(c) Ownership of all Open-Source Components, and all Intellectual Property Rights therein, is and will remain with its respective owners, subject to the State's rights under the applicable Open-Source Licenses.

13.4 State Materials. The State will remain the sole and exclusive owners of all right, title, and interest in and to State Materials, including all Intellectual Property Rights therein. Contractor will have no right or license to, and will not, use any State Materials except solely during the Term of this Contract for which they are provided to the extent necessary to perform the Services and provide the Work Product to the State. All other rights in and to the State Materials are expressly reserved by the State.

14. Licenses.

14.1 Background Technology License. Contractor hereby grants to the State such rights and licenses with respect to the Background Technology that will allow the State to use and otherwise exploit perpetually throughout the universe for all or any purposes whatsoever the Work Product, to the same extent as if the State owned the Background Technology, without incurring any fees or costs to Contractor (other than the Fees set forth under this Contract) or any other Person in respect of the Background Technology. In furtherance of the foregoing, such rights and licenses will:

(a) be irrevocable, perpetual, fully paid-up and royalty-free;

(b) include the rights to use, reproduce, perform (publicly or otherwise), display (publicly or otherwise), modify, improve, create Derivative Works of, distribute, import, make,

have made, sell and offer to sell the Background Technology, including all such modifications, improvements and Derivative Works thereof, solely as part of, or as necessary to use and exploit, the Work Product; and

(c) be freely assignable and sublicensable, in each case solely in connection with the assignment or licensing of the Work Product or any portion, modification, or Derivative Work thereof, and only to the extent necessary to allow the assignee or sublicensee, as the case may be, to use and exploit the Work Product or portion, modification, improvement, or Derivative Work thereof.

14.2 State Materials. The State hereby grants to Contractor the limited, royalty-free, non-exclusive right and license to State Materials solely as necessary to incorporate such State Materials into, or otherwise use such State Materials in connection with creating, the Work Product. The term of such license will commence upon the State's delivery of the State Materials to Contractor, and will terminate upon the State's acceptance or rejection of the Work Product to which the State Materials relate. Subject to the foregoing license, the State reserves all rights in the State Materials. All State Materials are considered Confidential Information of the State.

14.3 Approved Third-Party Materials.

(a) Prior to the delivery date for any Deliverables under the Statement of Work, Contractor will secure for the State, at Contractor's sole cost and expense, such rights, licenses, consents and approvals for any Approved Third-Party Materials, that will allow the State to use and otherwise exploit perpetually throughout the universe for all or any purposes whatsoever the Work Product, to the same extent as if the State owned the Approved Third-Party Materials, without incurring any fees or costs to any Third-Party (other than the Fees set forth under this Contract) in respect of the Approved Third-Party Materials.

(b) All royalties, license fees, or other consideration payable in respect of such licenses are included in the Fees specified in the Statement of Work. Any additional amounts will be the sole responsibility of Contractor.

(c) Contractor acknowledges that the State cannot indemnify any third parties, including but not limited to any third-party software providers that provide Third-Party Materials, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user license agreement, the State will not indemnify any third-party software provider for any reason whatsoever.

14.4 Open-Source Components. Any use of the Open-Source Components by the State will be governed by, and subject to, the terms and conditions of the applicable Open-Source Licenses.

15. Termination, Expiration, Transition. The State may terminate this Contract, the Maintenance and Support Services for all or any Software, or any Statement of Work, in accordance with the following:

15.1 Termination for Cause.

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

(b) If the State terminates this Contract under this **Section 15.1**, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of this Contract, the termination will be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 15.2**.

(c) The State will only pay for amounts due to Contractor for Services and Deliverables accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Services from other sources.

15.2 Termination for Convenience. The State may immediately terminate this Contract in whole or in part, without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance immediately, or (b) continue to perform in accordance with **Section 15.3**. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

15.3 Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days, unless otherwise agreed to by the parties) (the "**Transition Period**"), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract to continue without interruption or adverse effect, and to facilitate the orderly transfer of the Services to the State or its designees. Such transition assistance may include but is not limited to: (a) continuing to perform the Services at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services and Deliverables to the State or the State's designee; (c) taking all necessary

and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all State Materials and State Data; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed Deliverables prepared under this Contract as of the Contract termination or expiration date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, the "**Transition Responsibilities**"). This Contract is automatically extended through the end of the Transition Period.

15.4 Effect of Expiration or Termination.

(a) Upon termination or expiration of this Contract for any reason:

(i) Contractor will be obligated to perform all Transition Responsibilities specified in **Section 15.3**.

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

(iii) Contractor will (A) return to the State all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the State's Confidential Information, (B) permanently erase the State's Confidential Information from its computer systems and (C) certify in writing to the State that it has complied with the requirements of this **Section 15.4(a)(iii)**, in each case to the extent such materials are not required by Contractor for Transition Responsibilities, if any.

(b) No expiration or termination of this Contract will affect the State's rights in any of the Deliverables that have already been paid for by the State.

15.5 Survival. This **Section 15** survives termination or expiration of this Contract.

16. Stop Work Order. The State may, at any time, order the Services of Contractor fully or partially stopped for its own convenience for up to ninety (90) calendar days at no additional cost to the State. The State will provide Contractor a written notice detailing such suspension (a "**Stop Work Order**"). Contractor must comply with the Stop Work Order upon receipt. Within 90 days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate this Contract. The State will not pay for any Services, Contractor's lost profits, or any additional compensation during a stop work period.

17. Contractor Representations and Warranties.

17.1 Authority. Contractor represents and warrants to the State that:

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

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

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

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

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

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

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

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

(d) If any of the certifications, representations, or disclosures made in Contractor's Bid Response change after contract award, the Contractor is required to report those changes immediately to the Contract Administrator.

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

(a) It will perform all Services in a professional and workmanlike manner in accordance with best industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and will devote adequate resources to meet its obligations under this Contract;

(b) It is in compliance with, and will perform all Services in compliance with, all applicable Law;

(c) The State will receive good and valid title to the Software, free and clear of all encumbrances and liens of any kind;

(d) When delivered and installed by Contractor, the Software will not contain any Harmful Code;

(e) The Software will not contain, or operate in such a way that it is compiled with or linked to, any Open-Source Components other than Approved Open-Source Components;

(f) The Software will not contain, or operate in such a way that it is compiled with or linked to, any Third-Party Materials other than Approved Third-Party Materials;

(g) The Software, including all updates, upgrades, new versions, new releases, enhancements, improvements and other modifications thereof, but excluding components comprising State Materials, Approved Third-Party Materials, and Open-Source Components, is or will be the original creation of Contractor;

(h) As delivered, installed, specified, or approved by Contractor and used by the State or any Third Party authorized by the State, the Software: (i) will not infringe, misappropriate, or otherwise violate any Intellectual Property Right or other right of any third party; and (ii) will comply with all applicable Laws; and

(i) No expiration or loss of any patent or application for patent rights in the Software is pending, or, to Contractor's knowledge after reasonable inquiry, threatened or reasonably foreseeable, and Contractor has no reason to believe that any claims of any such patent or patent application are or will be invalid, unenforceable, fail to issue, or be materially limited or restricted beyond the current claims, except for patent rights expiring at the end of their statutory term.

17.4 Performance Warranty and Limited Remedy.

(a) Contractor warrants that during the Warranty Period:

(i) all Software will be, and as installed in the Operating Environment (or any successor thereto) and used in accordance with the Documentation will function in all respects, in conformity with this Contract and the Specifications and Documentation; and

(ii) any media on which any Software Deliverable is delivered will be free of damage or defect in design, material, and workmanship, and will remain so under ordinary use as contemplated by this Contract and the Specifications and, with respect to the Software component, the Documentation.

(b) If the Contractor breaches any of the warranties set forth in **Section 17.4(a)** Contractor will, upon written notice from the State and at Contractor's sole cost and expense, remedy such breach in accordance with the Maintenance and Support Schedule, including the time periods set forth in such schedule. In the event Contractor fails to remedy such breach on a timely basis, the State will be entitled to such remedies as are specified in the Maintenance and Support Schedule or as may otherwise be available under this Contract, at law or in equity for breach of its Maintenance and Support obligations. Nothing in this **Section 17.4(b)** limits the State's right to indemnification under **Section 18.1**.

18. Indemnification.

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

18.2 Indemnification Procedure. The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations. The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense, at its own cost and expense, if the State deems necessary. Contractor will not, without the State's prior written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 18**, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

18.3 Infringement Remedies.

(a) The remedies set forth in this **Section 18.3** are in addition to, and not in lieu of, all other remedies that may be available to the State under this Contract or otherwise, including the State's right to be indemnified for such actions.

(b) If any Software or any component thereof, other than State Materials, is found to be infringing or if any use of any Software or any component thereof is enjoined, threatened to be enjoined or otherwise the subject of an infringement claim, Contractor must, at Contractor's sole cost and expense:

(i) procure for the State the right to continue to use such Software or component thereof to the full extent contemplated by this Contract; or

(ii) modify or replace the materials that infringe or are alleged to infringe ("**Allegedly Infringing Materials**") to make the Software and all of its components non-infringing while providing fully equivalent features and functionality.

(c) If neither of the foregoing is possible notwithstanding Contractor's best efforts, then Contractor may direct the State to cease any use of any materials that have been enjoined or finally adjudicated as infringing, provided that Contractor will:

(i) refund to the State all amounts paid by the State in respect of such Allegedly Infringing Materials and any other aspects of the Aggregate Software provided under the Statement of Work for the Allegedly Infringing Materials that the State cannot reasonably use as intended under this Contract; and

(ii) in any case, at its sole cost and expense, secure the right for the State to continue using the Allegedly Infringing Materials for a transition period of up to six (6) months to allow the State to replace the affected features of the Software without disruption.

(d) If Contractor directs the State to cease using any Software under **Section 18.3(c)**, the State may terminate this Contract for cause under **Section 15.1**.

(e) Contractor will have no liability for any claim of infringement arising solely from:

(i) Contractor's compliance with any designs, specifications, or instructions of the State; or

(ii) Modification of the Software by the State without the prior knowledge and approval of Contractor;

unless the claim arose against the Software independently of any of the above specified actions.

19. Liquidated Damages.

(a) Security Breaches

It is understood and agreed by the Contractor that security of student level data will be maintained at all times. Should a breach of security resulting from negligence on the part of the Contractor occur, the sum of $50,000 per occurrence will be deducted, not as a penalty but as liquidated damages.

(b) The parties agree that any delay or failure by Contractor to timely perform its obligations in accordance with the Implementation Plan and Milestone Dates agreed to by the parties will interfere with the proper and timely implementation of the Software, to the loss and damage of the State. Further, the State will incur major costs to perform the obligations that would have otherwise been performed by Contractor. The parties understand and agree that any liquidated damages Contractor must pay to the State as a result of such nonperformance are described in the Statement of Work, and that these amounts are reasonable estimates of the State's damages in accordance with applicable Law.

(c) The parties acknowledge and agree that Contractor could incur liquidated damages for more than one event if Contractor fails to timely perform its obligations by each Milestone Date.

(d) The assessment of liquidated damages will not constitute a waiver or release of any other remedy the State may have under this Contract for Contractor's breach of this Contract, including without limitation, the State's right to terminate this Contract for cause under **Section 15.1**, and the State will be entitled in its discretion to recover actual damages caused by Contractor's failure to perform its obligations under this Contract. However, the State will reduce such actual damages by the amounts of liquidated damages received for the same events causing the actual damages.

(e) Amounts due the State as liquidated damages may be set off against any Fees payable to Contractor under this Contract, or the State may bill Contractor as a separate item and Contractor will promptly make payments on such bills.

20. Damages Disclaimers and Limitations.

(a) The State's Disclaimer of Damages. THE STATE WILL NOT BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES.

(b) The State's Limitation of Liability. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER

THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES SPECIFIED IN THE STATEMENT OF WORK.

21. State Data.

21.1 Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes the State's data collected, used, processed, stored, or generated as the result of the Services, including but not limited to (a) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (b) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Services, which is defined under the Health Insurance Portability and Accountability Act ("**HIPAA**") and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This **Section 21.1** survives termination or expiration of this Contract.

21.2 Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This **Section 21.2** survives termination or expiration of this Contract.

21.3 Extraction of State Data. Contractor must, within three (3) Business Days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of State Data in the format specified by the State.

21.4 Backup and Recovery of State Data. Unless otherwise specified in the Statement of Work, Contractor is responsible for maintaining a backup of State Data and providing for an orderly and timely recovery of such data. Unless otherwise described in the Statement of Work, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.

21.5 Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (h) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. This **Section 21.5** survives termination or expiration of this Contract.

22. Confidential Information. Each party acknowledges that it may be exposed to or acquire communication or data of the other party that is confidential in nature and is not intended to be disclosed to third parties. This **Section 22** survives termination or expiration of this Contract.

22.1 Meaning of Confidential Information. The term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the

disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was or is: (a)subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). Notwithstanding the above, in all cases and for all matters, State Data is deemed to be Confidential Information.

22.2 Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor’s subcontractor is permissible where: (a) the subcontractor is a Permitted Subcontractor; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Permitted Subcontractor's responsibilities; and (c) Contractor obligates the Permitted Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State’s request, any of the Contractor’s Representatives may be required to execute a separate agreement to be bound by the provisions of this **Section 22.2**.

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

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

22.5 Surrender of Confidential Information upon Termination. Upon termination or expiration of this Contract or a Statement of Work, in whole or in part, each party must, within five (5) calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control. If Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and certify the same in writing within five (5) calendar days from the date of termination to the other party.

23. Data Privacy and Information Security.

23.1 Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all Contractor Representatives comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available at http://www.michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html.

23.2 Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Contract. During the providing of Services, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within forty-five (45) calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.

23.3 Audit Findings. With respect to State Data, Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.

23.4 State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or the Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this **Section 23**.

24. Records Maintenance, Inspection, Examination, and Audit.

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

24.2 Right of Inspection. Within ten (10) calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Services are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of this Contract must be paid or refunded within forty-five (45) calendar days.

24.3 Application. This **Section 24** applies to Contractor, any Affiliate, and any Permitted Subcontractor that performs Services in connection with this Contract.

25. Insurance Requirements.

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

Required Limits	Additional Requirements
Commercial General Liability Insurance	
Minimal Limits: $1,000,000 Each Occurrence Limit $1,000,000 Personal & Advertising Injury Limit $1,000,000 General Aggregate Limit $1,000,000 Products/Completed Operations Deductible Maximum: $50,000 Each Occurrence	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.

Umbrella or Excess Liability Insurance	
Minimal Limits: $1,000,000 General Aggregate	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds.
Workers' Compensation Insurance	
Minimal Limits: Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
Minimal Limits: $500,000 Each Accident $500,000 Each Employee by Disease $500,000 Aggregate Disease.	
Privacy and Security Liability (Cyber Liability) Insurance	
Minimal Limits: $50,000 Each Occurrence $100,000.Annual Aggregate	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.
Crime (Fidelity) Insurance	
Minimal Limits: $1,000,000 Employee Theft Per Loss	Contractor must have their policy: (1) cover forgery and alteration, theft of money and securities, robbery and safe burglary, computer fraud, funds transfer fraud, money order and counterfeit currency, and (2) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as Loss Payees.

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

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

the contract effective date, the Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

25.4 Contractor must: (a) provide insurance certificates to the State's Contract Administrator, containing the Contract number, at Contract formation and within twenty (20) calendar days of the expiration date of the applicable policies; (b) require that Permitted Subcontractors maintain the required insurances contained in this Section; (c) notify the State's Contract Administrator within five (5) Business Days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

26. Dispute Resolution.

26.1 Unless otherwise specified in the Statement of Work, the parties will endeavor to resolve any Contract dispute in accordance with **Section 26**. The initiating party will reduce its description of the dispute to writing (including all supporting documentation) and deliver it to the responding party's Project Manager. The responding party's Project Manager must respond in writing within five (5) Business Days. The initiating party has five (5) Business Days to review the response. If after such review resolution cannot be reached, both parties will have an additional five (5) Business Days to negotiate in good faith to resolve the dispute. If the dispute cannot be resolved within a total of fifteen (15) Business Days, the parties must submit the dispute to the parties' Contract Administrators. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

26.2 Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' Contract Administrators, and either Contract Administrator concludes that resolution is unlikely, or fails to respond within fifteen (15) Business Days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This **Section 26** does not limit the State's right to terminate this Contract.

27. Miscellaneous.

27.1 Effect of Contractor Bankruptcy. All rights and licenses granted by Contractor under this Contract are and will be deemed to be rights and licenses to "intellectual property," and all Work Product is and will be deemed to be "embodiments" of "intellectual property," for purposes of, and as such terms are used in and interpreted under, Section 365(n) of the United States Bankruptcy Code (the "**Code**"). If Contractor or its estate becomes subject to any bankruptcy or similar proceeding, the State retains and has the right to fully exercise all rights, licenses, elections, and protections under this Contract, the Code and all other applicable bankruptcy, insolvency, and similar Laws with respect to all Software and other Work Product. Without

limiting the generality of the foregoing, Contractor acknowledges and agrees that, if Contractor or its estate shall become subject to any bankruptcy or similar proceeding:

(a) all rights and licenses granted to the State under this Contract will continue subject to the terms and conditions of this Contract, and will not be affected, even by Contractor's rejection of this Contract; and

(b) the State will be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property comprising or relating to any Software or other Work Product, and the same, if not already in the State's possession, will be promptly delivered to the State, unless Contractor elects to and does in fact continue to perform all of its obligations under this Contract.

27.2 Conflicts and Ethics. Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This **Section 27.2** applies to Contractor, any Affiliate, and any Permitted Subcontractor that Performs Services in connection with this Contract.

27.3 Compliance with Laws. Contractor and its Representatives must comply with all Laws in connection with this Contract.

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

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

27.6 Governing Law. This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as

lack of personal jurisdiction or forum non conveniens. Contractor must appoint agents in Michigan to receive service of process.

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

27.8 Force Majeure. Neither party will be liable or responsible to the other party, nor will be deemed to have defaulted under or breached this Contract, for any failure or delay in fulfilling or performing any term of this Contract, when and to the extent such failure or delay is caused by:

(a) acts of God;

(b) flood, fire or explosion;

(c) war, terrorism, invasion, riot, or other civil unrest;

(d) embargoes or blockades in effect on or after the date of this Contract;

(e) national or regional emergency; or

(f) any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition.

(each of the foregoing, a "**Force Majeure**"), in each case, provided that: (i) such event is outside the reasonable control of the affected party; (ii) the affected party provides prompt notice to the other party, stating the period of time the occurrence is expected to continue; and (iii) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure event.

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

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

27.11 Website Incorporation. The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.

27.12 Notices. All notices, requests, consents, claims, demands, waivers and other communications under this Contract must be in writing and addressed to the parties as follows (or as otherwise specified by a party in a notice given in accordance with this **Section 27.12**):

If to Contractor: Double Line Partners, LLC
6801 N. Capital of Texas Highway
Building II, Suite 225
Austin, TX 78731
Email: john.sheppard@doublelinepartners.com

Attention: John Shepherd, President

If to State: Michigan Department of Education
P.O. Box 30008
Lansing, MI 48909
Email: Juddd@michigan.gov

Attention: David Judd, Director,
Office of Systems and Integration

Notices sent in accordance with this **Section 27.12** will be deemed effectively given: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email (with confirmation of transmission), if sent during normal business hours of the recipient, and on the next Business Day, if sent after normal business hours of the recipient; or (d) on the fifth (5th) calendar day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

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

27.14 Entire Contract. This Contract, together with all Schedules, Exhibits, and the Statement of Work constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter of this Contract and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements made in the body of this Contract, the Schedules, Exhibits, and the Statement of Work, the following order of precedence governs: (a) first, this Contract, excluding its Exhibits, Schedules, and the Statement of Work; (b) second, the Statement of Work as of the Effective Date; and (c) third, the Exhibits and Schedules to this Contract as of the Effective Date.

27.15 Assignment. Contractor may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Contract, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the State's prior written consent. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Contractor (regardless of whether Contractor is a surviving or disappearing entity) will be deemed to be a transfer of rights, obligations, or

performance under this Contract for which the State's prior written consent is required. No delegation or other transfer will relieve Contractor of any of its obligations or performance under this Contract. Any purported assignment, delegation, or transfer in violation of this **Section 27.15** is void.

27.16 No Third-Party Beneficiaries. This Contract is for the sole benefit of the parties and their respective successors and permitted assigns. Nothing in this Contract, express or implied, is intended to or will confer on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Contract.

27.17 Amendment and Modification; Waiver. No amendment to or modification of this Contract is effective unless it is in writing, identified as an amendment to this Contract and signed by both parties Contract Administrator. Further, certain amendments to this Contract may require State Administrative Board Approval. No waiver by any party of any of the provisions of this Contract will be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Contract, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Contract will operate or be construed as a waiver. Nor will any single or partial exercise of any right, remedy, power or privilege under this Contract preclude the exercise of any other right, remedy, power or privilege.

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

27.19 Equitable Relief. Each party acknowledges that a breach by a party of **Section 13** (Intellectual Property Rights; Ownership), **Section 21** (State Data), or **Section 22** (Confidential Information) may cause the non-breaching party immediate and irreparable harm, for which an award of damages would not be adequate compensation. Each party agrees that, in the event of such breach or threatened breach, the non-breaching party will be entitled to equitable relief, including in the form of orders for preliminary or permanent injunction, specific performance, and any other relief that may be available from any court. Such remedies will not be deemed to be exclusive but will be in addition to all other remedies available under this Contract, at law or in equity, subject to any express exclusions or limitations in this Contract to the contrary.

27.20 Counterparts. This Contract may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same Contract. A signed copy of this Contract delivered by email or other means of electronic transmission (to which a signed PDF copy is attached) will be deemed to have the same legal effect as delivery of an original signed copy of this Contract

APPENDIX A
Preliminary Project Plan

Task Name	Duration	Start	Finish	Predecessors	Resource Names
Planning	**5 days**	**Mon 2/8/16**	**Fri 2/12/16**		
High Level Project Plan	5 days	Mon 2/8/16	Fri 2/12/16		
Kickoff Meeting Agenda	2 days	Mon 2/8/16	Tue 2/9/16		
Requirements/Design	**31 days**	**Mon 2/15/16**	**Mon 3/28/16**	**1**	
Detailed Project Plan	14 days	Mon 2/15/16	Thu 3/3/16	1	
SSO	**31 days**	**Mon 2/15/16**	**Mon 3/28/16**		
Identify Agreed-Upon Approach	13 days	Mon 2/15/16	Wed 3/2/16	1	
Requirements Document	10 days	Thu 3/3/16	Wed 3/16/16	7	
High Level Design Document	10 days	Thu 3/3/16	Wed 3/16/16	7	
Test Scenarios	8 days	Thu 3/17/16	Mon 3/28/16	8	
Cockpit Enhancements	**31 days**	**Mon 2/15/16**	**Mon 3/28/16**		
Identify Agreed-Upon Approach	13 days	Mon 2/15/16	Wed 3/2/16	1	
Requirements Document	10 days	Thu 3/3/16	Wed 3/16/16	12	
High Level Design Document	10 days	Thu 3/3/16	Wed 3/16/16	12	
Test Scenarios	8 days	Thu 3/17/16	Mon 3/28/16	13	
Metadata Extractor	**31 days**	**Mon 2/15/16**	**Mon 3/28/16**		
Identify Agreed-Upon Approach	13 days	Mon 2/15/16	Wed 3/2/16	1	
Requirements Document	10 days	Thu 3/3/16	Wed 3/16/16	17	
High Level Design Document	10 days	Thu 3/3/16	Wed 3/16/16	17	
Test Scenarios	8 days	Thu 3/17/16	Mon 3/28/16	18	
Reports Security Authorization Extractor	**26 days**	**Mon 2/15/16**	**Mon 3/21/16**		
Identify Agreed-Upon Approach	13 days	Mon 2/15/16	Wed 3/2/16	1	

Requirements Document	5 days	Thu 3/3/16	Wed 3/9/16	22	
High Level Design Document	5 days	Thu 3/3/16	Wed 3/9/16	22	
Test Scenarios	8 days	Thu 3/10/16	Mon 3/21/16	23	
Implementation/Testing	**50 days**	**Thu 3/3/16**	**Wed 5/11/16**		
SSO	**45 days**	**Thu 3/3/16**	**Wed 5/4/16**		
Implementation	45 days	Thu 3/3/16	Wed 5/4/16	7	
Cockpit Enhancements	**45 days**	**Thu 3/3/16**	**Wed 5/4/16**		
Implementation	45 days	Thu 3/3/16	Wed 5/4/16	12	
Metadata Extractor	**25 days**	**Thu 3/3/16**	**Wed 4/6/16**		
Implementation	25 days	Thu 3/3/16	Wed 4/6/16	17	
Reports Security Authorization Extractor	**25 days**	**Thu 3/3/16**	**Wed 4/6/16**		
Implementation	25 days	Thu 3/3/16	Wed 4/6/16	22	
Tunnel Validation Report	5 days	Thu 5/5/16	Wed 5/11/16	28,30,32,34,10,15,20,25	
Final Deliverables	**73 days**	**Mon 2/15/16**	**Wed 5/25/16**		
Lessons Learned - Ongoing	60 days	Mon 2/15/16	Fri 5/6/16	1	
Knowledge Transfer - Monthly	60 days	Mon 2/15/16	Fri 5/6/16	1	
Final Solution Document	**10 days**	**Thu 5/12/16**	**Wed 5/25/16**		
SSO	10 days	Thu 5/12/16	Wed 5/25/16	35	
Cockpit Enhancements	10 days	Thu 5/12/16	Wed 5/25/16	35	
Metadata Extractor	10 days	Thu 5/12/16	Wed 5/25/16	35	
Reports Security Authorization Extractor	10 days	Thu 5/12/16	Wed 5/25/16	35	

APPENDIX B
Key Staff

Key Personnel	Team Member	Team Role	FTE Allocation	Responsibilities
Yes	Kyung Huh	Senior Project Manager, SPOC	50% in Feb, 10% Mar-May	Perform project management tasks and/or provide direction to DLP Technical PM. Provide continuity and coordination with DLP Michigan Data Hub team. Accountable for success of the project.
	Morinsola Akinduro	Technical Project Manager	50% Feb, 25% Mar, 50% Apr, 25% May	Perform project management tasks at the direction of DLP Senior PM. Coordinate development activities with Lead Developer. Execute performance testing.
Yes	Dennis Piatt	Lead Developer	25% Feb, 50% Mar-Apr, 25% May	Michigan Data Hub orchestration expert. Author requirements document in partnership with Data Analyst and DLP Senior PM. Define and implement development operations (DevOps). Break down scope into technical tasks. Assign technical tasks to Data Analysis, Software Architect, and self as appropriate. Assist with QA.
Yes	Matt Warden	System Architect	25% Feb, 10% Mar-May	Author high level design, test approach portion of test plan, and final recommended solution documents. Oversee development activities to confirm fidelity to design. Provide technical direction as risks or issues are logged by DLP Senior PM or Lead Developer.
	Douglas Loyo	Software Architect	25% Mar	Develop automated tests.
	Lillie Anderson	Data Analyst, QA Analyst	50% Feb-Apr	Author requirements document in partnership with Lead Developer and DLP Senior PM. Map and develop the translation of the M-STEP data file to Ed-Fi XML. Author test scenarios and test cases. Execute manual tests and log the results. Monitor and log the results of automated tests. Report suspected defects and coordinate with DLP Senior PM to resolve.
	TBD	QA Analyst	10% Mar	Perform QA activities without context other than documentation and deliverables. This method helps QA both the solution and the documentation.

APPENDIX C Cost Tables

Table 1: Reporting System Data Migration and Production Ready

Table 1: Reporting System Infrastructure

Phase / Milestone Deliverable	Estimated Hours	Estimated Completion Date	Cost	% Hold Back	Acceptance Criteria:
Planning • High Level Project Plan • Kickoff Meeting Agenda	62	02/05/2016	$10,120	8%	See Section 1.301
Requirements/Design • Requirement Document(s) • High Level Design Document • Detailed Project Plan • Test Scenarios	357	02/22/2016	$64,845	8%	See Section 1.104, A 1.104, B.1 1.301 1.104, B.2
Implementation/Testing • Tunnel Validation Report demonstrating the requirements were achieved	627	04/28/2016	$136,110	8%	See Section 1.104 C
Final Deliverable • Lessons Learned Document • Knowledge Transfer • Final SIS and non-proprietary/vendor-neutral tunnel solution document	127	05/13/2016	$20,520	8%	See Section 1.104, D1 1.104, D2 1.104, D3
Total:	**1,308**		**$231,595**		

Table 2: Staff Rates

Hourly Rate Year 1 Rate	Hourly Rate	
Role	Year 1 and 2	Discounted
Project Manager	$165	
Enterprise Architect	$200	$160
Senior Application Developer	$160	