

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

**CONTRACT NO. 071B13000038**

hereafter referred as

**CONTRACT NO. 071B4300147**

between

**THE STATE OF MICHIGAN**

and

NAME & ADDRESS OF CONTRACTOR (AFTER ASSIGNMENT):	PRIMARY CONTACT	EMAIL
Changepoint Canada 30 Leek Crescent, Suite 300 Richmond Hill, Ontario L4B 4N4 Canada	<b>Mark Cebull</b>	<a href="mailto:Mark.cebull@changepoint.com">Mark.cebull@changepoint.com</a>
	TELEPHONE	NEW CONTRACTOR #, MAIL
	(425) 369-4448	

PREVIOUS NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Compuware Corporation 1 Campus Martius Detroit, MI 48226	<b>Cindy Janssen</b>	Cindy.janssen@compuware.com
	TELEPHONE	PREVIOUS CONTRACTOR #, MAIL CODE
	(517) 267-5252	

DESCRIPTION OF CHANGE NOTICE:
<p><b>THE CONTRACTOR HAS NOTIFIED THE STATE OF MICHIGAN OF A SALE OF BUSINESS ASSETS RESULTING IN THE ASSIGNMENT OF THIS CONTRACT TO CHANGEPOINT CANADA ULC. DUE TO THE INTERNAL SYSTEMS RELATED TO THE RELEASE OF CONTRACTOR PAYMENTS, A NEW CONTRACT NUMBER MUST BE ASSIGNED. THE NEW CONTRACT NUMBER IS 071B4300147.</b></p> <p>Upon the assignment of this contract from Compuware Corporation to Changepoint Canada ULC ("Changepoint") becoming effective, the State and Changepoint agree that this Contract is extended 6 months beyond the contract options years to March 31, 2016, per State Administrative Board Resolution 2014-1, dated February 4, 2014. All other terms, conditions, specifications, and pricing remain the same. Per vendor agreement and DTMB Procurement approval.</p> <p><b>THIS CHANGE IS EFFECTIVE: September 30, 2014.</b></p> <p><b>\$856,606.00 REMAINING ON CONTRACT # 071B1300038 TO BE TRANSFERRED TO CONTRACT # 071B43000146</b></p>

Contract No. 071B1300038 hereafter referred as Contract No. 071B4300146

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Ward Beauchamp	517-373-0084	<a href="mailto:Beauchampw1@michigan.gov">Beauchampw1@michigan.gov</a>
BUYER:	DTMB	Jarrod Barron	(517)284-7045	<a href="mailto:Barronj1@michigan.gov">Barronj1@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: <b>Pre-Qualified IT Services Contract Programmer</b>			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 Years	October 1, 2010	September 30, 2013	2, one year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

<p><b>FOR THE NEW CONTRACTOR:</b>                  Changepoint Canada                  _____                  Firm Name</p> <p>Authorized Agent                  Signature                  _____                  Authorized Agent (Print or Type)</p> <p>_____                  Date</p>	<p><b>FOR THE STATE:</b></p> <p>_____                  Signature                  Sharon Walenga-Maynard, Sourcing Director                  _____                  Name/Title</p> <p>DTMB Procurement                  _____                  Enter Name of Agency</p> <p>_____                  Date</p>
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<p><b>FOR THE PREVIOUS CONTRACTOR:</b>                  Compuware Corporation                  _____                  Firm Name</p> <p>_____                  Authorized Agent                  Signature</p> <p>_____                  Authorized Agent (Print or Type)</p> <p>_____                  Date</p>
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STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 5**  
 to  
**CONTRACT NO. 071B1300038**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Compuware Corporation One Campus Martius Detroit, MI 48226	Matt Weick	<a href="mailto:matt.weick@compuware.com">matt.weick@compuware.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(313) 227-4115	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Mike Breen	(517) 241-7720	<a href="mailto:breenm@michigan.gov">breenm@michigan.gov</a>
BUYER	DTMB	Mike Breen	(517) 241-7720	<a href="mailto:breenm@michigan.gov">breenm@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: <b>EPMO SaaS Solution and Supporting Services PPM Tool</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2013	2, 1 Year Options	September 30, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		September 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$1,500,000.00		\$4,181,342.00		

Effective immediately, this Contract is hereby INCREASED by \$1,500,000.00 to support the ChangePoint Expansion for the State of Michigan. Please see attached Statement of Work.

All other terms, conditions, specifications, and pricing remain the same.

Per vendor and agency agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated December 17, 2013.



**Statement of Work for**  
**State of Michigan**  
**Changepoint Expansion**

**November 25, 2013**



**Statement of Work for**

# **State of Michigan**

**Changepoint Expansion**

**November 25, 2013**



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# Background / Objectives

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This Statement of Work is offered as an extension of the work successfully completed with the State of Michigan in the ICT – Improve Project Portfolio Management Project (i.e. Changepoint Utilization Project) which concluded on September 27, 2013.

This Statement of Work describes additional Services to be rendered by Compuware Corporation. Terms and conditions are governed under Contract #071B1300038.

## ***1.000 Background / Objectives***

The Changepoint ICT – Improve Project Portfolio Management Project concluded successfully on September 27, 2013 and accomplished the following key milestones in the State of Michigan Changepoint system:

- Projects (demand) – entry of all technology projects into the system
- Resources (capacity) – all DTMB technology resources loaded into the system
- Time Entry (actuals) – project tasks defined to capture time entries

This deployment was the result of work completed by the State of Michigan and Compuware from project initiation through the conclusion date. The project scope included all DTMB agency PMO organizations and the associated DTMB employees.

It is recognized that Changepoint has additional functionality that can be of value to the State of Michigan, and that adoption of the solution across a broader community of users will provide additional value. The purpose of this document is to describe the services to support the expansion of functionality and adoption in alignment with State processes and priorities.

The primary objectives for the ongoing work represented in this Statement of Work include:

- Review and provide support for configuration of the environment based on additional available Changepoint functionality and deployment requirements
- Enable the State of Michigan EPMO to effectively manage and support the Changepoint application by providing support during the continued knowledge transfer between Compuware and the State of Michigan
- Provide consultation to support the completion of configuration, reporting and workflow development for the State of Michigan Treasury Department
- Assist the Network & Telecommunications Services Division (NTSD) during the rollout of the Changepoint application
- Provide services that will enable the Infrastructure Services division to implement the State of Michigan enterprise project management functionality in Changepoint
- Dashboard and report development to improve management processes

## ***2.000 Scope of Work***

The overall approach to delivery of Services will leverage the successes and learnings from past projects in order to expand the use of Changepoint throughout the State of Michigan.

Below are the basics upon which Compuware will operate for the services delivered under this Statement of Work.

### ***2.001 Continued Use of Changepoint Hosting Services***

The Changepoint solution will continue to be externally hosted and accessed by the State personnel via the web. Four environments are available as part of the existing configuration (Production, Test, Development and Training). The following table describes the use of these environments:

<b>Current</b>	<b>Purpose</b>
Production	Production
Test	Testing New features / functionality / on – boarding users with implemented functionality
Development	Configuring prototypes for the on-going projects
Training	Training new users / new feature training

Management of these environments will follow the protocols developed and executed since the initial Changepoint pilot implementation.

### ***2.002 Compuware Support for the State's DIT-170 (Security Plan and Assessment)***

The Compuware Hosting Operations team will provide support to the State as required in support of the State's updates to the existing DIT-170 document for the Changepoint solution.

### ***2.003 Project Control and Reports***

A bi-weekly progress report will be submitted to the Agency and DTMB Project Managers throughout the duration of the Statement of Work. This report may be submitted with the billing invoice. Each bi-weekly progress report will contain the following:

1. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
3. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

## ***2.100 Changepoint Utilization Support – Enterprise Project Management Office***

### ***2.101 Background***

The Changepoint Project Management rollout was successfully deployed to DTMB Agency PMOs (enterprise-wide) on September 27, 2013. The State of Michigan Enterprise Project Management Organization (EPMO) would like to continue the production support of the Changepoint application.

### ***2.102 Project Objective***

The objective is to obtain timely Changepoint support from Compuware to support the production Changepoint application during the continued knowledge transfer between Compuware and the State of Michigan. This will enable the continued support of the Changepoint application and Cognos reports.

### ***2.103 Scope of Work***

- General questions and clarifications regarding functionality
- Consultation on best practices for using the Changepoint tool
- Issue resolution
- Configuration changes, which will be limited and must be approved at the SOM enterprise level
- Development of custom reports and/or assistance with the development of custom reports
- Training (e.g. scheduling, time tracking, and reporting including the new COGNOS tool)
- Documentation required over and above existing Changepoint documentation

Services will be charged at a post-implementation support rate of \$160 per hour inclusive of expenses. This rate is provided to support follow-on services associated with the scope of a completed implementation. Total expenses Cost: Not to exceed \$75,000 for EPMO (469 hours x \$160)

Timeframe: 12/01/2013 – 9/30/2014

### ***2.104 Tasks***

Activity related to Changepoint as directed by DTMB project manager.

### ***2.105 Deliverables***

The work is for services only.

## ***2.200 DTMB Treasury Changepoint Project Management Services***

### ***2.201 Background***

The Changepoint Project Management Treasury requirements were approved on 7/17/2013. The State of Michigan Treasury requirement estimate includes hours for report development

### ***2.202 Project Objective***

The project objective is to complete the implementation of Changepoint application for the State of Michigan Treasury Department

### ***2.203 Scope of Work***

- Treasury Change Request Workflow
- Treasury Funding Source
- Reporting

Services will be charged at a post-implementation support rate of \$160 per hour inclusive of expenses. This rate is provided to support follow-on services associated with the scope of a completed implementation. Total expenses could be up to and will not exceed \$28,160 (176 hours x \$160)

Timeframe: 12/01/2013 – 01/31/2014

### ***2.204 Tasks***

- Treasury Change Request Workflow – design, construct, test, and implement a custom workflow for Change Request approvals
- Treasury Funding Source - design, construct, test, and implement a funding source configuration for the Treasury
- Reporting - design, construct, test, and implement reports as directed by the DTMB project manager

### ***2.205 Deliverables***

- Treasury Change Request Workflow
- Treasury Funding Source
- Reporting

## ***2.300 Changepoint Utilization Support – Network & Telecommunications Services Division***

### ***2.301 Background***

The State of Michigan Network & Telecommunications Services Division (NTSD) will begin User Acceptance Testing (UAT) and Training on the Changepoint platform in December 2013.

### ***2.302 Project Objective***

The objective is to obtain timely Changepoint support from Compuware to provide post UAT and Training support for the continued rollout of Changepoint functionality to the Network & Telecommunications Services Division (NTSD). This will enable NTSD to implement the State of Michigan Enterprise Project Management functionality in Changepoint, including resource management, schedule management, time tracking, issue/change/risk management, and budget/cost management.

### ***2.303 Scope of Work***

- Enablement of the NTSD PMO to support the Changepoint deployment
- Provide Changepoint training to NTSD managers and staff
- General questions and clarifications regarding functionality
- Consultation on best practices for using the Changepoint application
- Issue resolution
- Configuration changes, which will be limited and will be approved at the SOM enterprise level
- Development of custom enterprise reports and/or assistance with the development of custom reports
- Documentation required over and above existing Changepoint documentation

Services will be charged at a post-implementation support rate of \$160 per hour inclusive of expenses. This rate is provided to support follow-on services associated with the scope of a completed implementation. Total expenses could be up to and will not exceed \$240,000 (1500 hours x \$160)

Timeframe: 01/01/14/2013 – 09/30/2014

### ***2.304 Tasks***

Activity related to Changepoint as directed by DTMB project manager.

### ***2.305 Deliverables***

This work is for services only

## ***2.400 Changepoint Utilization Support – Infrastructure Services Project Management Office***

### ***2.301 Background***

The Changepoint Project Management rollout was successfully deployed to DTMB Agency PMOs (enterprise-wide) on May 4, 2012. The State of Michigan IS Project Management Office (ISPMO)

would like to learn how to properly utilize the functions within the State of Michigan Changepoint deployment.

### ***2.302 Project Objective***

The objective is to obtain timely Changepoint support from Compuware to support the rollout of Changepoint functionality to the ISPMO. This will enable the ISPMO to implement the State of Michigan Enterprise Project Management functionality in Changepoint, including resource management, schedule management, time tracking, issue/change/risk management, and budget/cost management.

### ***2.303 Scope of Work***

- Enablement of the ISPMO to support the Changepoint deployment
- Provide Changepoint training to ISPMO managers and staff
- General questions and clarifications regarding functionality
- Consultation on best practices for using the Changepoint application
- Issue resolution
- Configuration changes, which will be limited and will be approved at the SOM enterprise level
- Development of custom enterprise reports and/or assistance with the development of custom reports
- Documentation required over and above existing Changepoint documentation

Services will be charged at a post-implementation support rate of \$160 per hour inclusive of expenses. This rate is provided to support follow-on services associated with the scope of a completed implementation. Total expenses could be up to and will not exceed \$132,800 (830 hours x \$160)

Timeframe: 01/01/14/2013 – 05/31/2014

### ***2.304 Tasks***

Activity related to Changepoint as directed by DTMB project manager.

### ***2.305 Deliverables***

This work is for services only

## ***3.000 Pricing***

The tables below detail the pricing associated with the work effort described under this Statement of Work.

**Table 1: Summary of the Project Cost**

No.	Project Elements	Cost (\$)	Comments
A.	<b>2.100 Changepoint Utilization Support – Enterprise Project Management Office</b>	\$75,000	
B.	<b>2.200 DTMB Treasury Changepoint Project Management Services</b>	\$28,160	
C.	<b>2.300 Changepoint Utilization Support – Network &amp; Telecommunications Services Division</b>	\$240,000	
D.	<b>2.400 Changepoint Utilization Support – Infrastructure Services Project Management Office</b>	\$132,800	
E.	<b>Additional Licensing – FY 2014</b> License, Hosting and Maintenance Fees through September 2015	\$531,640	On-boarding Infrastructure Services, Contractors and Agency Partners
F.	<b>Additional Licensing – FY 2015</b> License, Hosting and Maintenance Fees through September 2015	\$492,400	On-boarding additional DTMB users, Contractors and Agency Partners
	<b>Total Cost</b>	<b>\$1,500,000</b>	

**4.000 Statement of Work - Approvals**

The undersigned authorized representatives of the State of Michigan and Compuware agree that they have reviewed this Statement of Work, and accept and approve this as the definition of the work to be performed.

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**FOR COMPUWARE CORPORATION:****FOR THE STATE:**

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Authorized Agent Signature

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Name/Title

---

Authorized Agent (Print or Type)

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Division

---

Date

---

Date

Form No. DTMB-3521 (Rev. 4/2012)  
 AUTHORITY: Act 431 of 1984  
 COMPLETION: Required  
 PENALTY: Contract change will not be executed unless form is filed

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

**CHANGE NOTICE NO. 4**  
 to  
**CONTRACT NO. 071B1300038**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Compuware Corporation One Campus Martius Detroit, MI 48226	Matt Weick	<a href="mailto:matt.weick@compuware.com">matt.weick@compuware.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(313) 227-4115	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Mike Breen	(517) 241-7720	<a href="mailto:breenm@michigan.gov">breenm@michigan.gov</a>
BUYER	DTMB	Mike Breen	(517) 241-7720	<a href="mailto:breenm@michigan.gov">breenm@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: <b>EPMO SaaS Solution and Supporting Services PPM Tool</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2013	2, 1 Year Options	September 30, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:			ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	
\$28,160.00			\$2,681,342.00	

Effective immediately, this Contract is hereby INCREASED by \$28,160 to complete the change permit support for Treasury. Please also note that the buyer has been changed to Mike Breen. All other terms, conditions, specifications, and pricing remain the same.

Per vendor agreement, agency and DTMB Procurement approval.

Form No. DTMB-3521 (Rev. 4/2012)  
 AUTHORITY: Act 431 of 1984  
 COMPLETION: Required  
 PENALTY: Contract change will not be executed unless form is filed

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

April 12, 2013

**CHANGE NOTICE NO. 3**  
 to  
**CONTRACT NO. 071B1300038**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Compuware Corporation One Campus Martius Detroit, MI 48226	Matt Weick	<a href="mailto:matt.weick@compuware.com">matt.weick@compuware.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(313) 227-4115	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Mike Breen	(517) 241-7720	<a href="mailto:breenm@michigan.gov">breenm@michigan.gov</a>
BUYER	DTMB	Reid Sisson	(517) 241-1638	<a href="mailto:sissonr@michigan.gov">sissonr@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: EPMO SaaS Solution and Supporting Services PPM Tool			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2013	2, 1 Year Options	September 30, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2 Years	September 30, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$782,004.00		\$2,653,182.00		

Effective immediately, this Contract is hereby INCREASED by \$782,004.00 and is utilizing the option years. The new end date is September 30, 2015. Please note the buyer has changed to Reid Sisson. See the attached quote from Compuware.

All other terms, conditions, specifications, and pricing remain the same.

Per vendor agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated

January 15, 2013.

**COMPUWARE CORPORATION**  
ONE CAMPUS MARTIUS • DETROIT, MICHIGAN 48226  
(313) 227-7300



Notwithstanding the terms of Contract 701B1300038, including but not limited to Section 2.153, the parties agree that any provisions regarding termination for convenience shall not apply to this Quote and all payment obligations specified herein shall remain due and payable.

**PRICE VALID THROUGH SEPTEMBER 28, 2012**

**PAYMENT**

Client hereby accepts the Services upon issuance of a Purchase Order referencing this Price Quote and agrees to pay Compuware the Total Amount of **\$244,020 U.S. Dollars** plus any applicable taxes. Invoices are due upon receipt and Compuware shall receive payment within 45 days of the invoice date. If payment is not received within 45 days of the invoice date, Compuware may impose a late payment charge equal to the lesser of 1 ½% per month of the unpaid balance or the maximum rate allowed by law. The parties agree that this paragraph shall override and supersede any provision to the contrary set forth in the Agreement, or on a purchase order or an invoice. The terms of any purchase order submitted in conjunction with this Price Quote, which are conflicting or additional to the terms of this Price Quote, shall be null and void.

**COMPUWARE CORPORATION**  
 ONE CAMPUS MARTIUS • DETROIT, MICHIGAN 48226  
 (313) 227-7300



**ATTACHMENT A  
 OPTION**

Through October 31, 2012 Licensee shall have the option to replace the licensed configuration specified in QUOTE NO. 151599-49 with the licensed configuration of perpetual Changepoint Software and hosting services as specified in this Attachment A for a fee of \$782,004. This fee includes a discount equal to the amount specified QUOTE NO. 151599-49. Without limiting the foregoing, the parties agree that all amounts specified QUOTE NO. 151599-49 shall remain due and payable and nothing in this option reduces or terminates those payment obligations.

Upon Licensee exercising this option, all of Licensee's rights and licensed configuration as specified under QUOTE NO. 151599-49 shall be replaced in full, excluding Licensee's payment obligations, with the licensed configuration of perpetual Changepoint Software and hosting services as specified below.

<b>DISTRIBUTED SOFTWARE</b>	<b>QTY</b>	<b>PERPETUAL LICENSE TYPE/UNIT</b>
Changepoint ITG	-	-
Base Users	900	Named Users
Advanced Users	600	Named Users
Integration Framework	1	Toolkit

<b>SERVICES</b>	<b>QTY</b>	<b>HOSTING PERIOD</b>
Hosting Fees	For 700 Users	10/1/2012 – 9/30/2013
Hosting Fees	For 1,500 Users	10/1/2013 – 9/30/2015

**MAINTENANCE SERVICES**

Software Maintenance is included through September 30, 2015 (the "Maintenance Term") for the Software licensed herein, at the configurations licensed herein.

**AGREEMENT AMENDMENTS**

Notwithstanding the terms of Contract 701B1300038, including but not limited to Section 1.500, the parties agree that the Software specified herein is generally available commercial Software which does not require and acceptance period. Therefore the Software is deemed accepted upon Licensee's Issuance of a purchase order.

Notwithstanding the terms of Contract 701B1300038, including but not limited to Section 2.153, the parties agree that any provisions regarding termination for convenience shall not apply to this Quote and all payment obligations specified herein shall remain due and payable.

**OPTION PAYMENT**

Licensee hereby accepts the Software and agrees to pay Compuware the Total Amount of **\$782,004 US Dollars** plus any applicable taxes (in addition to the amounts specified on QUOTE NO. 151599-49). First payment of **\$97,988** is due upon receipt and Compuware shall receive payment within 45 days of the invoice date; second payment of **\$342,008** shall be received by Compuware on or before September 20, 2013; and third and final payment of **\$342,008** shall be received by Compuware on or before September 20, 2014 (each date, a "Due Date"). If payment is not received by the Due Date(s) specified above, Compuware may impose a late payment charge equal to the lesser of 1 ½% per month of the unpaid balance or the maximum rate allowed by law. The parties agree that this paragraph shall override and supersede any provision to the contrary set forth in the Agreement, or on a purchase order or an invoice. The terms of any purchase order submitted in conjunction with this Price Quote, which are conflicting or additional to the terms of this Price Quote, shall be null and void.

## Option – 1,500 Users – 3-Year Agreement

Configuration (Perpetual Licenses)		Investment Summary	
License Type	Quantity	Type	Cost
Changepoint Base System	1	Software Licensing	\$525,900
Base User	900	Hosting Fee Yr. 1 (Annual)	\$58,800
Advanced User	600	Hosting Fee Yr. 2 & 3 (Annual)	\$126,000
Integration Framework	1	Annual Maintenance	\$94,662
		<b>Total 3-Year Cost</b>	<b>\$1,026,024</b>

Payment Schedule	
Year One	\$342,008
Year Two	\$342,008
Year Three	\$342,008

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PURCHASING OPERATIONS July 15, 2011  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 2**  
**TO**  
**CONTRACT NO. 071B1300038**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR <b>Compuware Corporation</b> <b>One Campus Martius</b> <b>Detroit, MI 48226</b>  <b>Email: <a href="mailto:matt.weick@compuware.com">matt.weick@compuware.com</a></b>	TELEPHONE Matt Weick <b>(313) 227-4115</b>
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1640 <b>Mark Lawrence</b>
Contract Compliance Inspector: Mike Breen <b>EPMO SaaS Solution and Supporting Services PPM Tool</b>	
CONTRACT PERIOD: <b>3 yrs. + 2 one-year options</b> From: <b>October 1, 2010</b> To: <b>September 30, 2013</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **INCREASED** by \$1,445,218.00. Scope of Work is being modified to include additional services and deliverables, as described in the attached document. Please also note that the buyer for this contract has **CHANGED** to Mark Lawrence. All other terms, conditions, specifications and pricing remain the same.

**AUTHORITY/REASON(S):**

Per vendor, agency and DTMB Purchasing Operations agreement and the approval of the State Administrative Board on June 7, 2011.

**INCREASE: \$1,445,218.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,871,178.00** (The amount of the increase was corrected to match the total cost of the Statement of Work, section 3.000 Pricing, Table 1).

## STATEMENT OF WORK

This Statement of Work is offered as an extension of the work successfully completed in the EPMO SaaS Solution and Supporting Services PPM Tool Project (i.e., Changepoint Pilot) in the period October 2010 through March 2011.

This Statement of Work describes additional Services/Deliverables to be rendered by Compuware Corporation. Terms and condition are governed under Contract #071B1300038.

### **1.000 Background / Objectives**

The Changepoint solution was successfully deployed at the State of Michigan on February 18, 2011 and included the following areas of functionality:

Application Inventory  
Candidate / Project Prioritization  
Project Management Metrics / Reporting

This deployment was the result of work completed by the State of Michigan and Compuware from the period beginning October 4, 2010 through the deployment date.

It is recognized that Changepoint has additional functionality that can be of value to the State. The purpose of this document is to describe services to support additional functionality and align that functionality with State processes and priorities.

Changepoint is a full Project and Portfolio Management (PPM) solution, including extensive functionality to support Application Portfolio Management (APM) as well. It was recognized that only selected portions of Changepoint functionality were to be implemented in this initial pilot and that additional capability would be added over the life of the Compuware contract via additional projects.

The State of Michigan successfully implemented a subset of Changepoint functionality as part of the pilot, deployed in February 2011. The overall approach to this pilot deployment was to engage the EPMO, ISPMO and Agency Services PMOs across the SOM (i.e., "enterprise-wide") and achieve early successes in the tool's overall use. The EPMO has current responsibilities for coordination of the IT portfolio and the use of SUITE (State Unified Information Technology Environment) and thus sponsored the Changepoint project. The EPMO provided guidance to the SOM/Compuware team throughout this first project including scope, vision, organizational leadership and project governance. Forty-two base and advanced user licenses were included as part of the pilot project scope and the initial solution was implemented via a SaaS model (externally hosted and provided as Software as a Service via the Internet).

In order to meet the pilot's objectives in terms of "early successes", improving consistency/visibility, and using Changepoint across the enterprise, the pilot focused on achieving limited objectives in each of the major portions of the tool in order to begin addressing the known challenges:

Application Portfolio Management – replacing the Application Inventory Excel spreadsheet and provide a consolidated enterprise list of IT applications in Changepoint

Portfolio Management – building the capability to capture and prioritize project business cases and in time to support the FY2011 Project Prioritization Process (aka "The Call For Projects")

Project Management – reporting of Project Status as the foundation for Agency Monthly Dashboards and Executive Monthly Reports using SUITE phase deliverables/exits as the basis for that reporting

Note that the pilot's scope did not include full use of Changepoint for management of the portfolio, projects or applications.

As described in the preceding sections, the pilot implementation is only a first step in the use of Changepoint for full management of the SOM application and project portfolios. The tool has been deployed across the PMO organization and achieved early success in 1) capturing application information, 2) supporting the FY2011 Call for Projects and 3) enabling the capture of consistent project status for executive reporting. There remains additional Changepoint functionality that can be leveraged by the State.

A major objective for further enhanced use of the Changepoint solution was to define an overall approach that incorporated learnings about the organization, the maturity of current methods and processes, and then build upon the successes experienced in the initial pilot. The intent is to introduce new functionality in a logical fashion that is consistent with the intent and timing of the existing contract with Compuware (through fiscal year 2015). The basic components of the approach used in defining future components include:

Build upon the success of the initial Changepoint deployment on 2/18/11

Use a phased approach to introduce new functionality

For future phase projects, use SUITE processes

Planning

Requirements

Design

Configuration

Data Migration

Testing

Training

Deployment

Closeout

Structure the phases so as to have small Design teams that can represent the larger organization

Use "rollouts/waves" to implement the projects' phase results throughout the enterprise

For future Rollout/Waves, use a subset of SUITE processes

Planning

Data Migration

Training

Closeout

Configure Changepoint, don't customize – highly successful with this in the initial deployment

Leverage "Lessons Learned" from the initial deployment

Thus, using these approach components to address the needs of the State in conjunction with the functional capabilities inherent in the Changepoint solution, six different initiatives have been identified:

Time & Materials - Short Term Pilot Support

Phase 1 – Project Management, Request Management

Phase 2 – Candidate Management, Budget Management

Phase 3 – Resource Management

Phase 4 – Application, Knowledge and Finance Management

Phase 5 – Further Request Management, Employee Performance & Survey Management

The functional scope of the initiatives listed above is further described in the following chart:

FY2011	FY2012	FY2013	FY2014**	FY2015**
<p><b>Phase 1</b></p> <p><b>T&amp;M Support</b> •Short Term Pilot Support</p> <p><b>Project Management</b> •Project Scheduling •Time Management •Cost Management •Issue/Risk/Change Management •Project Status Reporting •Portfolio Reporting</p> <p><b>Request Management</b> •Changepoint Support Requests for EPMO</p> <p><b>Integrations</b> •MS Project</p> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <p>Initial Deployment Complete 2/11</p> <ul style="list-style-type: none"> <li>• CP SaaS Hosting</li> <li>• Application Inventory</li> <li>• Project Prioritization</li> <li>• Basic Project Status Reporting</li> </ul> </div>	<p><b>Phase 2</b></p> <p><b>Candidate Management</b> •Candidate demand •Candidate expenses •Automated workflow •What-if Scenarios</p> <p><b>Project Management</b> •Budget Management</p> <p><b>Possible Integrations</b> •Remedy •Clarity</p>	<p><b>Phase 3</b></p> <p><b>Resource Management</b> •Resource Costing •Resource Search •Resource Request Workflow •Contractor Management •Resource Demand / Capacity Analysis •Resource Calendar •Resource Qualifications</p>	<p><b>Phase 4</b></p> <p><b>Application Management</b> •Additional Application Portfolio Management functionality</p> <p><b>Knowledge Management</b> •Entity related documentation •Support search</p> <p><b>Finance Management</b> •Financial Analysis by Project &amp; Agency •Funding Source</p> <p><b>Integrations</b> •Application Interfaces</p>	<p><b>Phase 5</b></p> <p><b>Request Management</b> •Planning Requests •Support Requests •Defect Requests •Work Requests •Other Requests</p> <p><b>Employee Performance &amp; Survey Mgmt</b> •Performance Management •Client &amp; Project Satisfaction Rate</p>

Denotes completed activities

\*\* FY 2014, 2015 tentative functionality and timing

The recommended timings of the Phase projects are shown on the timeline chart below. Each initiative has 2 components: 1) a design/configuration project phase and 2) a rollout phase(s):

Project Phase	FY2011	FY2012	FY2013	FY2014	FY2015
T & M Support	T&M 				
Project Management, EPMO Request Management (assume rollout to agency PMOs who have NO PM tools today)	Phase1 	Rollout 			
Candidate Management, Budget Management, Integrations (assume rollouts to agency PMOs in three waves, including PM functionality rollout to those not part of Pilot 1 Rollout)		Phase2 	Wave 1 	Wave 2 	Wave 3 
Resource Management			Phase3 	Rollout 	
Application Management, Knowledge Management, Finance Management				Phase4 	Rollout 
Request Management, Employee Performance & Survey Management					Phase5 
					Rollout 

A separate short-term time & materials pilot support agreement has been reached between the State and Compuware and that work progresses.

This Statement of Work focuses on four specific elements of the recommendations (from the pilot Roadmap deliverable):

- FY 2011 Phase 1
- Phase 1 Rollout
- FY2012 Phase 2
- Phase 2 Wave 1 Rollout

Also included is time & materials support for the above four recommendations (if enhancements needed over the life of this SOW).

Future Statements of Work will address remaining elements of the Roadmap recommendations.

**2.000 Scope of Work and Deliverables**

The overall approach to future projects is to leverage the successes and learnings from the initial pilot in order to expand the use of Changepoint throughout DTMB. For example, an agile project approach was successfully introduced in the pilot and those learnings will be employed for the expansion projects (agile approach described in Section 2.011).

Below are basics upon which the team will operate for the component projects covered by this Statement of Work (FY2011 Phase 1, Phase 1 rollout, FY2012 Phase 2, Phase 2 Wave 1 Rollout).

**2.001 Continued Use of the Software as a Service (SaaS) model**

The Changepoint solution will continue to be externally hosted and accessed by State personnel via the web. Two environments were available as part of the initial pilot (Production and Test). In order to support the future projects, Compuware will provide two additional environments (Development and Training). The following table describes the use of these environments:

Current	Purpose	Proposed	Purpose
Production	Production	Production	Production
Test	Testing New features / functionality / on – boarding users with existing functionality	Test	Testing New features / functionality / on – boarding users with implemented functionality
		Development	Configuring prototypes for the on-going projects
		Training	Training new users / new feature training

Management of these environments will follow the protocols developed and executed during the pilot project.

**2.002 Compuware Support for the State’s DIT-170 (Security Plan and Assessment)**

The Compuware Project Manager will provide support to the State as required in support of the State’s updates to the existing DIT-170 document for the Changepoint solution.

**2.003 Project Control / Governance**

The governance of the projects will follow that which was developed in the pilot. The project steering committee will meet frequently as determined by the State (this was monthly in the pilot). The steering committee will include the following, at a minimum:

- Diana Quintero (State Project Sponsor and Project Manager)
- Scott Thompson (State Executive – Information Office)
- Lynn Draschil (State Executive - Director)
- Diane Toscano (Compuware Project Manager)
- Matt Weick (Compuware Account Manager)

Materials reviewed within the Steering Committee meeting will follow the process below:  
 Draft presentation materials developed by the Compuware Project Manager  
 Joint review and collaboration between the Compuware Project Manager and the State Project Manager to adjust and update the materials  
 Steering Committee Meeting action items captured and executed as required

The project managers will meet every other week to discuss project status, issues, risks, and any other relevant topics. The bi-weekly status report will be the basis for these discussions.

**2.004 Team Participants**

The Compuware team for these projects will be comprised of the following individuals:  
 Compuware Project Manager – Diane Toscano  
 Compuware Changeoint Consultant – Paul Gipson  
 Compuware Integration Specialist – TBD  
 Compuware Conversion Specialist - TBD

Diane Toscano is a Senior Program Director at Compuware and leads Compuware’s Governance Practice and thought leadership within the project management discipline. Diane has led several State of Michigan projects over her 25+ years as a project management professional. Diane was the Compuware PM for the earlier successful EPMO Changeoint pilot project.

Paul Gipson is a Compuware Changeoint Consultant who has worked in this role for the past three years, including work in the public sector at Detroit Public Schools. Over the course of his entire career, his experience includes work as a Database Analyst, Installer, Application Developer and Consultant. His abilities include strong database design, customization, testing, installation, troubleshooting and training.

The Compuware Integration and Conversion Specialists will be identified closer to the start dates of their respective activities.

The State team for these projects will be comprised of the following:  
 State Project Manager – Diana Quintero  
 State EPMO SMEs (Enterprise View) – Virginia Hambric, Cindy Turben, Lupe Manty  
 State Infrastructure Services and Agency Services SMEs – TBD

The approach is based upon the concept of small project teams comprised of no more than 15 State SME representatives. The State participants will be crucial in designing and testing solutions that will be used and rolled out enterprise wide.

The organizational points of contact for the expansion projects are:

Point of Contact	Role	Phone	Email Address
Diana Quintero	State Project Manager	517-241-3495	<a href="mailto:quinterod@michigan.gov">quinterod@michigan.gov</a>
Diane Toscano	CPWR Project Manager	517-267-5252	diane.toscano@compuware.com

**2.005 Project Logistics**

Work will be performed on site at the Lewis Cass Building, Lansing, MI during the hours of 8:00 to 5:00 EST, Monday through Friday. If mutually agreed, portions of the work may be performed at remote Compuware locations.

The State will provide the following resources for Compuware personnel use on the project:  
 Work space  
 Minimal clerical support  
 Desk  
 Telephone

Access to printer, copier and fax machine

Building Access Badge (once contractor meets security and background check requirements)

Compuware understands that the State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. and that travel time will not be reimbursed.

#### **2.006 Project Plan Management**

Project Plan Management will follow that specified in the contract. In addition, Changepoint will be the tool used to manage the expansion projects within the existing Production environment. Functionality needed over and above that deployed into Production as part of the pilot will be strictly base Changepoint functionality. Once Phase 1 (project management) functionality is designed and deployed, future expansion projects will be managed with that functionality. User licenses will be required for all Phase project team participants so that the tool is providing the information necessary for sound project management.

#### **2.007 Project Issue, Risk, Change Management**

Issue, Risk and Change Management for the expansion projects will follow that specified in the contract, with the addition of the use of Changepoint as the tool for managing these. Protocols will be those successfully established and executed during the pilot project.

#### **2.008 Deliverables Acceptance**

Deliverables Acceptance procedures will follow those described in the contract. This includes the use of formal deliverable signoffs and an overall project signoff when all project activities are complete and all deliverables have been approved.

#### **2.009 Roles and Responsibilities**

Roles and Responsibilities of the State Project Team shown in the table below:

Role	Responsibility
<b>State Project Leadership</b>	<ul style="list-style-type: none"><li>Provide project leadership and direction</li><li>Meet frequently with the State Project managers to review progress and provide necessary guidance</li><li>Approve changes to scope, timeline and cost</li><li>Review project health</li><li>Resolve/escalate project or business issues</li></ul>
<b>State Senior Project Manager(s)</b>	<ul style="list-style-type: none"><li>Arrange for SOM facilities, as needed</li><li>Coordinate SOM resources necessary for the project</li><li>Facilitate communication between different SOM Departments/Agencies</li><li>Review and sign-off of invoices and timesheets (for time &amp; materials work)</li><li>Resolve project issues</li><li>Escalate outstanding/high priority issues</li><li>Document and archive all important project decisions</li><li>Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements</li><li>Resolve project issues in a timely manner</li><li>Review project plan, status, and issues</li><li>Resolve deviations from project plan</li><li>Provide acceptance and sign-off of deliverables/milestones</li><li>Utilize change control procedures</li><li>Ensure timely availability of State resources</li><li>Make key implementation decisions needed by the project</li></ul>

<b>System Administrator</b>	Maintains Production and provides assistance to the Compuware Changepoint Consultant for project work in the Test environment Setting up users Setting up workgroups Creating and assigning roles for users Un-assign resources and rearrange licenses between users Creating and updating new configurable fields/values Update labels for fields, hide/unhide fields on entities Develop and update workflows Developing and updating reports using reports designer Archive project artifacts Arrange, schedule and facilitate SOM staff attendance at all project meetings. Act as first line of support for users Coordinate with Compuware support for any helpdesk issues or bugs Coordinate with Compuware for backing up and restoring from Production to Test
<b>Subject Matter Experts</b>	Resolve project resource issues in a timely manner Review project plan, status, and issues Resolve deviations from project plan Provide acceptance sign-offs Utilize change control procedures Ensure timely availability of State resources Make key implementation decisions needed by the project

Roles and Responsibilities of the Compuware Project Team shown in the table below:

Role	Activities
<b>Compuware Project Manager</b>	Manage all defined responsibilities in this Statement of Work Manage Compuware’s subcontractors 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 Document and archive all important project decisions 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 Use Changepoint for day-to-day project management
<b>Compuware Changepoint Consultant</b>	Consults on business design and modeling to ensure optimal use of the Changepoint tool Provides configuration and development support for all Changepoint set up Provides consulting and support for validation testing, data migration and training development/delivery Consults with the State Project Manager on integrated implementation schedules Provides mentoring to the State’s Functional Administrator and to End Users

Role	Activities
<b>Compuware Changepoint Technical Svcs.</b>	<p>Consults with the Compuware Project Manager for direction on timing of system conversion/integration initiatives</p> <p>Provides software development necessary to support system conversion/integrations</p> <p>Provides testing and documentation of software code developed to support conversion/integrations</p> <p>Provides mentoring to the State's Functional Administrator and to End Users</p>

## 2.010 Deliverables

Below please find a list of project deliverables, a brief description, responsible party, applicable expansion project and timing for the Phase 1 Project deliverables:

Deliverable	Description	Responsible Party	Application Expansion Project(s)	Phase 1 Timing for Deliverables**
<b>Planning</b>				
Project Status Report	Bi-weekly status report, incorporating elements from SUITE PMM-13 and base Changepoint functionality (issues, risks, schedule, etc.)	CPWR Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	Bi-weekly beginning June 24, 2011
Project Plan/Schedule	Incorporating elements from SUITE PMM-03	CPWR Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	June 24, 2011
Project Charter	Incorporating elements from SUITE PMM-02	CPWR Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	June 24, 2011
Issue, Risk and Change Management Plans	Incorporating elements from PMM006, PMM-09, PMM-15 in addition to using Changepoint base functionality	CPWR Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	June 24, 2011
Implementation of Development and Training environment instances	2 new instances in addition to existing Production and Test	CPWR Changepoint Consultant	Phase 1	June 24, 2011
DIT-170 Security Assessment	<p>Completion of Risk Assessment, via the SoM DIT-170, of infrastructure, security and controls</p> <p>Compuware to provide requested information regarding the infrastructure, security and controls for the Changepoint installation</p>	<p>State Project Manager</p> <p>CPWR Project Manager</p>	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	June 24, 2011
Stage Exit Approval	<p>Planning Stage Exit walkthrough and approval (SEM-0189)</p> <p>Conduct walk-through of deliverables for Planning Stage</p> <p>Participate in deliverable walkthroughs, provide feedback for deliverables.</p> <p>Approve Deliverables and Stage Exit</p>	<p>CPWR Project Manager</p> <p>State SMEs</p> <p>State Project Manager</p>	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	June 24, 2011
<b>Requirements</b>				
Business/Technical Requirements specification	<p>Using SEM-0402</p> <p>Lead a minimum of 2 Requirements Definition</p>	CPWR Changepoint	Phase 1, Phase 2	July 8, 2011

Deliverable	Description	Responsible Party	Application Expansion Project(s)	Phase 1 Timing for Deliverables**
	<p>sessions, develop specifications</p> <p>Participate in a minimum of 2 Requirements Definition sessions. Review and provide feedback on specifications</p>	<p>Consultant</p> <p>State SMEs</p>		
Stage Exit Approval	<p>Requirements Stage Exit walkthrough and approval (SEM-0189)</p> <p>Conduct walk-through of deliverables for Stage</p> <p>Participate in deliverable walkthroughs, provide feedback for deliverables.</p> <p>Approve Deliverables and Stage Exit</p>	<p>CPWR Project Manager</p> <p>State SMEs</p> <p>State Project Manager</p>	Phase 1, Phase 2	July 8, 2011
<b>Design/ Configuration</b>				
Design workbook	<p>Documented Design/Configuration (SEM-501)</p> <p>Lead a minimum of 4 Design/Configuration sessions, document in workbook</p> <p>Participate in a minimum of 4 Design/Configuration sessions. Review workbook and provided feedback.</p>	<p>CPWR Changepoint Consultant</p> <p>State SMEs</p>	Phase 1, Phase 2	August 26, 2011
Configured Changepoint Application	Incorporating Design elements	CPWR Changepoint Consultant	Phase 1, Phase 2	August 26, 2011
Stage Exit Approval	<p>Design Stage Exit walkthrough and approval (SEM-0189)</p> <p>Conduct walk-through of deliverables for Stage</p> <p>Participate in deliverable walkthroughs, provide feedback for deliverables.</p> <p>Approve Deliverables and Stage Exit</p>	<p>CPWR Project Manager</p> <p>State SMEs</p> <p>State Project Manager</p>	Phase 1, Phase 2	August 26, 2011
<b>Conversion/ Integration</b>				
Data Conversion Design Specifications	<p>Documented conversion specifications (SEM-601)</p> <p>Lead a minimum of 2 migration/conversion design sessions, develop specifications</p> <p>Participate in a minimum of 2 migration/conversion design sessions. Review and provide feedback on specifications</p>	<p>CPWR Conversion Specialist</p> <p>State SMEs</p>	Phase 1, Phase 2	August 26, 2011
Data Migration/Conversion	<p>Data migrated into Changepoint</p> <p>Provide access and definition of</p>	State SMEs	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	August 26, 2011

Deliverable	Description	Responsible Party	Application Expansion Project(s)	Phase 1 Timing for Deliverables**
	<p>source system data</p> <p>Translate (where possible) source system data into Changepoint. Perform migration/conversion.</p>	CPWR Conversion Specialist		
Integration Design Specifications	<p>Documented integration specifications (SEM-501)</p> <p>Lead a minimum of 2 migration/conversion design sessions, develop specifications</p> <p>Participate in a minimum of 2 migration/conversion design sessions. Review and provide feedback on specifications</p>	<p>CPWR Integration Specialist</p> <p>State SMEs</p>	Phase 1, Phase 2	August 26, 2011
Integration Product Completion	<p>Interface development completion</p> <p>Provide access and definition of source system data. Provide datasets (where possible)</p> <p>Prepare Changepoint for acceptance and processing of integration data</p>	<p>State SMEs</p> <p>CPWR Integration Specialist</p>	Phase 1, Phase 2	August 26, 2011
Stage Exit Approval	<p>Conversion/Integration Stage Exit walkthrough and approval (SEM-0189)</p> <p>Conduct walk-through of deliverables for Stage</p> <p>Participate in deliverable walkthroughs, provide feedback for deliverables.</p> <p>Approve Deliverables and Stage Exit</p>	<p>CPWR Project Manager</p> <p>State SMEs</p> <p>State Project Manager</p>	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	August 26, 2011
<b>Testing</b>				
Test Plan	List of validation test scenarios to be performed (SEM-603)	CPWR Changepoint Consultant	Phase 1, Phase 2	September 16, 2011
Validation Testing	Complete successful execution of test scenarios (SEM-606)	CPWR Changepoint Consultant, CPWR Conversion Specialist, CPWR Integration Specialist	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	September 16, 2011
UAT Support	<p>Lead Training session for UAT participants, use of SEM-0606 for UAT documentation</p> <p>Participate in Training session, develop own UAT test cases, perform UAT</p>	<p>CPWR Changepoint Consultant, CPWR Conversion Specialist</p> <p>State SMEs</p>	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	September 16, 2011
Stage Exit Approval	<p>Testing Stage Exit walkthrough and approval (SEM-0189)</p> <p>Conduct walk-through of deliverables for Stage</p>	CPWR Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	September 16, 2011

Deliverable	Description	Responsible Party	Application Expansion Project(s)	Phase 1 Timing for Deliverables**
	Participate in deliverable walkthroughs, provide feedback for deliverables.  Approve Deliverables and Stage Exit	State SMEs  State Project Manager		
<b>Training</b>				
Training Plan	Approach, outline and timing of training activities (SEM-703)	CPWR Changepoint Consultant	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	October 7, 2011
Development of Training Material	Training material development. PowerPoint functional overview, exercises and agendas.	CPWR Changepoint Consultant	Phase 1, Phase 2	October 7, 2011
Train the Trainer	Training delivery  Participation in Train the Trainer session(s)  End User Training	CPWR Changepoint Consultant  State Trainers  State Trainers, State end users	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	October 7, 2011
Stage Exit Approval	Training Stage Exit walkthrough and approval (SEM-0189)  Conduct walk-through of deliverables for Stage  Participate in deliverable walkthroughs, provide feedback for deliverables.  Approve Deliverables and Stage Exit	CPWR Project Manager  State SMEs  State Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	October 7, 2011
<b>Deployment/ Closeout</b>				
Issues/ Go Live Decision Document	Checklist to ensure readiness for go-live	CPWR Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	October 21, 2011
Deployment Plan	Schedule of deployment activities (SEM-702)	CPWR Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	October 21, 2011
Lessons Learned Document	Documented review of project execution (PMM-018)  Lead one Lessons Learned session, develop document  Participate in one Lessons Learned sessions. Review and provide feedback on document	CPWR Project Manager  State SMEs	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	November 11, 2011
Project Closeout Document	Checklist of deliverables	CPWR Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	November 11, 2011
Stage Exit Approval	Deployment Stage Exit walkthrough and approval (SEM-0189)  Conduct walk-through of deliverables for Stage  Participate in deliverable walkthroughs, provide feedback for deliverables.  Approve Deliverables and Stage Exit	CPWR Project Manager  State SMEs  State Project Manager	Phase 1, Phase 1 Rollout, Phase 2, Phase 2 Wave 1 Rollout	November 11, 2011

*\*\*Note: the timing for Phase 1 Project deliverables is based upon an assumed start date of June 13, 2011. Similar timings will apply to the remaining applicable expansion projects once the start dates are known. Acceptance Criteria/Acceptance Procedures will follow that specified in contract 071B1300038, Section 1.500 Acceptance.*

## **2.011 Use of an Agile Approach**

Compuware proposes the use of an agile approach to completing Requirements Verification and Design/Configuration for each of the applicable projects. Aspects of this approach were used in the pilot and form the basis, along with pilot Lessons Learned, for the development of this proposed approach to the expansion projects.

A broad list of desired requirements was defined and is part of the contract. A subset of these requirements has been implemented in the pilot, partially implemented in the pilot, or not yet implemented. A major responsibility of State and Compuware team members is to make decisions on what/how elements of ChangePoint are to be implemented (including potential customizations of functionality that are not inherent in the ChangePoint tool).

Key components of the proposed approach to Phase 1 and Phase 2 Requirements Verification and Design/Configuration are noted below:

The team is governed by business needs/priorities, time and the resources available. This requires close communication and joint decision-making on scope.

State Team members represent the “enterprise” in determining what/how the application is configured in order to minimize future needs for re-design and re-configuration.

Contract RFP requirements will be reviewed by team members prior to the requirements verification sessions in Phase 1 and Phase 2 projects. Again, some of these requirements were implemented in the pilot, partially implemented in the pilot or will be addressed in future projects. This RFP requirements review (prior to the session) will assist the team in familiarizing themselves with overall business needs that can be incorporated in a specific Expansion Project, if applicable.

The Requirements Verification sessions will start with a review of “as-is” processes and tools used by the State followed by an overview of base ChangePoint functionality applicable for the Phase project’s scope. See section below for a list of applicable features for Phase 1 and Phase 2 (starting point).

A list of requirements (using SEM-402) will be output from the Requirements Verification sessions for use in Design/Configuration (initial list of “what” is desired to be implemented).

Design will start with the requirements list, and sessions will focus on “how” the desired set of functionality could be incorporated into ChangePoint.

After each session, configuration in the development environment will begin and results reviewed with the team. These reviews could result in changes to the requirements and/or the design. These design and configuration review sessions will take place for the number of weeks detailed in each Phase schedule.

Scope needs to be re-examined by all parties throughout this process. What can be achieved in this phase with the time/resources constraints in place? As mentioned earlier, joint decision-making is critical to the success of this approach. Types of decisions may include:

No Charge CCRs used to adjust/track changes to Requirements, Design or previous configuration  
Defer some functionality to a future phase project

Extend Design/Configuration activities and adjust remaining project activities/resources in accordance with the original plan (e.g., shorten/limit testing or training activities to accommodate a longer design phase)

Adjust the mix of resources/skillsets to accommodate project needs (for example, add delivery consultant time and reduce conversion/integration specialist time accordingly)

Extend project activities/overall timeline and/or increase resources, resulting in additional costs (CCR)

Note that specific requirements, number of reports/dashboards, etc. are not known at this time but will be iteratively developed as part of the approach.

Several of these agile approach elements were used as part of the initial pilot. The State and Compuware worked together to address State priorities and deployed a solution by the date specified in the schedule developed at the start of the project. There were no scope change requests requiring

additional dollars. It is this success that we propose to build upon as part of working together on the Expansion projects.

### **2.100 Phase 1 Project – Project Management, Request Management**

Base Changepoint functionality will be the basis of review in the Design sessions and will guide the team in their design decision-making. The Roadmap plan is that the Phase 1 project will address Project Management (except for budget management) and a portion of Request Management functionality. Below is the list of tool capabilities for these areas of Project Management and Request Management:

#### **2.101 Base Project Management Functionality**

Creating, facilitating and managing projects in Changepoint. This is applicable for new projects, in-flight projects and maintenance projects.

Providing the Project Managers with the ability to use either the Changepoint Project Worksheet or MS Project to manage project schedules

Creating and maintaining assignment of resources to the project's tasks.

Using the Changepoint Task Statusing features. Task statusing will help project managers to get a good handle on the project forecast. Resources will be doing task statusing in Changepoint

Using the Changepoint Time reporting capabilities. Resources will enter time for Project time and non-project time. Resources will have to account for all the hours in Changepoint for a week (40 hrs)

Creating of sub-projects for the same client as the main project. This will enable different pieces of the project to be managed by different resources. This will also allow for project rollup of the data for various sub-projects under the project.

Using the Changepoint Request module to enable tracking of projects issues, risks and change requests

Using the Changepoint Project baselining capabilities to create and report on multiple Project baselines.

Creating and maintaining tasks, milestones, and their Work Breakdown Structures (WBS's) in Changepoint.

Creating Project Status reports. Changepoint already has an "out-of-the-box" Project Status report. If necessary, the report can be updated to meet the State of Michigan's needs

Using the Changepoint / MS Project integration. This integration is available out of the box. However, this integration is not fully bi-directional one. Means we cannot transfer everything from MSP to Changepoint and vice versa. Actual data (dates, hours and % complete) are entered in Changepoint and transferred to MS Project. The project schedule is entered / updated in MS Project and transferred to Changepoint. There are some caveats which will be reviewed and users will be trained in the correct use of the integration.

Creating and using Changepoint portfolios. Portfolios can be created (by agency, department, PMO, IO etc., within Changepoint. Changepoint has some standard metrics already developed. The portfolios can be created using one or more of these standard metrics to define the project health and the portfolio health. If the standard metrics do not meet the needs of the state, we can create new ones using custom stored procedures.

A high-level design of interfaces with other PM systems will be addressed as part of the Phase 1 Project. Additional design and development work may be included in future projects. It is assumed that the Phase 1 Rollout will not include interfacing with other PM systems, but will be rolled out to areas which have no tool today. Known PM tools which may require interfacing include:

Remedy – Inbound interface

Clarity – Inbound interface

Specifics on what to interface to, when to design/configure and when to deploy will be made as part of the project's requirements and design sessions. Directionally, the following descriptions of current understanding of the two main interfaces (Remedy and Clarity), based on brief discussions with the State, are provided below.

### **Remedy**

Remedy is a work request/ help desk system used by the State of Michigan. Remedy captures the time that the resources spend on the requests. It is assumed that project requests/work (not operations requests/work) will be interfaced to Changepoint. The interface will be built to send the requests and the hours resources booked to those requests to Changepoint. The information to be transferred could be the requests itself or map to specific maintenance projects and associated time entries. This will be decided during the design phase of the project.

The interface will be inbound to Changepoint where the data will be imported from a staging area into Changepoint using API/Webservices technology. This interface will be a nightly feed for accurate and timely reporting.

### **Clarity**

Some agencies at the State use Clarity as a project management tool. For consistent project reporting for all agencies it is necessary to have single point of contact. For this Changepoint can be leveraged for project and portfolio reporting. The project information (schedule, assignment, budget etc.) along with the actuals will be integrated with Changepoint.

The interface will be an inbound interface to Changepoint where the data will be imported from a staging area into Changepoint using API/Webservices technology. This interface will be a nightly feed for accurate and timely reporting. This interface will be implemented for a subset of the agencies using Clarity. As future agencies using Clarity are rolled in, the staging area will be populated with the additional agency information for projects.

Conversion will be a joint activity between the State and Compuware. Decisions will be needed on what data, if any, needs to be converted (new projects, active projects, etc.) as well as the means to obtain the data. It is expected that the following entities may be part of conversion:

- Resources
- Clients
- Initiatives
- Projects (Active)
- Tasks (for Active Projects)
- Task Assignments (for Active Projects)

Compuware will provide the State with Excel templates in which to populate the data for desired entities. These files will be loaded through a validation process and be tested by the State accordingly.

### 2.102 Base Request Management Functionality

Planning Requests (or Idea requests). These types of requests are typically used prior to projects getting to a candidate status.

Project Issues (also under Phase 1 PM)

Project Risks (also under Phase 1 PM)

Project Change Requests (also under Phase 1 PM)

Support Requests (small part of it being implemented for EPMO in Phase 1).

Defect Requests

Work Requests

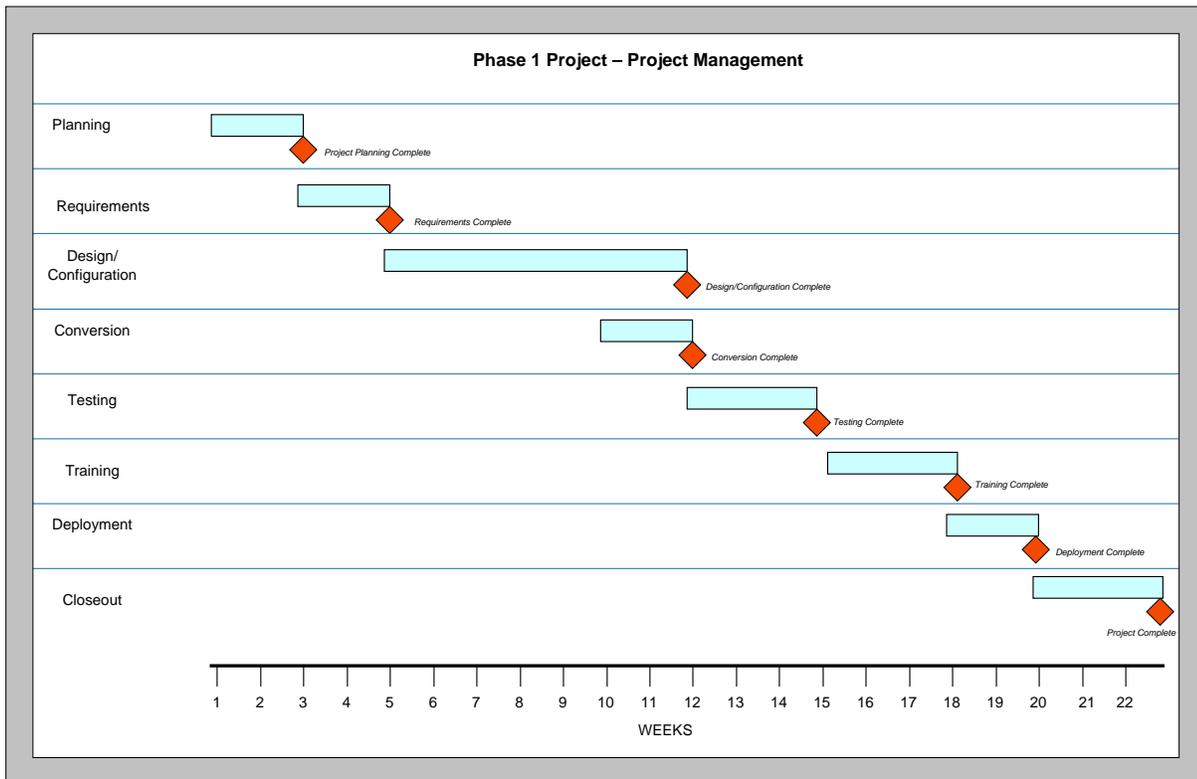
Vacation Requests

Other types of requests as needed. New request types can be created in Changepoint as needed.

Workflow is associated with every type of request

### 2.103 Phase 1 Project Timeline

The Phase 1 Project is planned for completion in 22 weeks, as shown on the following timeline:



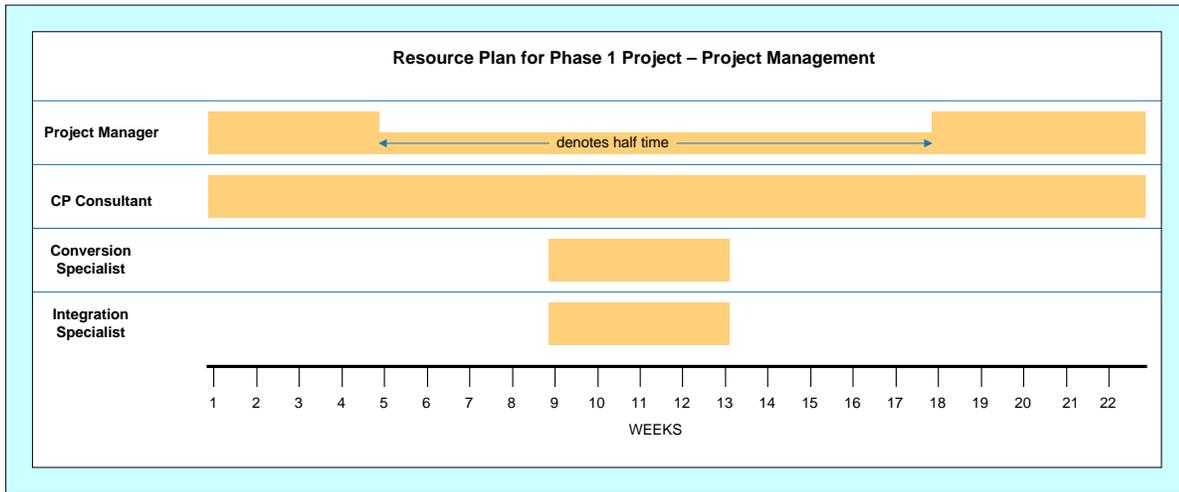
The following chart details the specific timings of project activities, which includes overlap\*\* areas depicted above:

Activities	Duration (in Weeks)
Planning	2
Requirements Verification	2
Design	7
Conversion**	2
Testing/Validation	3
Training	3
Deployment	2
Closeout	3
<b>Total Elapsed Time</b>	<b>22</b>

As described in the Scope of Work section, it is critical that the team align their activities to the schedule in accordance with the resources available.

**2.104 Phase 1 Project Resource Plan**

The Compuware resource plan for the Phase 1 Project is shown below:



For this 22 week project, the resource plan for Compuware resources can be summarized as:  
 The Compuware Project Manager will be full-time through the Planning and Requirements portion of the project, half-time through Design, Conversion, Testing and Training, and revert back to full-time for Deployment and Closeout

The Changepoint Consultant will be full-time throughout the full 22 weeks of the project

The Compuware Conversion Specialist will be full-time for the final three weeks of Design/Conversion and one week of Testing

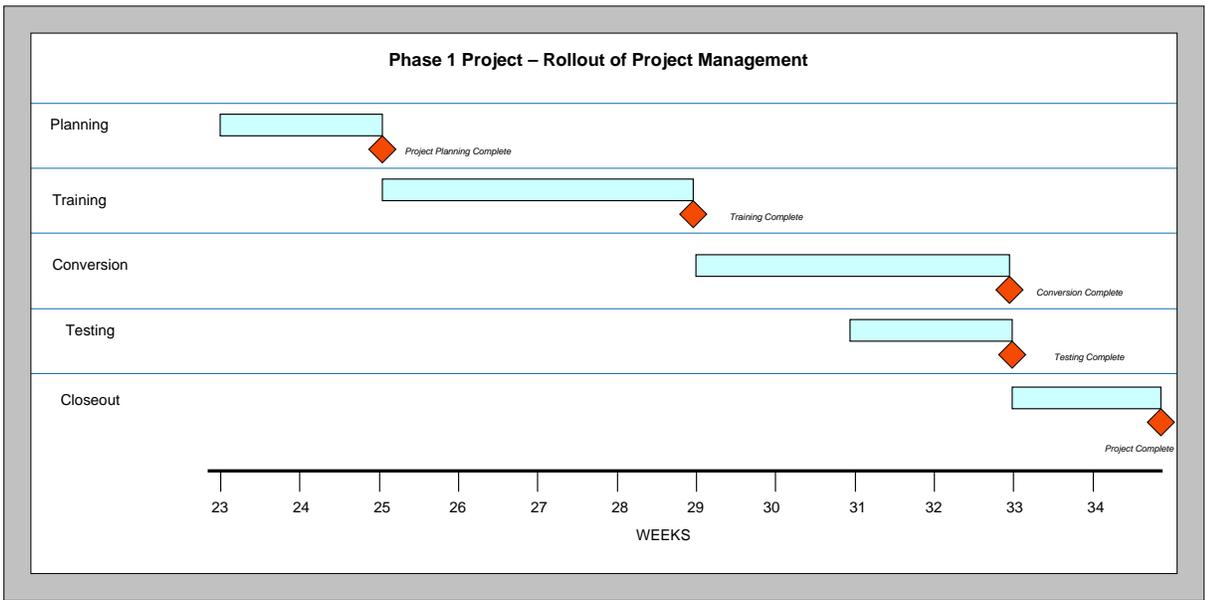
The Compuware Integration Consultant will be full-time for the final three weeks of Design/Conversion and one week of Testing

**2.200 Phase 1 Rollout Project – Rollout of Project Management, Request Management**

For the initial Rollout Project, there will be no design sessions conducted to create new processes for agencies or incorporate additional functionality. The goal of the Rollout is to leverage functionality and capability that was designed, configured and deployed in the Phase 1 Project. The initial direction is that this first rollout will include those SOM areas not using any project management tool today. Specific areas will be defined as part of the planning activity in this project.

**2.201 Phase 1 Rollout Project Timeline**

The Phase 1 Rollout Project is planned for completion in 12 weeks, as shown on the following timeline:



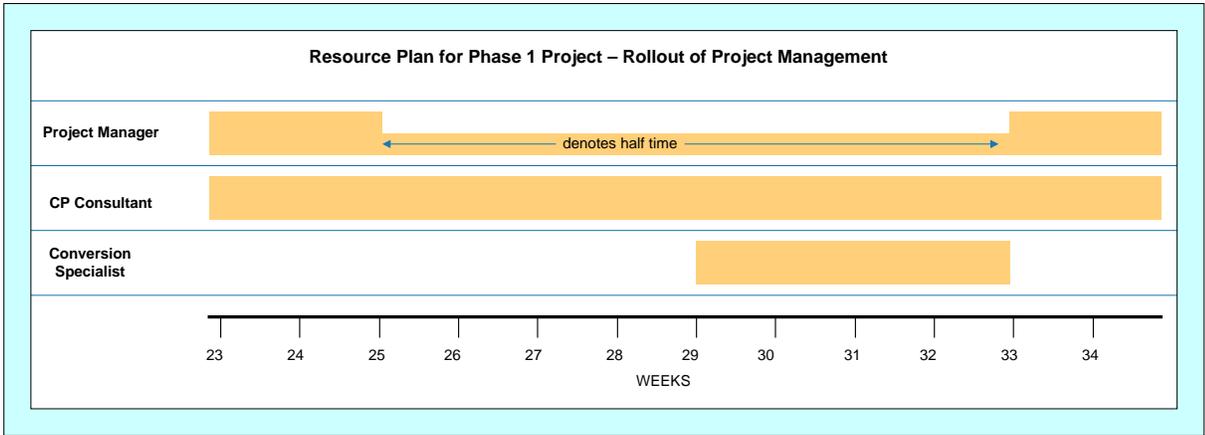
The following chart details the specific timings of project activities, which includes overlap\*\* areas depicted above:

Activities	Duration (in weeks)
Planning	2
Training	4
Conversion	4
Testing**	2
Closeout	2
<b>Total Elapsed Time</b>	<b>12</b>

As described in the Scope of Work section, it is critical that the team align their activities to the schedule in accordance with the resources available.

[2.202 Phase 1 Rollout Project Resource Plan](#)

The Compuware resource plan for the Phase 1 Rollout Project is shown below:



For this 12 week project, the resource plan for Compuware resources can be summarized as: The Compuware Project Manager will be full-time through Planning, half-time through Training, Conversion and Testing and revert back to full-time for project Closeout

The Changepoint Consultant will be full-time throughout the full 12 weeks of the project  
The Compuware Conversion Specialist will be full-time for Conversion and Testing

### **2.300 Phase 2 Project – Candidate Management, Budget Management**

Base Changepoint functionality will be the basis of review in the Design sessions and will guide the team in their design decision-making. The Roadmap plan is that the Phase 2 project will address Candidate Management and Budget Management and will be the Project where project management integrations/interfaces with other systems will be implemented (e.g., Remedy, Clarity). Below is the list of tool capabilities for the functional areas of Candidate Management and Budget Management:

#### **2.301 Base Candidate Management**

Tracking resource requirements for Candidate to develop future “what-if scenarios” for determining which projects are feasible. For the “what-if scenarios” to work effectively, the current and future demand has to be captured.

Tracking of expenses for candidates to indicate to a better visibility of Total Cost of Ownership and Return on Investment (ROI).

Automating the candidate workflow to better facilitate approvals.

Incorporating client portal users for the candidate workflow approval. Using client portal licenses will enable the agency contacts to participate in approvals.

#### **2.302 Base PM Budget Management**

Creating and managing Project Budgets in Changepoint. Project Managers will be able to compare the budget versus actuals for the project (right now is mapped as part of FY2011 Phase 2 project)

Creating Cost Rates for Resources. Employees will use a blended cost rate and contractors will set up with actual cost rates. Will be loaded with the cost rates (for employees it will be blended rate and for contractors it will be the actual rates). This will help with the project costing. If we do not track the rates, the project cost will not be generated within Changepoint.

Creating Qualifications for employees and contractors.

Finalization of the interfaces with other PM systems will be done as part of the Phase 2 Project. Known PM tools which may require interfacing include:

Remedy – Inbound Interface

Clarity – Inbound interface

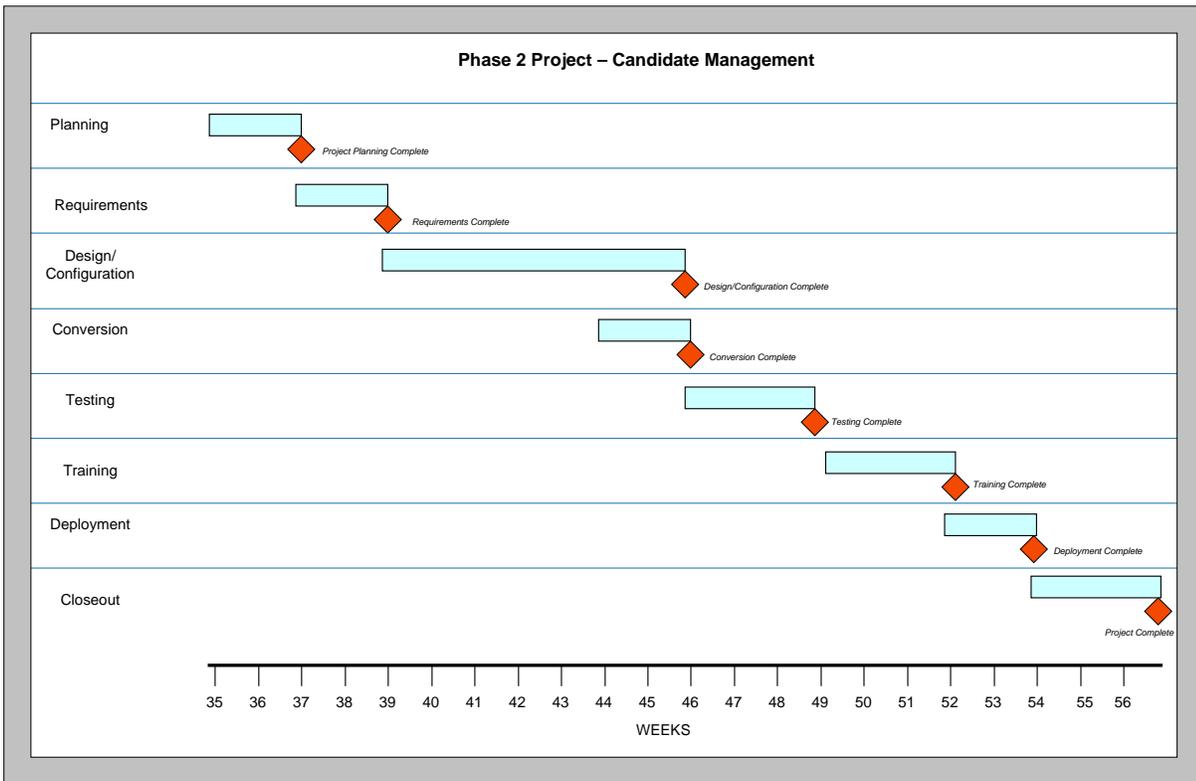
Conversion will be a joint activity between the State and Compuware. Decisions will be needed on what data, if any, needs to be converted as well as the means to obtain the data. It is expected that the following entity may be part of the conversion:

Resources (including all related resource information)

Compuware will provide the State with Excel templates in which to populate the data for desired entities. These files will be loaded through a validation process and tested by the State accordingly.

#### **2.303 Phase 2 Project Timeline**

The Phase 2 Project is planned for completion in 22 weeks, as shown on the following timeline:



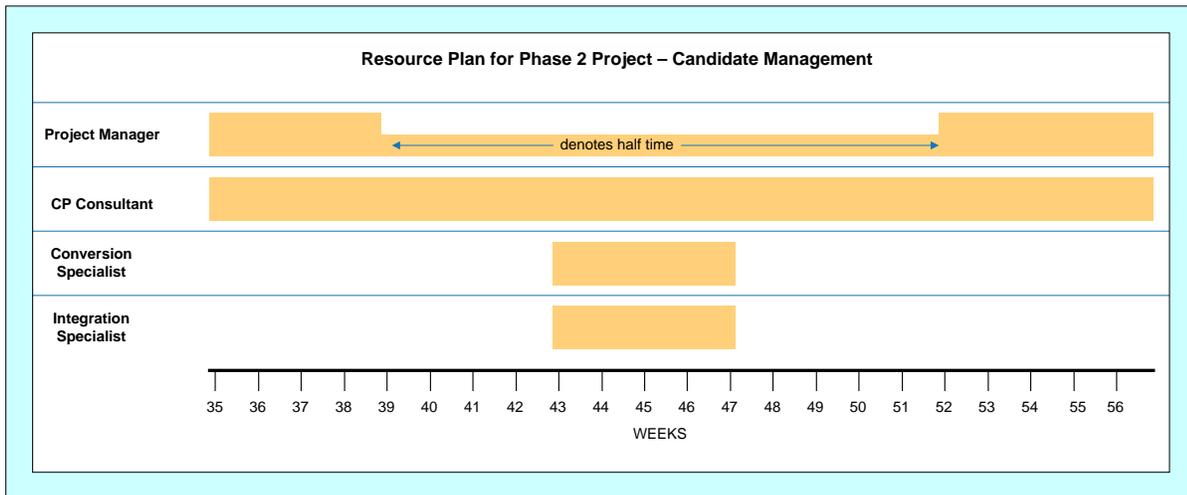
The following chart details the specific timings of project activities, which includes overlap\*\* areas depicted above:

Activities	Duration (in Weeks)
Planning	2
Requirements Verification	2
Design	7
Conversion**	2
Testing/Validation	3
Training	3
Deployment	2
Closeout	3
<b>Total Elapsed Time</b>	<b>22</b>

As described in the Scope of Work section, it is critical that the team align their activities to the schedule in accordance with the resources available.

[2.304 Phase 2 Project Resource Plan](#)

The Compuware resource plan for the Phase 2 Project is shown below:



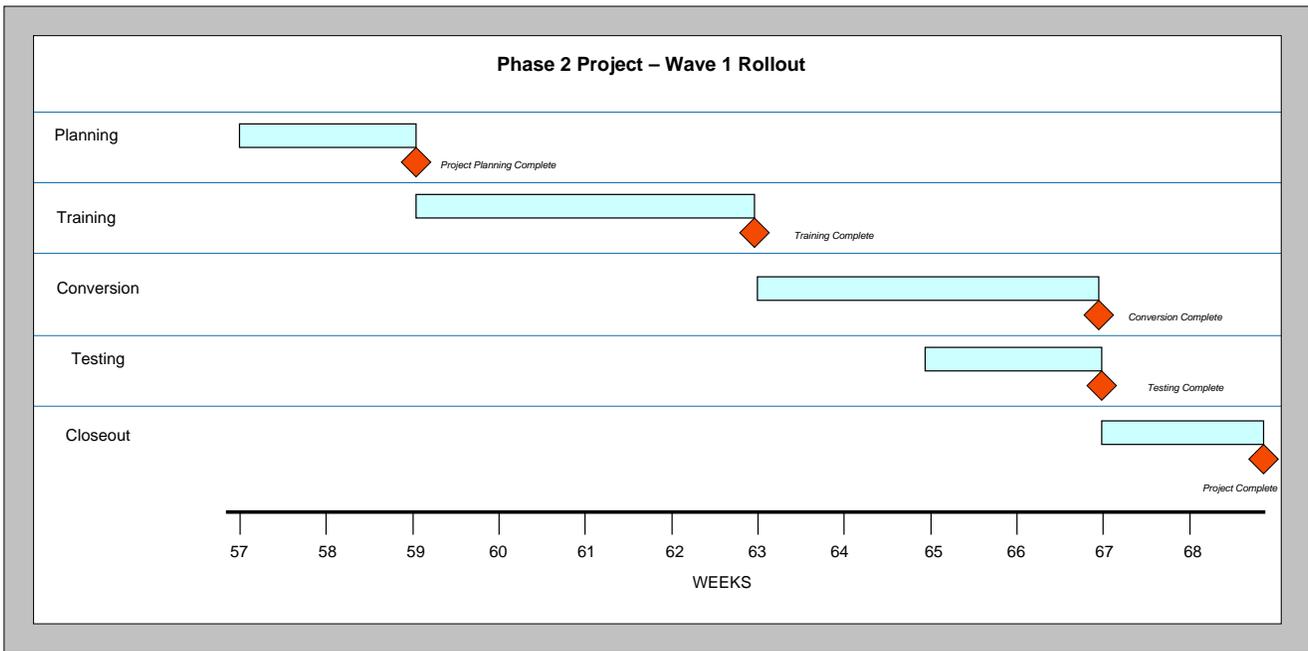
For this 22 week project, the resource plan for Compuware resources can be summarized as:  
 The Compuware Project Manager will be full-time through the Planning and Requirements portion of the project, half-time through Design, Conversion, Testing and Training, and revert back to full-time for Deployment and Closeout  
 The Changepoint Consultant will be full-time throughout the full 22 weeks of the project  
 The Compuware Conversion Specialist will be full-time for the final three weeks of Design/Conversion and one week of Testing  
 The Compuware Integration Consultant will be full-time for the final three weeks of Design/Conversion and one week of Testing

**2.400 Phase 2 Wave 1 Rollout Project – Rollout of Candidate Management, Budget Management**

For the Wave 1 Rollout of Phase 1 and Phase 2 functionality, there will be no design sessions conducted to create new processes for agencies or incorporate additional functionality. The goal of Wave 1 is to leverage functionality and capability that was designed, configured and deployed in the Phase 1 and Phase 2 Projects (includes Phase 1 functionality for areas not part of the Phase 1 Rollout). The initial direction is that this wave rollout will include those SOM areas using MS Project today and that those areas using other tools (Clarity, etc.) will be part of future wave rollouts.

**2.401 Phase 2 Wave 1 Rollout Project Timeline**

The Phase 2 Wave 1 Rollout Project is planned for completion in 12 weeks, as shown on the following timeline:



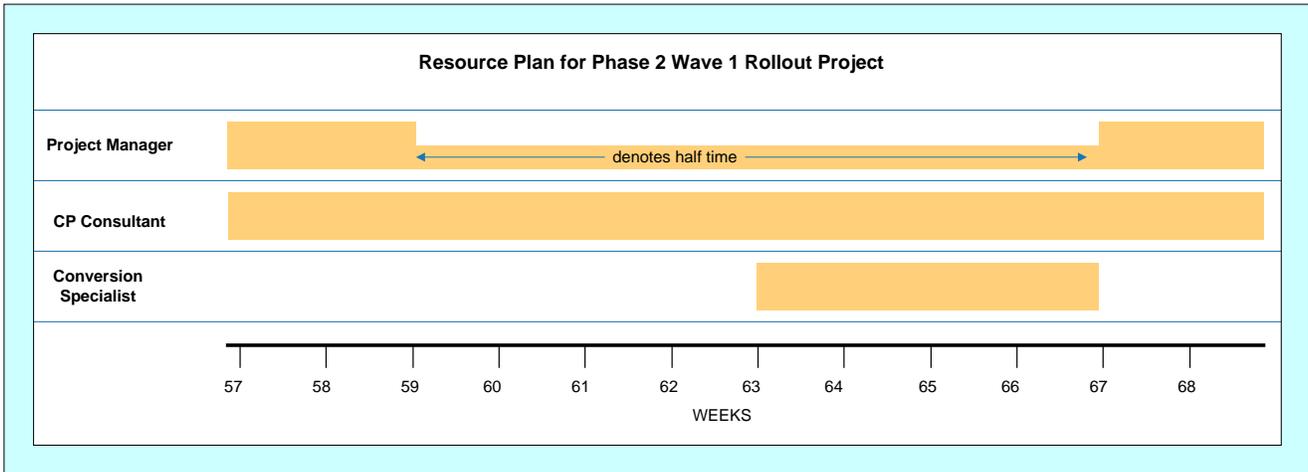
The following chart details the specific timings of project activities, which includes overlap\*\* areas depicted above:

Activities	Duration (in weeks)
Planning	2
Training	4
Conversion**	4
Testing	2
Closeout	2
<b>Total Elapsed Time</b>	<b>12</b>

As described in the Scope of Work section, it is critical that the team align their activities to the schedule in accordance with the resources available.

[2.402 Phase 2 Wave 1 Rollout Project Resource Plan](#)

The Compuware resource plan for the Phase 2 Wave 1 Rollout Project is shown below:



For this 12 week project, the resource plan for Compuware resources can be summarized as:  
 The Compuware Project Manager will be full-time through Planning, half-time through Training, Conversion and Testing and revert back to full-time for project Closeout  
 The Changepoint Consultant will be full-time throughout the full 12 weeks of the project  
 The Compuware Conversion Specialist will be full-time for Conversion and Testing

### 3.000 Pricing

The tables below detail the pricing associated with each Expansion Project covered under this *Statement of Work*. The pricing is valid for a period of 90 days from April 25, 2011.

**Table 1: Summary of the Project Cost**

No.	Project Elements	Cost (\$)	Comments
	<b>Phase 1</b> Breakdown provided in Table 2	\$408,400	Project Management Request Management Integrations
	<b>Enhancements/Maintenance</b> Applicable rates provided in Table 3	\$50,000	Time & Materials support for Expansion Projects (if needed)
	<b>Phase 1 – Rollout</b> Breakdown provided in Table 4	\$208,000	On-boarding State users
	<b>Phase 2</b> Breakdown provided in Table 5	\$379,000	Candidate Management Budget Management
	<b>Phase 2 – Wave 1</b> Breakdown provided in Table 6	\$208,000	On-boarding State users
	<b>Additional Licensing – FY 2012</b> Breakdown provided in Table 7	\$191,818	Licenses needed to support Phase 1 – Rollout
	<b>Total Cost</b>	<b>\$1,445,218</b>	

**Table 2: Phase 1**

No.	Category / Deliverable	Total Cost (\$)
A.	Planning	\$35,800
B.	Requirements	\$35,800
C.	Design	\$93,300
D.	Conversion	\$49,100
E.	Integration	\$22,000
F.	Testing	\$42,450
G.	Training	\$42,450
H.	Deployment	\$34,800
I.	Closeout / Acceptance	\$52,700
	<b>Total Phase 1 Costs</b>	<b>\$408,400</b>

**Table 3: Enhancement/Maintenance Rate Card**

No.	Staffing Category	Firm Fixed Hourly Rate
A.	PSD Project Manager	\$150.00
	PSD Business Analyst	\$100.00
	PSD Developer	\$120.00
	PSD Quality Assurance Analyst	\$100.00
	Changepoint Consultant	\$250.00
	Changepoint Conversion Specialist	\$250.00
	Changepoint Integration Specialist	\$125.00
	<b>Future Enhancement/Rate Card Estimated Cost</b>	N/A

**Table 4: Phase 1 - Rollout**

No.	Category / Deliverable	Total Cost (\$)
A.	Planning	\$33,500
B.	Training	\$48,000
C.	Conversion	\$59,000
D.	Testing	\$33,750
E.	Closeout / Acceptance	\$33,750
	<b>Total Phase 1 Rollout Costs</b>	<b>\$208,000</b>

**Table 5: Phase 2**

No.	Category / Deliverable	Total Cost (\$)
A.	Planning	\$34,000
B.	Requirements	\$34,000
C.	Design	\$86,250
D.	Conversion	\$41,500
E.	Integration	\$20,000
F.	Testing	\$39,750
G.	Training	\$39,500
H.	Deployment	\$34,000
I.	Closeout / Acceptance	\$50,000
	<b>Total Phase 2 Costs</b>	<b>\$379,000</b>

**Table 6: Phase 2 – Wave 1**

No.	Category / Deliverable	Total Cost (\$)
A.	Planning	\$33,500
B.	Training	\$48,000
C.	Conversion	\$59,000
D.	Testing	\$33,750
E.	Closeout / Acceptance	\$33,750
	<b>Total Phase 2 Wave 1 Costs</b>	<b>\$208,000</b>

**Table 7: Additional Licensing – FY2012\***

No.	Cost Categories	Cost(\$)/Year	Number of Users	Comments
A.	<b>Total Software As A Service Cost by User/License Type</b>			This pricing includes all costs for: Hosting, Operations, Warranties, Maintenance & Support.
	Base User		450	
	Advanced User		200	
	Executive Visibility User		2	
	Client Portal Users - ***PER USER***		10	
	API Toolkit (for Active Directory integration)		1	
	<b>Total</b>		<b>\$191,818</b>	

\*Assumes multi year commitment Enterprise Deal for four years beginning Oct 1, 2011. Within the 4 year term of the Enterprise Commitment the State of Michigan can accelerate deployment of users up to the full licensed amount without incurring any additional charges. The initial cost for FY12 would be \$191,818. The annual cost thereafter would be \$220,202 for each of the 3 additional committed 12 month periods. The Software licenses and terms and conditions will be reflected in a mutually agreeable software license agreement signed by both parties.

**STATE OF MICHIGAN**  
**DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET**  
**PURCHASING OPERATIONS March 29, 2011**  
**P.O. BOX 30026, LANSING, MI 48909**  
 OR  
**530 W. ALLEGAN, LANSING, MI 48933**

**CHANGE NOTICE NO. 1**  
**TO**  
**CONTRACT NO. 071B1300038**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR <b>Compuware Corporation</b> <b>One Campus Martius</b> <b>Detroit, MI 48226</b>  <b>Email: <a href="mailto:matt.weick@compuware.com">matt.weick@compuware.com</a></b>	TELEPHONE Matt Weick <b>(313) 227-4115</b>
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 <b>Joe Kelly</b>
Contract Compliance Inspector: Mike Breen <b>EPMO SaaS Solution and Supporting Services PPM Tool</b>	
CONTRACT PERIOD: <b>3 yrs. + 2 one-year options</b> From: <b>October 1, 2010</b> To: <b>September 30, 2013</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **INCREASED** by \$24,950.00 to include funding for future enhancements. Please also note that the buyer for this contract has **CHANGED** to Joe Kelly and the Contract Compliance Inspector has **CHANGED** to Mike Breen. All other terms, conditions, specifications and pricing remain the same.

**AUTHORITY/REASON(S):**

Per vendor, agency and DTMB Purchasing Operations agreement.

**INCREASE: \$24,950.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$425,960.00**

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 September 30, 2010**  
**P.O. BOX 30026, LANSING, MI 48909**  
 OR  
**530 W. ALLEGAN, LANSING, MI 48933**

**NOTICE**  
**Of**  
**CONTRACT NO. 071B1300038**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR <b>Compuware Corporation</b> <b>One Campus Martius</b> <b>Detroit, MI 48226</b>  <b>Email: <a href="mailto:matt.weick@compuware.com">matt.weick@compuware.com</a></b>	TELEPHONE Matt Weick <b>(313) 227-4115</b>
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Patty Bogard <b>EPMO SaaS Solution and Supporting Services PPM Tool</b>	
CONTRACT PERIOD: <b>3 yrs. + 2 one-year options</b> From: <b>October 1, 2010</b> To: <b>September 30, 2013</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	
MISCELLANEOUS INFORMATION:	

**TOTAL ESTIMATED CONTRACT VALUE: \$401,010.00**

**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. 071B1300038**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR <b>Compuware Corporation</b> <b>One Campus Martius</b> <b>Detroit, MI 48226</b>		TELEPHONE Matt Weick <b>(313) 227-4115</b>
Email: <a href="mailto:matt.weick@compuware.com">matt.weick@compuware.com</a>		CONTRACTOR NUMBER/MAIL CODE
Contract Compliance Inspector: Patty Bogard		BUYER/CA (517) 241-0239
<b>EPMO SaaS Solution and Supporting Services PPM Tool</b>		
CONTRACT PERIOD: <b>3 yrs. + 2 one-year options</b> From: <b>October 1, 2010</b> To: <b>September 30, 2013</b>		
TERMS N/A	SHIPMENT N/A	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION: <b>The terms and conditions of this Contract are those of ITB #07110200186, this Contract Agreement and the vendor's quote. 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.</b>		
<b>Estimated Contract Value: \$401,010.00</b>		

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<b>FOR THE CONTRACTOR:</b>	<b>FOR THE STATE:</b>
Compuware Corporation _____ Firm Name	_____ Signature Jacque Kuch, Buyer
_____ Authorized Agent Signature	_____ Name/Title IT Division
_____ Authorized Agent (Print or Type)	_____ Division
_____ Date	_____ Date



**STATE OF MICHIGAN**  
**Department of Management and Budget**  
**Purchasing Operations**

Contract No. 071B1300038  
[EPMO SaaS Solution and Supporting Services PPM Tool](#)

Buyer Name: [Jacque Kuch](#)  
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## **Article 1 – Statement of Work (SOW)**

### **1.000 Project Identification**

#### **1.001 Project Request**

This Contract is for the State of Michigan, Department of Technology, Management and Budget (DTMB) Project and Portfolio Management (PPM) software solution offered as a Software as a Service (SaaS). The SaaS offering shall support the project and portfolio management requirements of the Department of Information Technology. The State intends to pilot the DTMB Enterprise Portfolio Management Office (EPMO), Infrastructure Project Management Office (ISPMO) and Agency Services PMOs first, then rollout to the other agencies as needed.

The SaaS offering should include:

- Pre-configured PPM software for Rapid Implementation
- Pay As You Go Subscription Pricing
- Phased Implementation Approach
- Training and Support

#### **1.002 Background**

The State of Michigan, Department of Technology, Management and Budget (DTMB), like many governmental organizations, faces the increasing challenge of accountability for the investment of dollars allotted to each agency. Whether obtaining their dollars through a budgetary process or through federal or private grants, the agencies must determine:

Should they take on the project?

Are there enough dollars and resources to support the project?

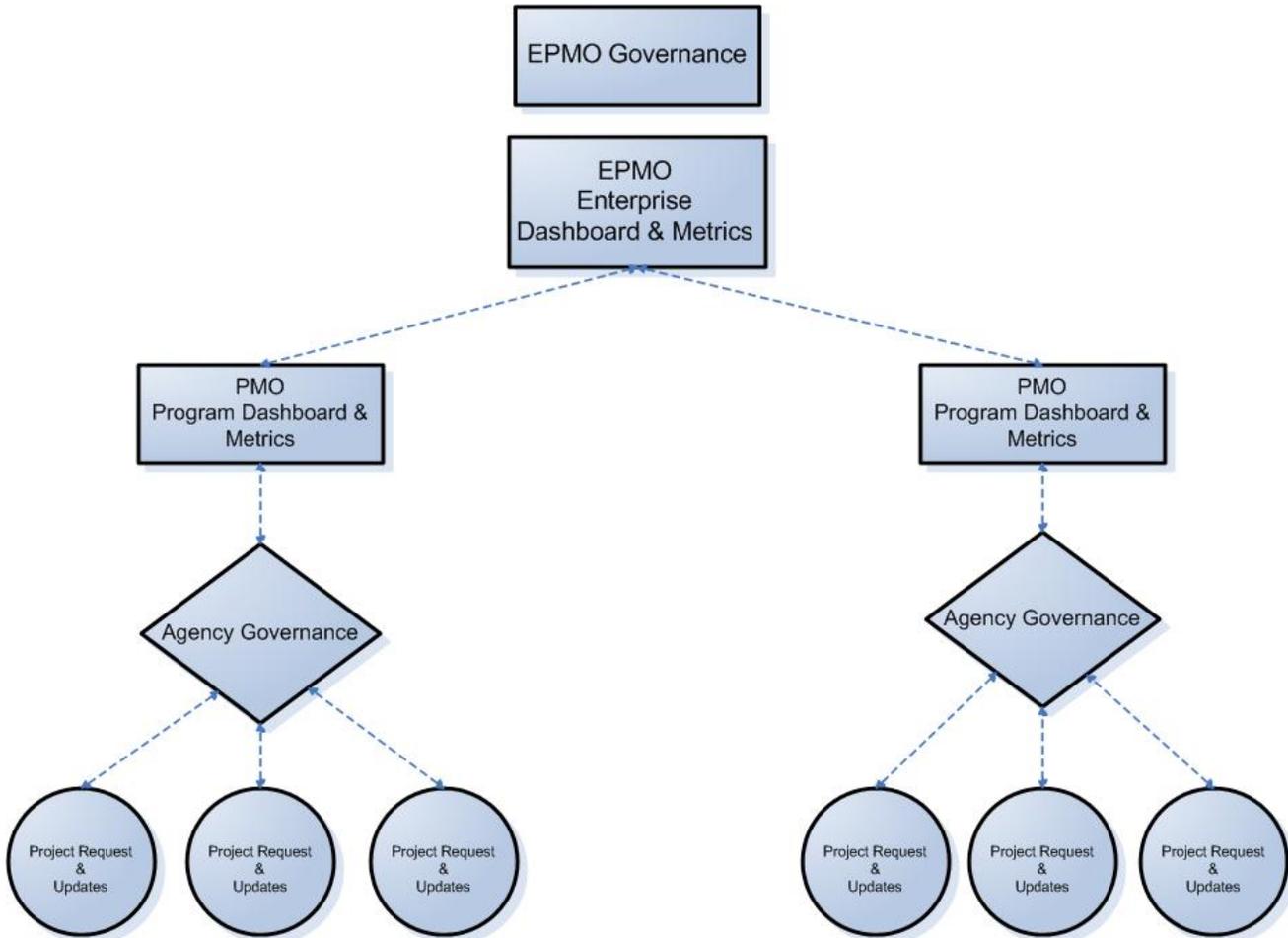
In times of competing resources, where are the citizen values optimized for their time and budget invested?

Once the projects are complete are there enough dollars and resources to maintain the program in the future?

As an initial step, the Department of Technology, Management and Budget established its Enterprise Portfolio Management Office (EPMO) in 2008. The EPMO is charged with managing the enterprises' information technology portfolio by applying IT portfolio management theories and concepts to IT projects, applications and IT investments (assets). The EPMO has since developed a framework, methodology and processes for how it will manage the IT portfolio and has conducted its first Call for Projects in 2009. DTMB received approximately 565 IT projects for the enterprise.

However, one of the current project management challenges continues to be obtaining consistency and visibility across all of the state departments. Currently there are a variety of different methods in place to manage incoming demand from inception to completion, tabulate resources and dollars taken on a project and capture the time, attendance and expenses on a project. It is often difficult for the departments to view their time line of individual projects and full portfolio of projects and understand their completed projects, budget verses actual, timelines and overall performance. Additionally, it is difficult to perform an impact analysis on how a change in priority or timeline of one projects impacts other projects including resource utilization and availability.

Below is a high level organizational view of the EPMO structure showing how projects will come in and information will flow up to the EMPO:



Examples of the tools currently being used include Microsoft MS-Project, in-house developed Excel dashboards, Statewide developed MS Word dashboards, and other homegrown reporting tools. A few of the agencies are investing in tools that are addressing portions of project and portfolio management but none are being used as a full solution like the State would like to achieve. A tool solution is needed to be able to carry out the EPMO’s responsibility for full management and reporting.

**1.100 Scope of Work and Deliverables**

**1.101 In Scope**

This Contract is for a PPM SaaS Solution and supporting services from a PPM solution provider. Contractor shall provide a pre-configured software for rapid implementation, where modules and services can be quickly provisioned in a web browser and log in credentials are all that are needed to by a user. It is also expected that the solution be provided on a pay-as-you-go subscription pricing model whereby the State will only pay for seats being used and will allow for additional seats to be added as needed.

As outlined below, this project consists of the following scope:

- A. Implementation Approach – Phases that will focus on individual portions of the implementation.
- Planning Phase
- Verification Phase
- Pilot Implementation Phase
- Validation/Deployment Phase/Training
- Close-out Phase



- B. Operation Services
- C. Support Services
- Help Desk
- Technical support
- Other Services
- Reserve bank of hours for future enhancements and configuration
- 

A more detailed description of the software, services (work) and deliverables sought for this Contract is provided in Article 1, Section 1.104, Work and Deliverables.

### **1.102 Out Of Scope**

A fully implemented system hosted at the State of Michigan is out of scope and major, custom reconfiguration is out of scope for this phase but may be considered in the future. At some point in the future we may reach or exceed a breakeven point at which time internal hosting may be more cost effective.

### **1.103 Environment**

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that 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. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with DTMB processes. The State may deny the exception request or seek a policy or standards exception.

Contractor is required to review all applicable links provided below and state compliance in their response.

#### **Enterprise IT Policies, Standards and Procedures:**

<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>

All software and hardware items provided by the Contractor must run on and be compatible with the DTMB Standard Information Technology Environment. 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 State's Project Manager and DTMB 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.

#### **Enterprise IT Security Policy and Procedures:**

<http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html>

#### **The State's security environment includes:**

- DTMB provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

#### **IT Strategic Plan:**

<http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html>



### IT eMichigan Web Development Standard Tools:

[http://www.michigan.gov/documents/Look\\_and\\_Feel\\_Standards\\_2006\\_v3\\_166408\\_7.pdf](http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf)

### The State Unified Information Technology Environment (SUITE):

Includes standards for project management, systems engineering, and associated forms and templates – must be followed: <http://www.michigan.gov/suite>

## 1.104 Work And Deliverables

### I. Services (work) To Be Provided and Deliverables -

Contractor shall provide on-going tasks and deliverables as part of Project Management and process consulting, work to be performed is outlined in the following phases.

#### A. Phased Implementation Approach

**Planning Phase** - This phase must include identifying and documenting the approach to how this project will be implemented and rolled out beginning with the Pilot phase and then the remaining agencies in the organization. The roll-out plan must be standardized so that agencies may be brought in when and as needed.

Deliverables from this phase will be:

Project Objectives/Scope (Charter)  
Project Plan  
Roll-out Approach (both pilot and overall)  
Roadmap/Utilization of Modules  
Team Roles and Responsibilities  
Change Management Plan

**Verification Phase** – This phase must include validating requirements, business operation, current workflow and methodologies and identification of any requirements not previously identified. This phase must also include providing application functionality and pre-configuration/accelerator options to the key stakeholders.

Deliverables for this phase will be:

Verification of Functional/Technical Requirements  
Pre-Configured Option Selections

**Pilot Implementation Phase** - This phase includes implementation of a hosted instance of the product. The pilot will initially include the DTMB EPMO, ISPMO and 7 Agency Services PMOs. Total SOM staff participating in this pilot shall not exceed 50 people. It is estimated that roughly 30 will require base user licenses, and 20 will require more advanced user and executive view licenses. This phase must include any required implementation and training for technical and functional managers. Services to implement the application must include:

- Integration to current SOM Business processes
- Configured Reports and Dashboards

Data migration/conversion (Portfolio Data includes a project portfolio and an application portfolio. Data is currently in Excel spreadsheets and includes 600 projects with an estimated 15 data elements and approximately 1000 applications with 120 data elements.

Validation Testing  
Train the Trainer

- Training Documentation
- 

The State currently utilizes Enterprise Tools Library (ETL) tools for integration and data conversion/migration.

**Deliverables for this phase will be:**



Implementation of a hosting instance

- Technical training for State individuals who will be working with the services contractor to configure the applications including establishing databases and interfaces, data conversion, customization, and upgrading the customized software.
- System administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security

All training manuals, training plans and other documentation provided become the property of the State.

**Validation/Deployment Phase** – This phase includes ensuring that the solution is working as expected and is ready for further deployment. Additional users and types will be identified. A final review will be conducted that identifies all open issues and/or implementation decisions to judge whether the solution is ready to go-live. The vendor will be expected to offer support immediately after the go-live date, for an interim period, before transition to the vendor supported help desk.

Deliverables for this phase will be:

- Issues/Go Live Decision document
- Deployment Plan

**Closeout Phase**

This phase must include a formal project review to assess lessons learned and to plan any additional software modules. The vendor must provide a proposed recommendation for potential interfaces to other applications for greater efficiency. If proposed recommendation is approved, interface services will be issued and priced as part of Other Services described in Work and Deliverables, 1.104 Section I, D. The vendor must provide an estimated cost table to roll out the remaining agencies based on per user cost. The vendor must also be responsible for ensuring that the State is ready to move on to the support of the helpdesk. Vendor must provide assistance in how to use the help desk.

**Deliverables for this phase will be:**

- Lessons learned document
- Project closeout document
- Recommendation for proposed interfaces document
- Estimated cost table for roll out to agencies

**Operation Services**

The vendor must provide the following, but not limited to, as part of the SaaS offering:

**Deliverable(s)**

- Hosting
- Systems management
- Disaster recovery
- Security administration services
- Storage services
- Management with hardware at the Contractor’s site
- Maintain data (owned by the State) utilized by the State
- 
- **Support Services**
- Help Desk/Technical Support
  - a. Remote diagnostic capabilities are provided.
  - b. The SaaS program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.



- c. Help desk support is available 8:00 a.m. - 5:00 p.m. EST, M-F with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management.
- d. Calls for service will be returned within 2 hours.
- e. On-site technical support
- f. Emergency assistance is available 24 hours a day, seven days a week, at no additional cost to the State.
- g. A Web-enabled help desk interface is provided at no additional cost.
- h. The State will be provided with information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software.

#### **D. Other Services**

Additional Reserve Hours will be added for future enhancements or added modules. These services will be identified via individual statements of work and will be issued as needed

#### **Deliverable(s)**

- Future development services to meet new requirements (reserve bank of hours)

For the purpose of preparing proposals, Vendors must contemplate that the offering be implemented and in operation by October 1, 2010. These deliverables are not all inclusive.

## **II. Requirements**

Requirements, technical and functional, have been identified and are attached to this document as Attachment A.

### **1.200 Roles and Responsibilities**

#### **1.201 Contractor Staff, Roles, And Responsibilities**

##### **A. Contractor Staff**

Contractor shall 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 identifies Matthew Weick as their Single Point of Contact (SPOC). The duties of the SPOC shall include, but not be limited to:

- 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 shall submit a letter of commitment for proposed 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 shall provide a letter signed by the State Project Manager releasing the individual from the project upon execution of the contract.

The Contractor shall 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.



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

## **B. On Site Work Requirements**

### **1. Location of Work**

Any work to be performed on site will be at the following location: 320 S. Walnut St., Lewis Cass Building, Lansing, MI 48909

### **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 and furlough days as State employees. The State does not compensate for holiday or furlough 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 shall present certifications evidencing satisfactory Michigan State Police Background checks ICHAT and drug tests for all staff identified for assignment to this project.

Contractor shall 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:

Work space

- Minimal clerical support
- Desk
- Telephone
- PC workstation
- Printer



- Access to copiers and fax machine

**State Project Manager- (DTMB and Agency)**

DTMB will provide a Project Manager who 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:

- 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.
- 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
Diana Quintero	DTMB/EPMO	Project Manager
Vern Klassen	DTMB/IS	Infrastructure/Project Manager

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

Name	Agency/Division	Title
Patty Bogard	DTMB/Purchasing Operations-CA Unit	Contract Administrator

**1.203 Other Roles And Responsibilities**

None.

**1.300 Project Plan**

**1.301 Project Plan Management**

**Preliminary Project Plan**

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

1. In particular, the Preliminary Project Plan will include a MS Project plan or equivalent (check the SUITE/PMM standard):
  - a. A description of the deliverables to be provided under this contract.



- b. Target dates and critical paths for the deliverables.
  - c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
  - d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
  - e. Internal milestones
  - f. Task durations
2. The Preliminary Project Plan shall include the following deliverable/milestones for which payment shall be made.
- a. Payment to the Contractor shall be made upon the completion and 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 Article 1, Section 1.301 Project Control (2).

### **Orientation Meeting**

Upon five business days from execution of the Contract, the Contractor shall attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

### **Performance Review Meetings**

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

### **Project Control**

1. The Contractor shall carry out this project under the direction and control of Department of Technology, Management and Budget, EPMO
2. Within five business days of the execution of the Contract, the Contractor shall submit to the State project manager(s) for final approval of the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:

The Contractor's project organizational structure.

The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing 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.

The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.

The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.

3. The Contractor shall manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
  - a. Contractor shall use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:

Staffing tables with names of personnel assigned to Contract tasks.

Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 15 calendar days, updated semi-monthly).

Updates must include actual time spent on each task and a revised estimate to complete.

Graphs showing critical events, dependencies and decision points during the course of the Contract.



- b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

### **1.302 Reports**

Reporting formats must be submitted to the State's Project Manager for approval within 15 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. The following reports will be due bi-weekly:

- Weekly Project status
- Updated project plan
- Summary of activity during the report period and planned for the next reporting period.
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Action Item status
- Issues

## **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 (SMEs)

### **1.402 Risk Management**

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

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

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



The Contractor shall provide the tool to track risks. The Contractor shall 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, Purchasing Operations Buyer, who will make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DTMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations 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 Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.**

The Contractor shall 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 shall 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**

Acceptance will have occurred upon written signoff of the deliverable by the State. The State Review Period for Written Deliverables will be five (5) business days. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable. If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor’s correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

### **Deliverable Acceptance Criteria**

Compuware understands that the following criteria will be used on the DTMB project to determine acceptance of services and/or deliverables provided under this proposal and any resulting contract.

#### **Document Deliverables:**

Compuware will provide all document deliverables in an electronic format as mutually agreed upon by Compuware and DTMB. EPMO SaaS Solution and Supporting Services PPM Tool requirements documents will be reviewed and updated throughout the project to assure requirements are delivered in the final product.

DTMB will review document deliverables according to the previously outlined Deliverable Acceptance Approach.

All DTMB approvals will be written and signed by the DTMB PM.



**Project Deliverables**

Based upon the information Compuware has been provided to date in the RFP, below is a list of deliverables and a corresponding deliverables roles and responsibilities matrix for the EP MO SaaS Solution and Supporting Services PPM Tool project. Task and timings as well as other major deliverables will be detailed in the project schedule. The Compuware PM will work with the DTMB PM to finalize all milestones and deliverables.

Deliverable	Description	Responsible Party	Timeline
<b>Planning Phase</b>			
Project Reporting Formats	Defined formats for project reports listed in Section 1.302	Project Manager	October 22, 2010
Project Plan	Documented project plan as per SUITE methodology	Project Manager	October 22, 2010
Project Schedule	Detailed Schedule	Project Manager	October 22, 2010
Project Objectives/Scope	Project Scope and Project Charter	Project Manager	October 22, 2010
Roll-Out Approach - Pilot	Documented rollout by system functionality, organizational departments, or geography	Changepoint Consultant	October 22, 2010
Roll-Out Approach - Overall	Documented rollout by system functionality, organizational departments, or geography	Changepoint Consultant	October 22, 2010
Issue, Risk and Change Management Plans	Issue, Risk and Change Management Plans	Project Manager	October 22, 2010
	Change Control Logs	Project Manager	Updated within 2 business days following approval
	Issue Tracking Logs	Project Manager	Updated within 2 business days of the identification or change in status of the issue
Roadmap/Utilization of Modules	Documented roll-out approach for system functionality	Changepoint Consultant	October 22, 2010
Team Members' Roles and Responsibilities	RASIC Matrix	Project Manager	October 22, 2010
<b>Verification Phase</b>			
Functional Requirements verification	Process documentation	Changepoint Consultant	October 20, 2010
Technical Requirements Verification	Documentation	Changepoint Consultant	October 20, 2010
<b>Pilot Phase</b>			
Design/ Integration to current SOM Business Processes	Configured Changepoint application	Changepoint Consultant	December 8, 2010
Dashboards Configuration	Configured dashboards (assume 5)	Changepoint Consultant	December 8, 2010
Data Migration/Conversion	Data migrated into Changepoint (assume 600 projects, 15 data elements)	Changepoint Consultant, State	November 16, 2010



Deliverable	Description	Responsible Party	Timeline
	each – primary load technique will be manual)		
Application Inventory	Includes definition, configuration, data load, one dashboard, one report and validation of functionality	Changepoint Consultant, State	December 17, 2010
Validation Testing	Complete successful execution of test scenarios	Changepoint Consultant	January 31, 2011
Development of Training Material	Training material development. PowerPoint functional overview, exercises and agendas.	Changepoint Consultant	January 4, 2011
Train the Trainer	Training delivery	Changepoint Consultant	February 8, 2011
Implementation of a Hosting Instance	Availability of a hosted environment that is accessible to State of Michigan staff	Changepoint Consultant	October 26, 2010
Technical Training of State resources / System Admin Training	Training of Functional System Administrators	Changepoint Consultant	November 16, 2010
Training Manuals	Compuware standard training manuals	Changepoint Consultant	February 23, 2011
Training Plan	Plan for training delivery	ChangePoint Consultant	February 9 2011
<b>Validation / Deployment Phase</b>			
Issues/ Go Live Decision Document	Checklist to ensure readiness for go-live	Project Manager	January 31, 2011
Deployment Plan	Deployment plan for full rollout	Project Manager	February 2, 2011
<b>Closeout Phase</b>			
Lessons Learned Document	Documented review of project execution	Project Manager	March 8, 2011
Project Closeout Document	Checklist of deliverables	Project Manager	March 8, 2011
Proposed Potential Interfaces Document	Documentation of interfaces with detailed functional requirements (information flows, timing, etc...)	Changepoint Delivery Consultant	March 8, 2011
Estimated Cost Table for Roll-Out to Agencies	Documented Roll-out costs	Project Manager / Changepoint Consultant	March 8, 2011

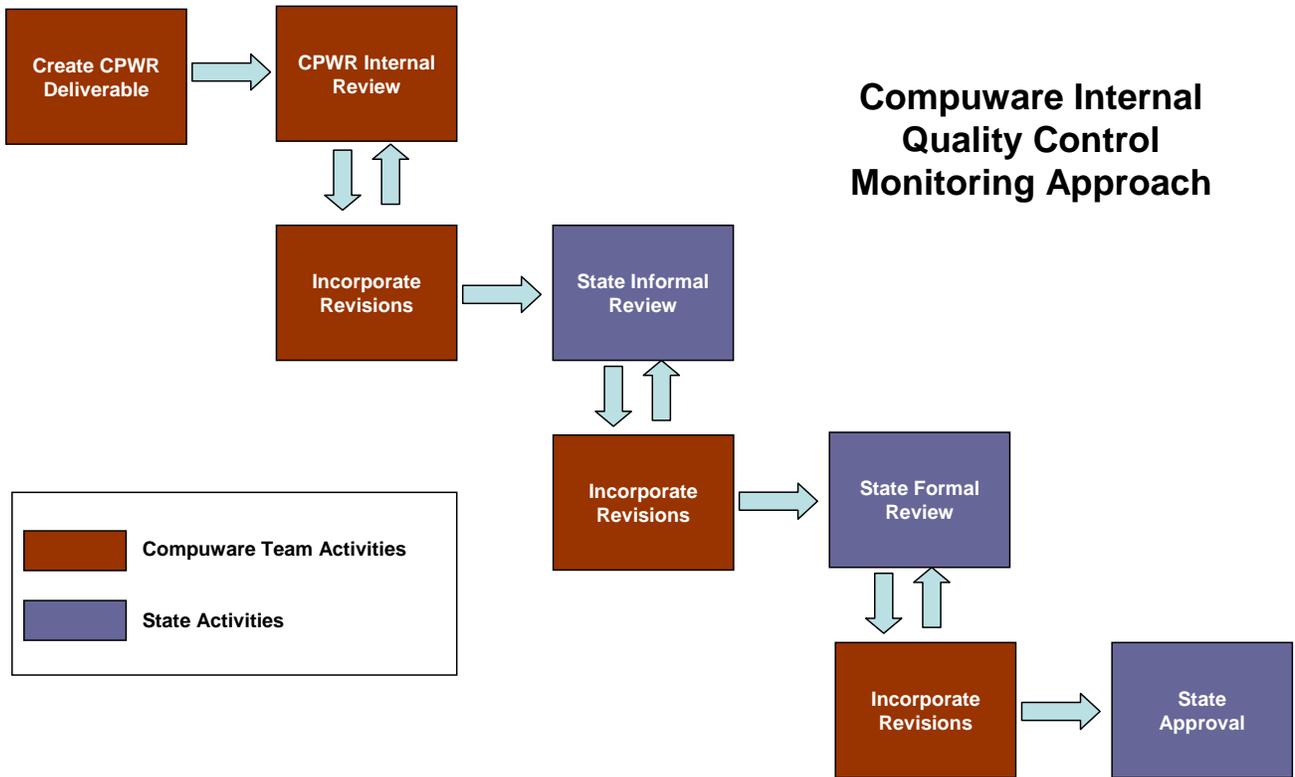
**Deliverable Acceptance Procedures**  
**Compuware’s Deliverable Acceptance Approach**

Compuware has internal quality control monitoring processes in place for our own project deliverables. Quality, as defined by Compuware, establishes the degree to which the needs of the client are being fully met. This is a key component in a prevention-based management approach to maintaining quality standards.



Once a draft deliverable is created, Compuware performs an internal review which may include peer-review and/or team walkthroughs. For major deliverables needing specific expertise the Compuware PM may seek additional feedback and/or identification of gaps from outside Compuware experts before forwarding to DTMB for informal review. Our core Practice areas provide this type of support to all our projects. The Compuware core Practice areas are: IT Governance, Architecture & Development, Requirements Management, Data Management, Quality Management and IT Operations.

In summary, Compuware utilizes a five-step management approach to reviewing deliverables to set the expectations of Compuware and DTMB staff, promote quality deliverables, and advocate adherence to project standards. At a high-level, the graphic below depicts the five-step deliverable acceptance approach that will be utilized on the EPMO SaaS Solution and Supporting Services PPM Tool project:



**DTMB Deliverable Review Process**

Compuware will provide DTMB an opportunity to review deliverable documents during their development via a DTMB Informal Review to reduce the time associated with the overall deliverable review process. An overview of the Deliverable Review process steps are as follows:

**Step 1:**

Compuware will create an initial version of a given deliverable.

**Step 2:**

Compuware will conduct an internal review of the deliverable content, validate the deliverable content and incorporate appropriate revisions.

**Step 3:**

Compuware will present the deliverable to DTMB for informal review. DTMB will provide informal feedback regarding the deliverable to the Compuware PM.

**Step 4:**

Compuware will resubmit the revised deliverable to DTMB for formal review. DTMB will have 5 business days to conduct the formal review of the deliverable and submit their suggestions, issues and feedback regarding the deliverable to the Compuware PM. The Compuware PM will review the State Feedback and either approve the requested change, or provide a response as to why the requested change will not be included in the next revision of the deliverable. The Compuware and DTMB PMs may discuss any disputed changes, as needed, for resolution. Compuware will incorporate only approved and agreed upon revisions into the deliverable.

**Step 5:**

Compuware will resubmit the revised deliverable to DTMB for approval/acceptance. DTMB will have 5 business days to provide approval/acceptance of the deliverable.



In both the DTMB informal and formal review process, DTMB will document any issues or feedback and submit them to the Compuware PM for review, discussion and response.

### **Deliverable Management, Revision and Control**

The Compuware PM and DTMB PM will define and mutually agree upon the appropriate management of deliverables to include:

- Number of revisions and updates that will be necessary to a given deliverable, as appropriate, throughout the lifecycle of the EPMO SaaS Solution and Supporting Services PPM Tool project
- Naming conventions for deliverables
- Versioning of deliverables
- Method of storage and retention for deliverables.

The Compuware PM will track and manage the status of EPMO SaaS Solution and Supporting Services PPM Tool project deliverables.

### **DTMB Deliverable Acceptance**

Active participation by DTMB in the informal and formal reviews and approval of project deliverables is a critical component of project success. Unexpected delays in obtaining approval can jeopardize the project schedule and/or may result in unnecessary rework. Either situation can create a basis for project change and could result in additional costs and/or and extended project timeline. For this reason, it is vital for the appropriate DTMB personnel to participate in the informal and formal deliverable reviews, provide comments, and for the authorized DTMB approver to provide approval within the time frames defined within this document and the final project plan.

Upon completion of the review, the authorized DTMB approver will have the opportunity to:

- Give unconditional approval of the deliverable
- Give approval of the deliverable contingent upon completion of specific changes noted on the sign-off form
- Withhold approval of the deliverable, for the specific reasons noted on the sign-off form

The Deliverable Sign-Off Form provided in the following section will be used to document the review and sign-off of project deliverables, and the completed sign-off form will be given to the Compuware PM for document archiving and management.

Compuware requires DTMB approvals of major deliverables before continuing work on the EPMO SaaS Solution and Supporting Services PPM Tool project and/or proceeding to the next project phase. These dependencies are reflected and tracked within the project schedule. Should any delays caused by the DTMB have an impact on Compuware's ability to complete and obtain acceptance of a deliverable or milestone of the EPMO SaaS Solution and Supporting Services PPM Tool project, in accordance with the price and/or schedule stated in this proposal or the resulting contract, or if the DTMB caused delays result in additional costs to Compuware, then Compuware will utilize the Change Control Request process to identify additional costs and impact to the project schedule caused by DTMB delays and to request payment for those costs. The DTMB will be responsible for such additional costs incurred by Compuware to complete and obtain acceptance of such deliverables and milestones.

### **Deliverable Sign-Off Form**

The follow graphic depicts a sample Deliverable Review Sign-Off Form that has been successfully used on previous projects:







This will be a firm fixed price contract. Payment will be made per completion of deliverables as defined in Attachment A, Cost Table.

The SaaS rates will be paid annually. Additional Services will be paid using rates quoted.

### **Travel**

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

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 DTMB 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. Travel and Expenses
  10. Project Contacts
  11. Agency Responsibilities and Assumptions
  12. Location of Where the Work is to be performed
  13. Expected Contractor Work Hours and Conditions
  
- 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 shall submit properly itemized invoices to "Bill To" Address on Purchase Order. 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.

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



**Holdback**  
RESERVED



## **Article 2, Terms and Conditions**

### **2.000 Contract Structure and Term**

#### **2.001 Contract Term**

This Contract is for a period of three (3) years beginning October 1, 2010 through September 30, 2013. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

#### **2.002 Options to Renew**

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 two (2) additional (1) one year periods.

#### **2.003 Legal Effect**

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

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

#### **2.004 Attachments & Exhibits**

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

#### **2.005 Ordering**

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

#### **2.006 Order of Precedence**

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

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



## **2.007 Headings**

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

## **2.008 Form, Function & Utility**

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

## **2.009 Reformation and Severability**

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

### **2.010 Consents and Approvals**

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

## **2.011 No Waiver of Default**

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

## **2.012 Survival**

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

### **2.020 Contract Administration**

## **2.021 Issuing Office**

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

Jacque Kuch, Buyer  
Purchasing Operations  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
[kuchj@michigan.gov](mailto:kuchj@michigan.gov)  
517-241-0239

## **2.022 Contract Compliance Inspector**

The Director of Purchasing Operations directs the person named below, or his or her designee, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. **Monitoring Contract activities does not imply the authority to change, modify, clarify, amend, or otherwise alter the prices, terms,**



**conditions and specifications of the Contract. Purchasing Operations is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contract Compliance Inspector for this Contract is:

Patty Bogard  
Purchasing Operations, CA Unit  
Department of Technology, Management, and Budget  
530 W. Allegan  
2<sup>nd</sup> Floor Mason Building  
Lansing, Michigan 48909  
bogardp@michigan.gov  
517-335-4051

### **2.023 Project Manager**

The following individual will oversee the project:

Diana Quintero, EPMO Director  
Department of Technology, Management and Budget  
320 S Walnut St.  
Lansing, MI 48909  
quinterod@michigan.gov  
517-241-3495

### **2.024 Change Requests**

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

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

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

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



- (1) **Change Request at State Request**  
If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").
- (2) **Contractor Recommendation for Change Requests:**  
Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.
- (3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
- (4) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (5) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

**2.025 Notices**

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

State:

State of Michigan  
 Purchasing Operations  
 Attention: Jacquie Kuch  
 PO Box 30026  
 530 West Allegan  
 Lansing, Michigan 48909

Contractor:  
 Compuware Corporation  
 One Campus Martius  
 Detroit, MI 48226

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

**2.026 Binding Commitments**

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

**2.027 Relationship of the Parties**

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

**2.028 Covenant of Good Faith**

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

**2.029 Assignments**

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

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

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

**2.030 General Provisions****2.031 Media Releases**

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

**2.032 Contract Distribution**

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



### **2.033 Permits**

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

### **2.034 Website Incorporation**

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

### **2.035 Future Bidding Preclusion**

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

### **2.036 Freedom of Information**

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

### **2.037 Disaster Recovery**

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

## **2.040 Financial Provisions**

### **2.041 Fixed Prices for Services/Deliverables**

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

### **2.042 Adjustments for Reductions in Scope of Services/Deliverables**

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

### **2.043 Services/Deliverables Covered**

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

### **2.044 Invoicing and Payment – In General**

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.



- (b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d1) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

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

#### **2.045 Pro-ration**

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

#### **2.046 Antitrust Assignment**

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

#### **2.047 Final Payment**

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

#### **2.048 Electronic Payment Requirement**

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



## **2.050 Taxes**

### **2.051 Employment Taxes**

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

### **2.052 Sales and Use Taxes**

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

## **2.060 Contract Management**

### **2.061 Contractor Personnel Qualifications**

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

### **2.062 Contractor Key Personnel**

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



breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

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

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

### **2.064 Contractor Personnel Location**

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

### **2.065 Contractor Identification**

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

### **2.066 Cooperation with Third Parties**

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

### **2.067 Contract Management Responsibilities**

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

The Contractor will provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables.



Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

### **2.068 Contractor Return of State Equipment/Resources**

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

### **2.070 Subcontracting by Contractor**

#### **2.071 Contractor full Responsibility**

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

#### **2.072 State Consent to delegation**

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

#### **2.073 Subcontractor bound to Contract**

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

#### **2.074 Flow Down**

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



## **2.075 Competitive Selection**

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

### **2.080 State Responsibilities**

#### **2.081 Equipment**

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

#### **2.082 Facilities**

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

### **2.090 Security**

#### **2.091 Background Checks**

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

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

#### **2.092 Security Breach Notification**

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

#### **2.093 PCI DATA Security Requirements**

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction,



supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

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

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

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

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

## **2.100 Confidentiality**

### **2.101 Confidentiality**

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

### **2.102 Protection and Destruction of Confidential Information**

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

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



### **2.103 Exclusions**

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

### **2.104 No Implied Rights**

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

### **2.105 Respective Obligations**

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

#### **2.110 Records and Inspections**

##### **2.111 Inspection of Work Performed**

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

##### **2.112 Examination of Records**

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

##### **2.113 Retention of Records**

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.



### **2.114 Audit Resolution**

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

### **2.115 Errors**

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

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

## **2.120 Warranties**

### **2.121 Warranties and Representations**

The Contractor represents and warrants:

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



- commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
  - (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
  - (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
  - (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
  - (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

#### **2.122 Warranty of Merchantability**

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

#### **2.123 Warranty of Fitness for a Particular Purpose**

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

#### **2.124 Warranty of Title**

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

#### **2.125 Equipment Warranty**

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

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



Within 30 business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

### **2.126 Equipment to be New**

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

### **2.127 Prohibited Products**

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

### **2.128 Consequences for Breach**

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

## **2.130 Insurance**

### **2.131 Liability Insurance**

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

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

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

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

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



See [www.michigan.gov/dleg](http://www.michigan.gov/dleg).

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

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

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

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

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

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

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

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

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

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

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

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



- 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
- 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

### **2.132 Subcontractor Insurance Coverage**

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

### **2.133 Certificates of Insurance and Other Requirements**

Contractor must furnish to DMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

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

### **2.140 Indemnification**

#### **2.141 General Indemnification**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to



any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

#### **2.142 Code Indemnification**

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

#### **2.143 Employee Indemnification**

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

#### **2.144 Patent/Copyright Infringement Indemnification**

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

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

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

#### **2.145 Continuation of Indemnification Obligations**

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



## **2.146 Indemnification Procedures**

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

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

## **2.150 Termination/Cancellation**

### **2.151 Notice and Right to Cure**

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

### **2.152 Termination for Cause**

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State



- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

### **2.153 Termination for Convenience**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

### **2.154 Termination for Non-Appropriation**

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).
- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.



### **2.155 Termination for Criminal Conviction**

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

### **2.156 Termination for Approvals Rescinded**

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

### **2.157 Rights and Obligations upon Termination**

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

### **2.158 Reservation of Rights**

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

### **2.160 Termination by Contractor**

#### **2.161 Termination by Contractor**

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this



Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

### **2.170 Transition Responsibilities**

#### **2.171 Contractor Transition Responsibilities**

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 30 days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

#### **2.172 Contractor Personnel Transition**

The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

#### **2.173 Contractor Information Transition**

The Contractor shall provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

#### **2.174 Contractor Software Transition**

The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

#### **2.175 Transition Payments**

If the transition results from a termination for any reason, the termination provisions of this Contract must govern reimbursement. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

#### **2.176 State Transition Responsibilities**

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to reconcile all accounts between the State and the Contractor, complete any pending post-project reviews and perform any others obligations upon which the State and the Contractor agree.

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



## **2.180 Stop Work**

### **2.181 Stop Work Orders**

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.150**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.130**.

### **2.182 Cancellation or Expiration of Stop Work Order**

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

### **2.183 Allowance of Contractor Costs**

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this Section.

## **2.190 Dispute Resolution**

### **2.191 In General**

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

### **2.192 Informal Dispute Resolution**

(a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

(1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.



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

(3) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

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

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

### **2.193 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

### **2.194 Continued Performance**

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

## **2.200 Federal and State Contract Requirements**

### **2.201 Nondiscrimination**

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

### **2.202 Unfair Labor Practices**

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

### **2.203 Workplace Safety and Discriminatory Harassment**

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the



Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

#### **2.204 Prevailing Wage**

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

#### **2.210 Governing Law**

##### **2.211 Governing Law**

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

##### **2.212 Compliance with Laws**

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

##### **2.213 Jurisdiction**

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

#### **2.220 Limitation of Liability**

##### **2.221 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.



The Contractor's liability for direct damages to the State is limited to two times the value of the Contract or \$500,000 which ever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor is limited to the value of the Contract.

## **2.230 Disclosure Responsibilities**

### **2.231 Disclosure of Litigation**

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

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

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
  - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
  - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor must make the following notifications in writing:
  - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purchasing Operations.
  - (2) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
  - (3) Contractor must also notify DMB Purchase Operations within 30 days whenever changes to company affiliations occur.

### **2.232 Call Center Disclosure**

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.



### **2.233 Bankruptcy**

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

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

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

### **2.240 Performance**

#### **2.241 Time of Performance**

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

#### **2.242 Service Level Agreement (SLA)**

- (a) SLAs will be completed with the following operational considerations:
  - (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
  - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
  - (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
  - (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
    - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
    - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the



chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.

- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

### 2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the Work, to the extent they are caused by the acts or omissions of the Contractor, will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work, which are caused by the acts or omissions of the Contractor, and the State does not elect to exercise its rights under **Section 2.152**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

#### Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.152**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is \$25,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed \$50,000.00 per individual.

### 2.244 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.



If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

## **2.250 Approval of Deliverables**

### **2.251 Delivery of Deliverables**

A list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Custom Software Deliverable is attached, if applicable. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

In discharging its obligations under this Section, Contractor shall be at all times (except where the parties agree otherwise in writing) in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent.

### **2.252 Contractor System Testing**

Contractor will be responsible for System Testing each Custom Software Deliverable in Contractor's development environment prior to turning over the Custom Software Deliverable to the State for User Acceptance Testing and approval. Contractor's System Testing shall include the following, at a minimum, plus any other testing required by CMM Level 3 or Contractor's system development methodology:

Contractor will be responsible for performing Unit Testing and incremental Integration Testing of the components of each Custom Software Deliverable.



Contractor's System Testing will also include Integration Testing of each Custom Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Custom Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Custom Software Deliverables are able to meet the State's projected growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing environment. The State shall participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor shall provide the State for State review and written approval Contractor's test plan for Business Function Testing.

Within five (5) Business Days following the completion of System Testing pursuant to this **Section**, Contractor shall provide to the State a testing matrix establishing that testing for each condition identified in the System Testing plans has been conducted and successfully concluded. To the extent that testing occurs on State premises, the State shall be entitled to observe or otherwise participate in testing under this Section as the State may elect.

### **2.253 Approval of Deliverables, In General**

All Deliverables (Written Deliverables and Custom Software Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which, in the case of Custom Software Deliverables, will include the successful completion of State User Acceptance Testing, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed. If Contractor fails to provide a Deliverable to the State in a timely manner, the State will nevertheless use commercially reasonable efforts to complete its review or testing within the applicable State Review Period.

Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with this Section.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess



expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

Approval in writing of a Deliverable by the State shall be provisional; that is, such approval shall not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**.

#### **2.254 Process for Approval of Written Deliverables**

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that shall be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

#### **2.255 Process for Approval of Custom Software Deliverables**

The State will conduct UAT of each Custom Software Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.

Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Custom Software Deliverable to the State for approval, Contractor shall provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Custom Software Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

For the Custom Software Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Custom Software Deliverables not listed in an attachment, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.



The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Custom Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Custom Software Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Custom Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Custom Software Deliverable according to the criteria and process set out in this **Section**.

### **2.256 Final Acceptance**

"Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project.

### **2.260 Ownership-**

#### **2.261 Ownership of Work Product by State**

The State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

#### **2.262 Vesting of Rights**

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

#### **2.263 Rights in Data**

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.



The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

#### **2.264 Ownership of Materials**

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

#### **2.270 State Standards**

##### **2.271 Existing Technology Standards**

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

##### **2.272 Acceptable Use Policy**

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

##### **2.273 Systems Changes**

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

#### **2.280 Extended Purchasing**

##### **2.281 MiDEAL (Michigan Delivery Extended Agreements Locally)**

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: [www.michigan.gov/buymichiganfirst](http://www.michigan.gov/buymichiganfirst). Unless otherwise stated, the Contractor must ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices to, and pay the local unit of government, on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

##### **2.282 State Employee Purchases**

Reserved



## **2.290 Environmental Provision**

### **2.291 Environmental Provision**

Reserved

## **2.300 Deliverables**

### **2.301 Software**

Reserved

### **2.302 Hardware**

Reserved

### **2.303 Equipment to be New**

Reserved

### **2.304 Equipment to be New and Prohibited Products**

Reserved

## **2.310 Software Warranties –**

### **2.311 Performance Warranty**

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

### **2.312 No Surreptitious Code Warranty**

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the “No Surreptitious Code Warranty.”

As used in this Contract, “Self-Help Code” means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee’s computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, “Unauthorized Code” means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee’s computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.



### **2.313 Calendar Warranty**

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

### **2.314 Third-party Software Warranty**

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

### **2.315 Physical Media Warranty**

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than (30) thirty days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

### **2.320 Software Licensing**

#### **2.321 Cross-License, Deliverables Only, License to Contractor**

Reserved

#### **2.322 Cross-License, Deliverables and Derivative Work, License to Contractor**

Reserved

#### **2.323 License Back to the State**

Reserved

#### **2.324 License Retained by Contractor**

Reserved

#### **2.325 Pre-existing Materials for Custom Software Deliverables**

Reserved

### **2.330 Source Code Escrow**

#### **2.331 Definition**

Reserved



**2.332 Delivery of Source Code into Escrow**

Reserved

**2.333 Delivery of New Source Code into Escrow**

Reserved

**2.334 Verification**

Reserved

**2.335 Escrow Fees**

Reserved

**2.336 Release Events**

Reserved

**2.337 Release Event Procedures**

Reserved

**2.338 License**

Reserved

**2.339 Derivative Works**

Reserved

2.400 Other Provisions

**2.411 Forced Labor, Convict Labor, or Indentured Servitude Made Materials**

Bidder represents and certifies that, to the best of its knowledge and belief no foreign (outside of the U.S.) made equipment, materials, or supplies, will be furnished to the State under any resulting Contract, that have been produced in whole or in part by forced labor, convict labor, or indentured servitude.

\_\_\_\_\_ (Initial)

**2.421 Knowledge of Child Labor for Listed End Products**

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

(b) *Listed end products.* The following end product(s) being acquired under this solicitation is (are) included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, identified by their country of origin. There is a reasonable basis to believe that listed end products from the listed countries of origin may have been mined, produced, or manufactured by forced or indentured child labor.

Listed End Product	Listed Country of Origin



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(c) *Certification.* The State will not make award to a Bidder unless the Bidder, by checking the appropriate block, certifies to one of the following:

( ) The Bidder will not supply any end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in a corresponding country as listed for that end product.

( ) The Bidder may supply an end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The Bidder certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture the end product. On the basis of those efforts, the Bidder certifies that it is not aware of any the use of child labor.

\_\_\_\_\_ (Initial)



**Attachment A – Cost Table**

Table 1: Summary of the Project Cost

No.	Project Cost(s)	Cost (\$)	Comments
	<p><b>Implementation Phase</b> Breakdown provided in Table 2</p>	<p>\$373,510.00</p>	<p>The PPM solution that Compuware will deploy as the result of the effort completed during the Implementation Phase will be a fully-functioning, robust platform upon which the State can onboard subsequent Agencies and complete recommended enhancements and integrations.</p> <p><u>Every</u> requirement and deliverable defined by the State within this RFP will be addressed and accomplished throughout the completion of the Implementation Phase.</p>
	<p><b>SaaS Costs</b> Give breakdown in Table 3</p>	<p>\$27,500.00</p>	<p>This pricing includes all costs for: Hosting, Operations, Warranties, Maintenance &amp; Support.</p>
	<p><b>Future Enhancements</b> Give breakdown in Table 4</p>	<p>\$0.00</p>	<p>If future enhancements are required they will be billed in accordance with rates published in Table 4. There is also a reserve bank of hours included in the contract which can be drawn upon for contingency purposes.</p>
	<p><b>Other</b> Give breakdown in Table 5</p>	<p>\$0.00</p>	<p>Standard Web Based Training is included with Changeoint SaaS costs.</p>
	<p><b>Total Project Cost</b></p>	<p><b>\$401,010.00</b></p>	



**Table 2: Implementation Phase**

Costs and efforts associated with each task are based on milestone billing as specified section 1.301 - Project Plan Management. As such, costs and hours in this section represent the cumulative effort to reach each milestone - not necessarily the specific task.

No.	Category/Cost by Deliverable	Resources Required (Contractor to identify IT classification )	Total # of hours (Contractor to identify # of hours per resource)	Total cost (\$) (Contractor must transfer category totals to Table 1)	Comments (Contractor must provide a narrative to explain how they arrived at the costs identified)
A.	Implementation of the Hosting Instance – System Access Available for Project Work	Project Manager	0	\$ 14,750.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	59		
B.	Planning Phase Deliverables Acceptance	Project Manager	127	\$ 49,530.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	127		
C.	Verification Phase Deliverables Acceptance	Project Manager	17	\$ 21,380.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	76		
D.	Design/Integration to Current SOM Business Processes – Deliverables Acceptance	Project Manager	27	\$ 50,280.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	186		
E.	Application Inventory Available for Reporting	Project Manager	35	\$ 24,900.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	80		
F.	Data Migration Acceptance	Project Manager	13	\$ 10,320.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	34		



G.	Dashboard Design and Development Acceptance	Project Manager	10	\$ 33,150.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	127		
H.	System Validation Acceptance	Project Manager	113	\$ 49,070.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	133		
I.	Training Deliverables Acceptance	Project Manager	101	\$ 46,390.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	129		
J.	Deployment Acceptance	Project Manager	92	\$ 33,380.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	82		
K.	Close-Out Deliverables Acceptance	Project Manager	149	\$ 40,360.00	The identified costs are based on the effort for tasks defined in the Project Schedule included within Attachment E: Preliminary Project Plan
		Changepoint Delivery Consultant	78		
<b>Combined Total Implementation Costs</b>				\$373,510.00	



**Table 3 Total SaaS Costs: (includes but not limited to: Hosting, Operations, Warranties and Maintenance and Support)**

No.	Cost Categories	Cost(\$)/Year	Number of Users (based on 50 Pilot Users)	Comments
F.	<b>Total Software As A Service Cost by User/License Type</b>			This pricing includes all costs for: Hosting, Operations, Warranties, Maintenance & Support
	Base User	\$420.00	30	
	Advanced User	\$600.00	10	
	Executive Visibility User	\$300.00	10	
	Client Portal Users - ***PER USER***	\$240.00	10	
	API Toolkit (for Active Directory integration)	\$3,500.00	1	
	<b>Total</b>		<b>\$27,500.00</b>	

No.	Client Portal Option – Not Included in Current Total Project Cost in Table 1	Cost(\$)/Year	Number of Users	Comments
F.2	<b>Total Software As A Service, Integration and Implementation Cost</b>			This pricing includes all costs for: Hosting, Operations, Warranties, Maintenance & Support
	Enterprise Client Portal	\$29,500.00	Unlimited	
	Active Directory Integration for Portal	\$12,000.00	<b>One-time Cost</b>	
	Implementation	\$10,000.00	<b>One-time Cost</b>	
	Annual Cost		\$29,500.00	
	One-time Cost		\$22,000.00	
	<b>Total Year-One Cost</b>		<b>\$51,500.00</b>	

**Table 4: Future Enhancements/Rate Card**

No.	Staffing Category	Firm Fixed Hourly Rate
G.	PSD Project Manager	\$140.00
	PSD Business Analyst	\$100.00
	PSD Developer	\$120.00
	PSD Quality Assurance Analyst	\$100.00
	Changepoint Consultant	\$250.00
	Changepoint Technical Services	\$125.00
	<b>Future Enhancement/Rate Card Estimated Cost</b>	N/A

**Table 5: Other**

No.			
H.	Web Based Training	\$0	Standard Web Based Training included with Changepoint SaaS costs
	<b>Total Cost</b>	<b>\$0</b>	



**Attachment B – Preliminary Project Plan**

Compuware point of contact:

<i>Position</i>	<i>Name</i>	<i>Phone Number</i>	<i>Email</i>
<i>Project Manager</i>	<i>Diane Toscano</i>	<i>(517)347-1696</i>	<i>Diane.toscano@compuware.com</i>

*Summary*

Compuware understands that the State of Michigan, Department of Technology, Management and Budget (DTMB) is seeking a Project and Portfolio Management (PPM) software solution offered as a Software as a Service (SaaS). The SaaS offering shall support the project and portfolio management requirements of the Department of Information Technology. The State intends to pilot the DTMB Enterprise Portfolio Management Office (EPMO), Infrastructure Project Management Office (ISPMO) and Agency Services PMOs first, then rollout to the other agencies as needed.

The SaaS offering should include:

- Pre-configured PPM software for Rapid Implementation
- Pay As You Go Subscription Pricing
- Phased Implementation Approach
- Training and Support

Compuware also understands that the DTMB is interested in a firm whose primary business concerns, professional qualifications, technical competence and specialized experience indicate its ability to satisfactorily provide this service.

With Changepoint’s SaaS offering being used by IT departments and IT professional services organizations worldwide. Compuware completely manages the installation, administration and maintenance of the solution and our industry-leading consultants oversee the process to ensure a successful implementation and adoption. We use the same powerful application and configuration options available to customers who buy the software to use in their own environments, but we will host it for you. With SaaS, your IT organization saves time and reduces risk, while ensuring that the resulting system adheres to your business model.

Our SaaS offering is comprehensive and includes:

- Industry-leading portfolio management solution
- Accelerators that encompass industry best practices
- System management and monitoring
- Access to our support desk
- Access to production, test and preview sites
- Data back-up and secure storage
- Software upgrades and patch management
- On-going relationship management
- VPN access to enable integration with your on-premise business applications

Compuware Changepoint provides the visibility and control you need—in a single solution—to communicate how the investments you deliver provide the value the business expects. Using advanced technology, proven practices and a team of skilled experts, Changepoint provides insight into:  
 IT supply—current activities, resources, workload, project status and costs  
 Business demands—any new requests whether strategic or operational  
 The three core portfolios in IT for better decision making, increased collaboration with the business and overall value to the organization.



## Background

Changepoint integrates three core elements for IT portfolio management: Portfolio and Investment Planning, Project Portfolio Management and Application Portfolio Management. This combination delivers a solid framework that takes IT organizations from multiple, disparate environments to a single, integrated platform. Because you can take your entire portfolio into account—both project and non-project work—you gain the insight to effectively manage all the work of IT.

With the entire IT investment life cycle accounted for, all requests and proposals for services can be prioritized based on business value. As Changepoint monitors both project and application portfolio health, you can see how well IT investments progress. That kind of proof communicates in plain terms the value of the investments you make, dollar for dollar.

Also when you're charged with supporting the business' strategic goals while balancing the supply and demand on IT resources, you are continually assessing the impact these changes have on the entire organization. To effectively address the needs of the business, IT executives are taking a comprehensive approach to aligning resources and activities more closely with the business strategy and applying overall life-cycle management to the entire IT portfolio.

Compuware Changepoint ensures investments align with the State's strategic initiatives, improves organizational effectiveness, enhances the quality and efficiency of IT service delivery and provides IT leaders true visibility into all levels of the IT organization. Changepoint also provides the means and communication essential for the effective delivery of IT value.

The Changepoint solution which will provide an integrated view that enables the formal processes, detailed analytic capabilities and reporting necessary to the success of the Project Portfolio Implementation. Changepoint is a single, integrated and feature-rich solution that is completely web based. This integrated project management solution offers the following benefits:

- Provides portfolio-based views that can be configured to match any group of projects. The State's three year phased approach to the project can be accommodated within Changepoint by establishing each phase as a project

- Provides a web-based, intuitive graphical user interface and dashboards to drive usability, with real-time access across the project

- Automates workflow and controls to improve operational efficiencies and encourage collaboration and to improve project controls through a single, integrated database

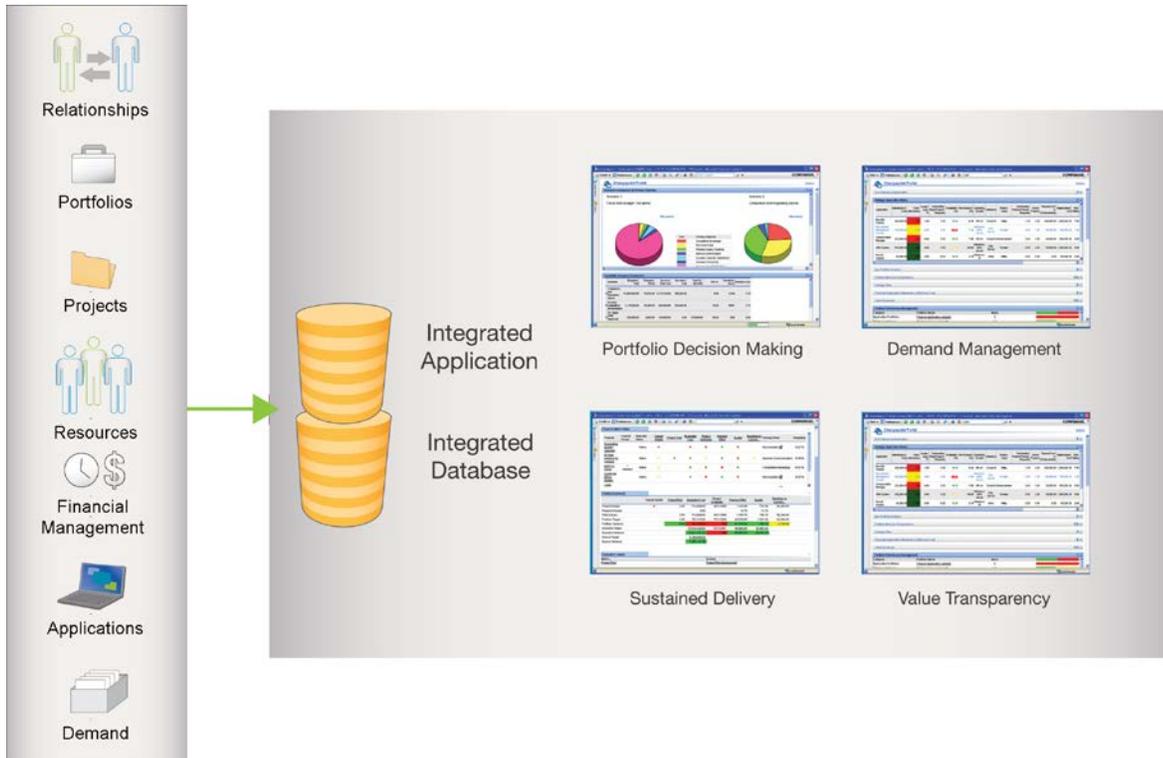
- Offers bi-directional interface with Microsoft Project, which will prevent the extensive offline project manager reconciliation commonly experienced with programs that include several long, overlapping projects

- Provides the ability to link attachments across the database (document management), including deliverables, change controls, schedules, agendas, meeting notes, action items, lessons learned)

- Provides contractor management capabilities, which allow for contractor time capture in addition to SOM time capture

- Offers more than 130 standard reports and integrated portal technology. Additionally, Changepoint offers a native Report Designer that provides a web-based end-user reporting interface that provides easy access into the wealth of data stored within the solution. The State's ad-hoc reporting needs can certainly be accommodated through Changepoint.

Comprehensive, complex projects can be overwhelmed by the amount of information being provided by many sources in many different ways. Changepoint addresses this fundamental project management need by providing a single integrated solution that provides visibility across work groups that enhances overall collaborative decision-making as shown below:



Highlights of the functionality provided by Changepoint include the following:

- Project templates and best practice sharing
- Project Workflow Management to ensure process adherence
- Project scheduling and graphical phase level reporting and editing
- Native task assignment, including timelines, dependencies and schedule effort
- Inter project dependencies
- Rich change management, project issue tracking, and risk identification and tracking
- Bi-directional integration to Microsoft Project and Microsoft Outlook (resource availability, email notifications)
- Reporting on project progress, project slippage, earned value analysis, budget versus actuals
- Knowledge Management capabilities that allow files to be attached to the project record such as project charters, scope statements and other project deliverables

**Statement of Work**

The solution will be pre-configured software for rapid implementation, where modules and services can be quickly provisioned in a web browser and log in credentials are all that are needed to by a user. The solution will be provided on a pay-as-you-go subscription pricing model whereby the State will only pay for seats being used and will allow for additional seats to be added as needed.

As outlined below, this project consists of the following scope:

- A. Implementation Approach – Phases that will focus on individual portions of the implementation.
  - Planning Phase
  - Verification Phase
  - Pilot Implementation Phase
  - Design/Integration



Build Application Inventory  
Data Migration  
Dashboard Design and Development  
Validation/Deployment Phase/Training  
Close-out Phase  
Ongoing Project Management Activities  
B. Operation Services  
C. Support Services  
Help Desk  
Technical support  
D. Other Services  
Reserve bank of hours for future enhancements and configuration

#### Project objectives

Full project and portfolio management (PPM) and reporting across all State Agencies beginning with a pilot phase deployment to the EPMO and ISPMO and seven Agencies.

To achieve the “end-to-end” PPM and reporting desired by the State, it is critical that the EPMO is able to:

Establish consistency and visibility across all of the state departments  
Standardize on a PPM tool that supports the SUITE/PPM methodology to effectively:  
Manage incoming demand from inception to completion  
Tabulate resources and dollars taken on a project  
Capture the time, attendance and expenses on a project  
Provide individual departments the ability to view their:  
Timeline of individual projects  
Full portfolio of projects  
Completed projects  
Earned Value Management – Budget v. Actual, overall financial performance  
Enable individual departments to perform impact analysis on how changes in priority or timeline of one project impacts other dependent projects including resource utilization and availability

#### Implementation Approach

Throughout the engagement lifecycle, Compuware will utilize its Changepoint software in conjunction with the State’s SUITE Project Management Methodology as a foundation for project planning and reporting. Compuware has a long history with the State, including work for the Department of Education and the Department of Transportation. We have literally thousands of man-hours of experience with the State’s SUITE methodology and will bring that experience to bear for this engagement. Compuware’s Changepoint application is a highly configurable tool that will support the SUITE methodology.

Compuware’s Changepoint’s proven implementation methodology ensures the rapid deployment of the Changepoint solution in record time. After the initial implementation, the customer may roll out the solution to additional employees or agencies by using an internal Train-The-Trainer Approach, or by purchasing additional services from Compuware.

#### Planning Phase

##### Changepoint Setup / Configuration

The planning phase will begin with project planning and Changepoint Setup / Configuration. The Changepoint Setup / Configuration activities are comprised of the set up of Changepoint in the hosting environment followed by System Administration training and configuration that will be required to provide system availability. Between the Changepoint and Server set up tasks and the system manager training and configuration tasks, the Verification phase will be completed. The result of the completion of this phase will be a Changepoint environment available to State of Michigan resources.



The Changepoint and Other Server Setup tasks will be completed by Compuware and Secure 24 resources. This activity does not require participation by the State. The result of these tasks will be an available system for Changepoint resources.

System Administration Training will be delivered by the Changepoint Delivery Consultant to a State of Michigan resource or resources who will have System Management responsibilities. This will be basic training in system management and user management. Additional System Manager training will be conducted during the Implementation Phase. Because most customers only have one or two resources involved in this activity, this training is generally provided informally in a one on one approach.

After the resources are trained, they will receive additional on the job training and mentoring by participating in the configuration and input of Workgroups, Roles, and Users that complete the installation phase.

Result: System Access Available

### Project Planning

The Project Planning work will be completed by the Compuware Project Manager working with the Changepoint Delivery Consultant. The Compuware Project Manager will conduct a one day planning session that will include State of Michigan SME's and the Changepoint Delivery Consultant to gather the information required to produce the planning document deliverables. The Compuware Project Manager will then develop the documentation including the following:

- Project Reporting Formats
- Project Objectives/Scope (Charter)
- Project Plan/Schedule
- Pilot Roll Out Approach
- Overall Roll Out Approach Recommendations
- Module Utilization Roadmap
- Team Roles and Responsibilities
- Change Management Plan
- Risk Management Plan
- Issue Management Plan

The documents will be provided to the State Project Manager for review and approval as they are completed with compliance to the Compuware's Deliverable Acceptance Approach outlined in Section 1.500.

Result: Initial Planning Documents

### Verification Phase

During the verification phase, the Compuware Delivery Consultant will conduct facilitated sessions to review the State's business requirements, operational workflows and to determine pre-configuration options for the Changepoint application.

The State will be required to staff a Project Team and commit subject matter experts from the PMOs and/or the Agencies to participate in the facilitated sessions. The Project Team should be 80% allocated to this effort for the period of one week. If, however, the State's business process and requirements can be segmented, then State resources that serve as subject matter experts may require commitment only to those sessions relative to their processes.

A suitable meeting room will be required with a projector, white boards and/or flip charts. The Compuware Delivery Consultant will capture information in the Changepoint Configuration Workbook (an Excel document that tracks configuration choices). This week of activity will be followed by the completion of the configuration that will complete the Installation Phase.



Result: verification of functional/technical requirements, documented pre-configuration options.

**Pilot Implementation Phase**

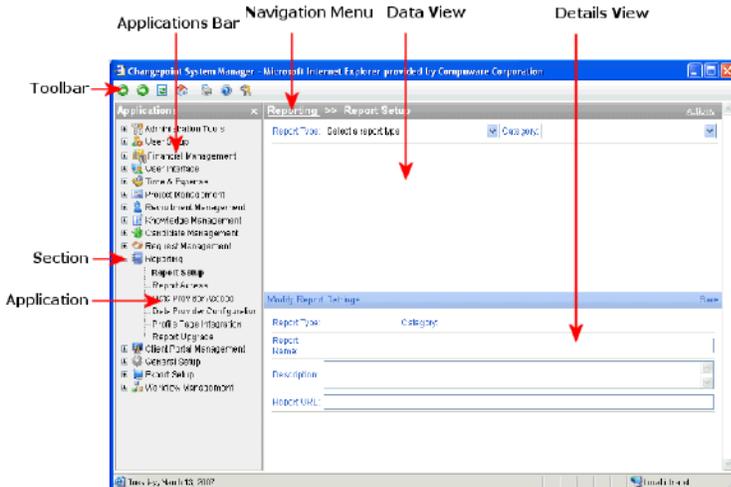
The pilot implementation phase will begin upon completion of the planning phase. The pilot implementation phase comprised of the design, configuration, data migration, validation, training, deployment, and closeout activities. In addition, an application inventory will be built and configured during this phase.

**Conduct System Manager Training**

The Changepoint Delivery Consultant will provide advanced System Management training to the State resources identified to provide ongoing system management support. These resources will log on to Changepoint through the System Manager portal and maintain the configuration that will drive behaviors in the Changepoint Enterprise (end user) Portal. The training will span a period of two to three days and will include a review of all of the functions within the System Manager portal.

**System Manager Environment**

The System Manager environment includes the following areas:



**Project Team Process Overview**

The Changepoint Delivery Consultant will provide system overview training to the State of Michigan Project Team. This will be a one day session conducted in a conference or training room. The Project Team will be comprised of State of Michigan resources that will make configuration decisions in the design sessions (Organizational, Demand Planning, Resource Management, Project Management, Non-Project Request Management, and Finance).

Result: Project Team with sufficient understanding of the Changepoint application to make design decisions.

**Design Sessions**

The Project Team Process overview will be followed by a series of facilitated design sessions. The Changepoint Delivery Consultant will lead the Project Team through a process of reviewing business process requirements, industry best practices, and Changepoint system capability to develop an optimal design solution for the State. Design sessions will be held from one half to three days per depending on the depth of the topic. The State will be required to commit a project team to these meetings. Sessions will include:

**Organizational Design –** This session will include a review of how resources and workgroups are set up and the impact of configuration choices. The sessions will also cover how internal customers, initiatives, and applications are organized to support business process requirements. This session will typically require one 6 hour session



Demand Planning Design – these sessions will focus on how work comes into the organization, how it is evaluated and approved. Options will be considered to further enhance configuration. This topic will require two one day (6 hour) sessions

Resource Management Design – these sessions will focus on how resources classified, scheduled, and how resource assignments are approved. This topic will require two one day (6 hour) sessions

Project Management Design – These sessions will focus on how projects are managed from project plan creation through delivery. Changepoint can be adopted to compliment the States Suite methodology and reporting requirements. This topic will require three one day (6 hour) sessions

Non-Project Request Management Design – These sessions will focus on requests that that are not related to risks, issues, or project change requests. Requests possibilities may include service requests, incidents requests or any other request for action where the business process can be enhanced through automation, workflow, automated emails and reports. This topic will require two one day (6 hour) sessions

Finance Design – These sessions will focus on how cost is tracked and reported relative to the full Changepoint functionality from Demand Management through Chargeback reporting. This topic will require one to three days depending on the depth of the requirements. This will be determined during the verification phase

All design sessions will consider the Changepoint capabilities related to automated workflow, reporting, email and desktop alerts and other Changepoint capabilities.

Result: Updated configuration workbook

Create Workflows, System Configuration and Mentoring

The Changepoint Delivery Consultant will work with the State System Administrator(s) to enter the configuration decisions into the Changepoint environment. As configuration is entered the changes will be unit tested.

Result: Updated system

Base Definition Review

As a phase gate before completing subsequent implementation activities, the system is reviewed by the State project team and SMEs and sign off on the configuration is required by the State Project Manger. The Changepoint Delivery Consultant will conduct a team meeting to review the configuration of the Changepoint instance as per the decisions made during the design sessions. If the team agrees that the configuration meets requirements, the project will move on. If not, the adjustments will be captured and the system will be configured accordingly.

Result: Signed approval to move forward with the project

Data Migration

During the data migration activities, a Changepoint Delivery Consultant will work with State of Michigan resources on data mapping. When the data mapping is complete, the Changepoint Delivery Consultant will provide support to State of Michigan resources to migrate the data into Changepoint. Data migration activities will begin once the design sessions have been completed.

Result: Data mapping documentation, data moved into the Changepoint environment

Dashboard Design and Development

The Changepoint Delivery Consultant will conduct facilitated design sessions with appropriate State of Michigan resources. Requirements from the design sessions will be captured in the configuration workbook.

Once the requirements are gathered, the Changepoint Delivery Consultant will work with the State of Michigan System Administrator to configure the requirements in Changepoint.

Result: Dashboards available in Changepoint, updated configuration workbook



### Validation

The Changepoint Delivery Consultant will validate the configuration end to end and ensure that it is operating as designed before involving the project team.

After the end to end validation is complete, the Changepoint Delivery Consultant will work with the State project resources to develop a plan for validating that the Changepoint configuration meets the functional requirements documented during the verification phase.

The Changepoint Delivery Consultant will conduct a facilitated session with the project team to develop validation scripts.

The Project Team or State of Michigan resources will execute the validation scripts and document any defects in the processing. The Changepoint Delivery Consultant will work with the State of Michigan System Administrator to resolve defects through remedial configuration.

Result: Validated system

### Deployment Phase

During the deployment phase, The Compuware Project Manager will prepare an Issues/Go-live document and work with the State of Michigan Project Manager, the Project Team and the Changepoint Delivery Consultant to develop the Deployment Plan.

Result: Go-live

### Training

The Changepoint Delivery Consultant will work with the Project Team to determine the training requirements and prepare the training plan. The Changepoint Delivery Consultant will work with the State of Michigan resources to develop training materials. It is anticipated the State of Michigan will be able to devote a training support resource for 160 hours of effort. If not, Compuware will provide these resources.

The Changepoint Delivery Consultant will provide training to State of Michigan training resources. The training will include base training and advanced training. It is anticipated that the State of Michigan training resources will provide the training to the end users.

Result: Training materials developed, State resources trained

### Close-out Phase

During the close out phase, the Compuware Project Manager and Changepoint Delivery Consultant will create close out documentation. The Compuware Project Manager will conduct a ½ day Lessons Learned meeting that will include the State of Michigan Project Manager, the Project Team, the Project Steering Committee, and the Changepoint Delivery Consultant. The Compuware Project Manager will document the results of this meeting in a Lessons Learned Document. Furthermore, the Compuware Project Manager will also create the Project Close-out Document.

At this point the three key remaining items are:

Recommendations for Future Enhancements/Interfaces – prepared by Changepoint Delivery Consultant

Cost Table for Roll Out to Agencies – prepared by Changepoint Delivery Consultant

Roll-out Budget – prepared by Changepoint Delivery Consultant and Compuware Project Manager

These items are critically important to establishing the proper expectations and plan of action for the State. As originally stated in the Executive Summary section of the Compuware proposal, we are taking a “solution” view of the PPM Platform requirement and are completely committed to remaining engaged with the State EP MO organization – as appropriate – throughout the entire 3-year life cycle of the PPM contract. It is only through a “solution” approach and a close partnership between our organizations that a State-wide, robust PPM platform will be able to deliver value back to the State which ultimately benefits the Citizens of Michigan.

### Project Schedule



Please refer to the subsequent project plan for details on the implementation and rollout of the Changepoint solution.

Compuware Changepoint Project Schedule						
ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
1						
2	<b>State of Michigan ePMO SaaS Solution and Supporting Services Project</b>	<b>Wed 8/25/10</b>	<b>Tue 3/8/11</b>	<b>140 d</b>		
3						
4	<b>Key Contract Dates (assumption)</b>	<b>Wed 8/25/10</b>	<b>Mon 10/18/10</b>	<b>38 d</b>		
5	Award Date	Wed 8/25/10	Wed 8/25/10	0 d		
6	Contract Start Date	Mon 10/4/10	Mon 10/4/10	0 d		
7	Initial System Access	Mon 10/18/10	Mon 10/18/10	0 d		
8						
9	<b>Planning Phase</b>	<b>Mon 10/4/10</b>	<b>Tue 10/26/10</b>	<b>17 d</b>		
10	<b>Changepoint Setup / Configuration</b>	<b>Mon 10/18/10</b>	<b>Tue 10/26/10</b>	<b>7 d</b>		
11	Changepoint Setup	Mon 10/18/10	Tue 10/19/10	2 d	7	CP Consultant
12	Other Server Setup (Outlook Integration, Client Portal)	Wed 10/20/10	Wed 10/20/10	1 d	11	CP Consultant
13	System Administration Training	Thu 10/21/10	Mon 10/25/10	3 d	12	CP Consultant, State
14	Basic Configuration (workgroups, users roles)	Tue 10/26/10	Tue 10/26/10	1 d	13	CP Consultant, State
15						
16	<b>MS: Implementation of the Hosting Instance - System Access Available for</b>	<b>Tue 10/26/10</b>	<b>Tue 10/26/10</b>	<b>0 d</b>	<b>14</b>	
17						
18	<b>Project Planning Phase (Pilot)</b>	<b>Mon 10/4/10</b>	<b>Fri 10/22/10</b>	<b>15 d</b>		
19	Facilitated Session for Planning Deliverables - Expectations	Mon 10/4/10	Tue 10/5/10	2 d	6	CPWR PM, CP Consulta
20	<b>Project Reporting Formats</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
21	Develop Project Reporting Formats	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
22	State Feedback on Project Reporting Formats	Mon 10/11/10	Fri 10/15/10	5 d	21	State
23	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	21	CPWR PM
24	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	23	State
25	<b>Project Objectives/Scope (Charter)</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
26	Develop Project Objectives/Scope (Charter) Document	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
27	State Feedback on Project Objectives/Scope (Charter) Document	Mon 10/11/10	Fri 10/15/10	5 d	26	State
28	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	26	CPWR PM
29	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	28	State
30	<b>Project Plan/Schedule</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
31	Develop Project Plan/Schedule	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
32	State Feedback on Project Plan/Schedule	Mon 10/11/10	Fri 10/15/10	5 d	31	State
33	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	31	CPWR PM
34	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	33	State
35	<b>Pilot Roll Out Approach</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
36	Develop Pilot Roll Out Approach	Wed 10/6/10	Fri 10/8/10	3 d	19	CP Consultant
37	State Feedback on Pilot Roll Out Approach	Mon 10/11/10	Fri 10/15/10	5 d	36	State
38	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	36	CP Consultant
39	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	38	State
40	<b>Develop Overall Roll Out Approach Recommendations</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
41	Develop Overall Roll Out Approach Recommendations	Wed 10/6/10	Fri 10/8/10	3 d	19	CP Consultant



**Compuware Changepoint Project Schedule**

ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
42	State Feedback on Overall Roll Out Approach Recommendations	Mon 10/11/10	Fri 10/15/10	5 d	41	State
43	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	41	CP Consultant
44	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	43	State
45	<b>Project Issue Management Plan</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
46	Develop Project Issue Management Plan	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
47	State Feedback on Project Issue Management Plan	Mon 10/11/10	Fri 10/15/10	5 d	46	State
48	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	46	CPWR PM
49	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	48	State
50	<b>Project Risk Management Plan</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
51	Develop Project Risk Management Plan	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
52	State Feedback on Project Risk Management Plan	Mon 10/11/10	Fri 10/15/10	5 d	51	State
53	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	51	CPWR PM
54	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	53	State
55	<b>Project Change Management Plan</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
56	Develop Project Risk Management Plan	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
57	State Feedback on Project Risk Management Plan	Mon 10/11/10	Fri 10/15/10	5 d	56	State
58	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	56	CPWR PM
59	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	58	State
60	<b>Module Utilization Roadmap</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
61	Develop Module Utilization Roadmap	Wed 10/6/10	Fri 10/8/10	3 d	19	CP Consultant
62	State Feedback on Module Utilization Roadmap	Mon 10/11/10	Fri 10/15/10	5 d	61	State
63	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	61	CP Consultant
64	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	63	State
65	<b>Team Roles and Responsibilities</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
66	Develop Team Roles and Responsibilities (RASIC Matrix)	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
67	State Feedback on Team Roles and Responsibilities (RASIC Matrix)	Mon 10/11/10	Fri 10/15/10	5 d	66	State
68	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	66	CPWR PM
69	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	68	State
70						
71	<b>MS: Planning Phase Complete</b>	Fri 10/22/10	Fri 10/22/10	0 d	24,29,34,39,44,	
72						
73	<b>Verification Phase</b>	<b>Wed 10/6/10</b>	<b>Wed 10/27/10</b>	<b>16 d</b>		
74	Review Business Requirements	Wed 10/6/10	Tue 10/12/10	5 d	19	CP Consultant, State
75	Review Operational Workflows	Wed 10/6/10	Tue 10/12/10	5 d	19	CP Consultant, State
76	Update of Functional/Technical Requirements	Wed 10/13/10	Wed 10/13/10	1 d	74,75	CP Consultant
77	State Review and Signoff on Verification of Functional/Technical Requirements	Thu 10/14/10	Wed 10/20/10	5 d	76	State
78	Determine Pre-Configuration Options	Thu 10/21/10	Wed 10/27/10	5 d	77	CP Consultant, CPWR P
79	Pre-Configured Option Selections	Thu 10/21/10	Wed 10/27/10	5 d	77	CP Consultant, CPWR P
80						
81	<b>MS: Verification Phase Deliverables Complete</b>	Wed 10/27/10	Wed 10/27/10	0 d	79	
82						



**Compuware Changepoint Project Schedule**

ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
83	<b>Pilot Implementation Phase</b>	<b>Mon 10/4/10</b>	<b>Tue 3/8/11</b>	<b>112 d</b>		
84	<b>Design/ Integration to current SOM Business Processes</b>	<b>Thu 10/28/10</b>	<b>Wed 12/8/10</b>	<b>30 d</b>		
85	Conduct System Management Training	Thu 10/28/10	Mon 11/1/10	3 d	79	CP Consultant
86	Project Team Process Overview	Thu 10/28/10	Thu 10/28/10	1 d	79	CP Consultant
87	Organizational Design	Fri 10/29/10	Mon 11/1/10	2 d	86	CP Consultant
88	Demand Planning Design	Tue 11/2/10	Wed 11/3/10	2 d	87	CP Consultant
89	Resource Management Design	Thu 11/4/10	Fri 11/5/10	2 d	88	CP Consultant
90	Project Management Design	Mon 11/8/10	Fri 11/12/10	5 d	89	CP Consultant
91	Non-Project Request Management Design	Mon 11/15/10	Wed 11/17/10	3 d	90	CP Consultant
92	Finance Design	Thu 11/18/10	Wed 11/24/10	5 d	91	CP Consultant
93	System Configuratio, workflow development, and Mentoring	Tue 11/2/10	Mon 11/29/10	20 d	87	CP Consultant
94	Base Definition Review	Tue 11/30/10	Mon 12/6/10	5 d	93	CP Consultant
95	Solution Design Workbook Complete	Tue 12/7/10	Wed 12/8/10	2 d	94	CP Consultant
96						
97	<b>MS: Design/ Integration to current SOM Business Processes Complete</b>	Wed 12/8/10	Wed 12/8/10	0 d	95	
98						
99	<b>Build Application Inventory</b>	<b>Wed 10/27/10</b>	<b>Fri 12/17/10</b>	<b>38 d</b>		
100	Define data and reporting requirements	Wed 10/27/10	Wed 10/27/10	1 d	16	CP Consultant, State
101	Data Configuration	Thu 10/28/10	Fri 10/29/10	2 d	100	CP Consultant, State
102	Data Load	Mon 11/1/10	Fri 12/10/10	30 d	101	State
103	Build dashboards and reports (1 dashboard, 1 report)	Mon 11/8/10	Fri 11/12/10	5 d	102SS+5 d	CP Consultant
104	Validation	Mon 12/13/10	Fri 12/17/10	5 d	103,102	CP Consultant, State
105						
106	<b>MS: Application Inventory available for reporting</b>	Fri 12/17/10	Fri 12/17/10	0 d	104	
107						
108	<b>Data Migration (assumes 15 data elements can be mapped directly)</b>	<b>Thu 10/28/10</b>	<b>Tue 11/16/10</b>	<b>14 d</b>		
109	Determine Data Conversion Rqts (600 projects / 15 data elements)	Thu 10/28/10	Thu 10/28/10	1 d	79	CP Consultant, State
110	Configure and prepare for Data Migration (manual/automated)	Fri 10/29/10	Mon 11/1/10	2 d	109	CP Consultant, State
111	Execute manual data load	Tue 11/2/10	Mon 11/15/10	10 d	110	State
112	Validation	Tue 11/16/10	Tue 11/16/10	1 d	111	CP Consultant, State
113						
114	<b>MS: Data Migration Complete</b>	Tue 11/16/10	Tue 11/16/10	0 d	112	
115						
116	<b>Dashboard Design &amp; Development (assume 5 dashboards)</b>	<b>Thu 11/25/10</b>	<b>Wed 12/8/10</b>	<b>10 d</b>		
117	Define Dashboard Requirements (1 day per)	Thu 12/2/10	Wed 12/8/10	5 d	97FF	CP Consultant
118	Develop Dashboards (2 days per)	Thu 11/25/10	Wed 12/8/10	10 d	97FF	CP Consultant
119						
120	<b>MS: Dashboard Design &amp; Development Complete</b>	Wed 12/8/10	Wed 12/8/10	0 d	118	
121						
122	<b>System Validation</b>	<b>Thu 12/9/10</b>	<b>Mon 1/31/11</b>	<b>38 d</b>		
123	Validation (Compuware (End to End))	Thu 12/9/10	Wed 12/22/10	10 d	120	CP Consultant



**Compuware Changepoint Project Schedule**

ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
124	Prepare Validation Plan	Thu 12/23/10	Mon 12/27/10	3 d	123	CP Consultant
125	Prepare Validation Scripts	Tue 12/28/10	Mon 1/31/11	5 d	124	CP Consultant, State
126	Conduct Validation	Tue 1/4/11	Mon 1/31/11	20 d	125	State, CP Consultant
127						
128	<b>MS: System Validation Complete</b>	Mon 1/31/11	Mon 1/31/11	0 d	126	
129						
130	<b>Training</b>	<b>Thu 12/23/10</b>	<b>Tue 2/8/11</b>	<b>34 d</b>		
131	Determine Training Requirements	Thu 12/23/10	Mon 12/27/10	3 d	123	CP Consultant
132	Prepare Training Plan	Tue 12/28/10	Thu 12/30/10	3 d	131	CP Consultant
133	Prepare Training Materials	Fri 12/31/10	Tue 1/4/11	3 d	132	CP Consultant
134	Deliver CPWR Standard Training manuals	Tue 2/1/11	Tue 2/1/11	1 d	132,126	CP Consultant
135	Conduct Train-the-Trainer Sessions	Wed 2/2/11	Tue 2/8/11	5 d	133,134	CP Consultant, State
136						
137	<b>MS: Training Complete</b>	Tue 2/8/11	Tue 2/8/11	0 d	135	
138						
139	<b>Deployment</b>	<b>Tue 1/4/11</b>	<b>Tue 2/15/11</b>	<b>31 d</b>		
140	Prepare Issues / Go Live Decision Document - Ongoing Review and Updates	Tue 1/4/11	Mon 1/31/11	20 d	126SS	CPWR PM, CP Consulta
141	Prepare Detailed Deployment Plan	Tue 2/1/11	Wed 2/2/11	2 d	140	CPWR PM, CP Consulta
142						
143	<b>Decision: Deploy/Delay</b>	Wed 2/2/11	Wed 2/2/11	0 d	140,141	
144						
145	Execute Go-Live	Wed 2/9/11	Mon 2/14/11	4 d	135	CP Consultant,CPWR PI
146	State Signoff on Go-Live	Tue 2/15/11	Tue 2/15/11	1 d	145	
147						
148	<b>MS: Deployment Complete</b>	Tue 2/15/11	Tue 2/15/11	0 d	146	
149						
150	<b>Close-out</b>	<b>Tue 2/15/11</b>	<b>Tue 3/8/11</b>	<b>16 d</b>		
151	Prepare Lessons Learned Document	Wed 2/16/11	Thu 2/17/11	2 d	148	CPWR PM
152	Prepare Project Checklist of Deliverables (Project Close-out Document)	Tue 2/15/11	Wed 2/16/11	2 d	145	CPWR PM
153	Develop Recommendations for Proposed Interfaces	Tue 2/15/11	Mon 2/21/11	5 d	145	CP Consultant
154	Develop Cost Table for Roll Out to Agencies	Tue 2/15/11	Mon 2/21/11	5 d	145	CP Consultant
155	Develop Roll-out Budget	Tue 2/15/11	Thu 2/17/11	3 d	145	CP Consultant,CPWR PI
156	State Feedback on Closeout Phase Deliverables (Lessons Learned, Deliverables	Tue 2/22/11	Mon 2/28/11	5 d	151,152,153,154	State
157	Incorporate Revisions	Tue 3/1/11	Tue 3/1/11	1 d	156	CP Consultant,CPWR PI
158	State Review and Signoff on Closeout Phase Deliverables	Wed 3/2/11	Tue 3/8/11	5 d	157	State
159						
160	<b>MS: Close-out Complete</b>	Tue 3/8/11	Tue 3/8/11	0 d	158	
161						
162	<b>MS: Pilot Implementation Complete</b>	Tue 3/8/11	Tue 3/8/11	0 d	158	
163						
164						



**Compuware Changepoint Project Schedule**

ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
165	<b>On Going Project Management Activities</b>	<b>Mon 10/4/10</b>	<b>Tue 3/8/11</b>	<b>112 d</b>		
166	Scope, Issue, Risk, Change Management, Schedule Management and Status Re	Mon 10/4/10	Tue 3/8/11	112 d		CPWR PM
167	<b>Monthly Performance Review</b>	<b>Wed 10/27/10</b>	<b>Tue 3/8/11</b>	<b>95 d</b>	<b>9</b>	
168	Monthly Performance Review 1	Wed 10/27/10	Wed 10/27/10	1 d		CPWR PM
169	Monthly Performance Review 2	Wed 10/27/10	Wed 10/27/10	1 d		CPWR PM
170	Monthly Performance Review 3	Mon 11/15/10	Mon 11/15/10	1 d		CPWR PM
171	Monthly Performance Review 4	Tue 12/14/10	Tue 12/14/10	1 d		CPWR PM
172	Monthly Performance Review 5	Fri 1/14/11	Fri 1/14/11	1 d		CPWR PM
173	Monthly Performance Review 6	Mon 2/14/11	Mon 2/14/11	1 d		CPWR PM
174	Monthly Performance Review 7	Tue 3/8/11	Tue 3/8/11	1 d		CPWR PM



Milestone Billing

Note: The Project Schedule shown above contains anticipated milestone billing as presented in the Table below.

Milestone	Date	Amount
Implementation of the Hosting Instance - System Access Available for Project Work	10/26/2010	\$ 14,750.00
Planning Phase Deliverables Acceptance	10/22/2010	\$ 49,530.00
Verification Phase Deliverables Acceptance	10/27/2010	\$ 21,380.00
Design/Integration to Current SOM Business Processes – Deliverables acceptance	12/8/2010	\$ 50,280.00
Application Inventory Available for Reporting	12/17/2010	\$ 24,900.00
Data Migration Acceptance	11/16/2010	\$ 10,320.00
Dashboard Design and Development Acceptance	12/8/2010	\$ 33,150.00
System Validation Acceptance	1/3/2011	\$ 49,070.00
Training Deliverables Acceptance	2/8/2011	\$ 46,390.00
Deployment Acceptance	2/15/2011	\$ 33,380.00
Close-out	3/8/2011	\$ 40,360.00
<b>Total</b>		<b>\$373,510.00</b>



**Attachment C – Changepoint Project Schedule**

**Attachment C: Compuware Changepoint Project Schedule**

ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
1						
2	<b>State of Michigan ePMO SaaS Solution and Supporting Services Project</b>	<b>Wed 8/25/10</b>	<b>Tue 3/8/11</b>	<b>140 d</b>		
3						
4	<b>Key Contract Dates (assumption)</b>	<b>Wed 8/25/10</b>	<b>Mon 10/18/10</b>	<b>38 d</b>		
5	Award Date	Wed 8/25/10	Wed 8/25/10	0 d		
6	Contract Start Date	Mon 10/4/10	Mon 10/4/10	0 d		
7	Initial System Access	Mon 10/18/10	Mon 10/18/10	0 d		
8						
9	<b>Planning Phase</b>	<b>Mon 10/4/10</b>	<b>Tue 10/26/10</b>	<b>17 d</b>		
10	<b>Changepoint Setup / Configuration</b>	<b>Mon 10/18/10</b>	<b>Tue 10/26/10</b>	<b>7 d</b>		
11	Changepoint Setup	Mon 10/18/10	Tue 10/19/10	2 d	7	CP Consultant
12	Other Server Setup (Outlook Integration, Client Portal)	Wed 10/20/10	Wed 10/20/10	1 d	11	CP Consultant
13	System Administration Training	Thu 10/21/10	Mon 10/25/10	3 d	12	CP Consultant, State
14	Basic Configuration (workgroups, users roles)	Tue 10/26/10	Tue 10/26/10	1 d	13	CP Consultant, State
15						
16	<b>MS: Implementation of the Hosting Instance - System Access Available for</b>	<b>Tue 10/26/10</b>	<b>Tue 10/26/10</b>	<b>0 d</b>	<b>14</b>	
17						
18	<b>Project Planning Phase (Pilot)</b>	<b>Mon 10/4/10</b>	<b>Fri 10/22/10</b>	<b>15 d</b>		
19	Facilitated Session for Planning Deliverables - Expectations	Mon 10/4/10	Tue 10/5/10	2 d	6	CPWR PM, CP Consulta
20	<b>Project Reporting Formats</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
21	Develop Project Reporting Formats	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
22	State Feedback on Project Reporting Formats	Mon 10/11/10	Fri 10/15/10	5 d	21	State
23	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	21	CPWR PM
24	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	23	State
25	<b>Project Objectives/Scope (Charter)</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
26	Develop Project Objectives/Scope (Charter) Document	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
27	State Feedback on Project Objectives/Scope (Charter) Document	Mon 10/11/10	Fri 10/15/10	5 d	26	State
28	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	26	CPWR PM
29	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	28	State
30	<b>Project Plan/Schedule</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
31	Develop Project Plan/Schedule	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
32	State Feedback on Project Plan/Schedule	Mon 10/11/10	Fri 10/15/10	5 d	31	State
33	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	31	CPWR PM
34	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	33	State
35	<b>Pilot Roll Out Approach</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
36	Develop Pilot Roll Out Approach	Wed 10/6/10	Fri 10/8/10	3 d	19	CP Consultant
37	State Feedback on Pilot Roll Out Approach	Mon 10/11/10	Fri 10/15/10	5 d	36	State
38	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	36	CP Consultant
39	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	38	State
40	<b>Develop Overall Roll Out Approach Recommendations</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
41	Develop Overall Roll Out Approach Recommendations	Wed 10/6/10	Fri 10/8/10	3 d	19	CP Consultant



**Attachment C: Compuware Changepoint Project Schedule**

ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
42	State Feedback on Overall Roll Out Approach Recommendations	Mon 10/11/10	Fri 10/15/10	5 d	41	State
43	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	41	CP Consultant
44	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	43	State
45	<b>Project Issue Management Plan</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
46	Develop Project Issue Management Plan	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
47	State Feedback on Project Issue Management Plan	Mon 10/11/10	Fri 10/15/10	5 d	46	State
48	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	46	CPWR PM
49	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	48	State
50	<b>Project Risk Management Plan</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
51	Develop Project Risk Management Plan	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
52	State Feedback on Project Risk Management Plan	Mon 10/11/10	Fri 10/15/10	5 d	51	State
53	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	51	CPWR PM
54	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	53	State
55	<b>Project Change Management Plan</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
56	Develop Project Risk Management Plan	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
57	State Feedback on Project Risk Management Plan	Mon 10/11/10	Fri 10/15/10	5 d	56	State
58	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	56	CPWR PM
59	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	58	State
60	<b>Module Utilization Roadmap</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
61	Develop Module Utilization Roadmap	Wed 10/6/10	Fri 10/8/10	3 d	19	CP Consultant
62	State Feedback on Module Utilization Roadmap	Mon 10/11/10	Fri 10/15/10	5 d	61	State
63	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	61	CP Consultant
64	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	63	State
65	<b>Team Roles and Responsibilities</b>	<b>Wed 10/6/10</b>	<b>Fri 10/22/10</b>	<b>13 d</b>		
66	Develop Team Roles and Responsibilities (RASIC Matrix)	Wed 10/6/10	Fri 10/8/10	3 d	19	CPWR PM
67	State Feedback on Team Roles and Responsibilities (RASIC Matrix)	Mon 10/11/10	Fri 10/15/10	5 d	66	State
68	Incorporate Revisions	Mon 10/11/10	Fri 10/15/10	5 d	66	CPWR PM
69	State Review and Signoff	Mon 10/18/10	Fri 10/22/10	5 d	68	State
70						
71	<b>MS: Planning Phase Complete</b>	Fri 10/22/10	Fri 10/22/10	0 d	24,29,34,39,44,4	
72						
73	<b>Verification Phase</b>	<b>Wed 10/6/10</b>	<b>Wed 10/27/10</b>	<b>16 d</b>		
74	Review Business Requirements	Wed 10/6/10	Tue 10/12/10	5 d	19	CP Consultant, State
75	Review Operational Workflows	Wed 10/6/10	Tue 10/12/10	5 d	19	CP Consultant, State
76	Update of Functional/Technical Requirements	Wed 10/13/10	Wed 10/13/10	1 d	74,75	CP Consultant
77	State Review and Signoff on Verification of Functional/Technical Requirements	Thu 10/14/10	Wed 10/20/10	5 d	76	State
78	Determine Pre-Configuration Options	Thu 10/21/10	Wed 10/27/10	5 d	77	CP Consultant, CPWR P
79	Pre-Configured Option Selections	Thu 10/21/10	Wed 10/27/10	5 d	77	CP Consultant, CPWR P
80						
81	<b>MS: Verification Phase Deliverables Complete</b>	Wed 10/27/10	Wed 10/27/10	0 d	79	
82						



**Attachment C: Compuware Changepoint Project Schedule**

ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
83	<b>Pilot Implementation Phase</b>	<b>Mon 10/4/10</b>	<b>Tue 3/8/11</b>	<b>112 d</b>		
84	<b>Design/ Integration to current SOM Business Processes</b>	<b>Thu 10/28/10</b>	<b>Wed 12/8/10</b>	<b>30 d</b>		
85	Conduct System Management Training	Thu 10/28/10	Mon 11/1/10	3 d	79	CP Consultant
86	Project Team Process Overview	Thu 10/28/10	Thu 10/28/10	1 d	79	CP Consultant
87	Organizational Design	Fri 10/29/10	Mon 11/1/10	2 d	86	CP Consultant
88	Demand Planning Design	Tue 11/2/10	Wed 11/3/10	2 d	87	CP Consultant
89	Resource Management Design	Thu 11/4/10	Fri 11/5/10	2 d	88	CP Consultant
90	Project Management Design	Mon 11/8/10	Fri 11/12/10	5 d	89	CP Consultant
91	Non-Project Request Management Design	Mon 11/15/10	Wed 11/17/10	3 d	90	CP Consultant
92	Finance Design	Thu 11/18/10	Wed 11/24/10	5 d	91	CP Consultant
93	System Configuratio, workflow development, and Mentoring	Tue 11/2/10	Mon 11/29/10	20 d	87	CP Consultant
94	Base Definition Review	Tue 11/30/10	Mon 12/6/10	5 d	93	CP Consultant
95	Solution Design Workbook Complete	Tue 12/7/10	Wed 12/8/10	2 d	94	CP Consultant
96						
97	<b>MS: Design/ Integration to current SOM Business Processes Complete</b>	<b>Wed 12/8/10</b>	<b>Wed 12/8/10</b>	<b>0 d</b>	<b>95</b>	
98						
99	<b>Build Application Inventory</b>	<b>Wed 10/27/10</b>	<b>Fri 12/17/10</b>	<b>38 d</b>		
100	Define data and reporting requirements	Wed 10/27/10	Wed 10/27/10	1 d	16	CP Consultant, State
101	Data Configuration	Thu 10/28/10	Fri 10/29/10	2 d	100	CP Consultant, State
102	Data Load	Mon 11/1/10	Fri 12/10/10	30 d	101	State
103	Build dashboards and reports (1 dashboard, 1 report)	Mon 11/8/10	Fri 11/12/10	5 d	102SS+5 d	CP Consultant
104	Validation	Mon 12/13/10	Fri 12/17/10	5 d	103,102	CP Consultant, State
105						
106	<b>MS: Application Inventory available for reporting</b>	<b>Fri 12/17/10</b>	<b>Fri 12/17/10</b>	<b>0 d</b>	<b>104</b>	
107						
108	<b>Data Migration (assumes 15 data elements can be mapped directly)</b>	<b>Thu 10/28/10</b>	<b>Tue 11/16/10</b>	<b>14 d</b>		
109	Determine Data Conversion Rqts (600 projects / 15 data elements)	Thu 10/28/10	Thu 10/28/10	1 d	79	CP Consultant, State
110	Configure and prepare for Data Migration (manual/automated)	Fri 10/29/10	Mon 11/1/10	2 d	109	CP Consultant, State
111	Execute manual data load	Tue 11/2/10	Mon 11/15/10	10 d	110	State
112	Validation	Tue 11/16/10	Tue 11/16/10	1 d	111	CP Consultant, State
113						
114	<b>MS: Data Migration Complete</b>	<b>Tue 11/16/10</b>	<b>Tue 11/16/10</b>	<b>0 d</b>	<b>112</b>	
115						
116	<b>Dashboard Design &amp; Development (assume 5 dashboards)</b>	<b>Thu 11/25/10</b>	<b>Wed 12/8/10</b>	<b>10 d</b>		
117	Define Dashboard Requirements (1 day per)	Thu 12/2/10	Wed 12/8/10	5 d	97FF	CP Consultant
118	Develop Dashboards (2 days per)	Thu 11/25/10	Wed 12/8/10	10 d	97FF	CP Consultant
119						
120	<b>MS: Dashboard Design &amp; Development Complete</b>	<b>Wed 12/8/10</b>	<b>Wed 12/8/10</b>	<b>0 d</b>	<b>118</b>	
121						
122	<b>System Validation</b>	<b>Thu 12/9/10</b>	<b>Mon 1/31/11</b>	<b>38 d</b>		
123	Validation (Compuware (End to End))	Thu 12/9/10	Wed 12/22/10	10 d	120	CP Consultant



**Attachment C: Compuware Changepoint Project Schedule**

ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
124	Prepare Validation Plan	Thu 12/23/10	Mon 12/27/10	3 d	123	CP Consultant
125	Prepare Validation Scripts	Tue 12/28/10	Mon 1/3/11	5 d	124	CP Consultant, State
126	Conduct Validation	Tue 1/4/11	Mon 1/31/11	20 d	125	State, CP Consultant
127						
128	<b>MS: System Validation Complete</b>	Mon 1/31/11	Mon 1/31/11	0 d	126	
129						
130	<b>Training</b>	Thu 12/23/10	Tue 2/8/11	34 d		
131	Determine Training Requirements	Thu 12/23/10	Mon 12/27/10	3 d	123	CP Consultant
132	Prepare Training Plan	Tue 12/28/10	Thu 12/30/10	3 d	131	CP Consultant
133	Prepare Training Materials	Fri 12/31/10	Tue 1/4/11	3 d	132	CP Consultant
134	Deliver CPWR Standard Training manuals	Tue 2/1/11	Tue 2/1/11	1 d	132,126	CP Consultant
135	Conduct Train-the-Trainer Sessions	Wed 2/2/11	Tue 2/8/11	5 d	133,134	CP Consultant, State
136						
137	<b>MS: Training Complete</b>	Tue 2/8/11	Tue 2/8/11	0 d	135	
138						
139	<b>Deployment</b>	Tue 1/4/11	Tue 2/15/11	31 d		
140	Prepare Issues / Go Live Decision Document - Ongoing Review and Updates	Tue 1/4/11	Mon 1/31/11	20 d	126SS	CPWR PM, CP Consulta
141	Prepare Detailed Deployment Plan	Tue 2/1/11	Wed 2/2/11	2 d	140	CPWR PM, CP Consulta
142						
143	<b>Decision: Deploy/Delay</b>	Wed 2/2/11	Wed 2/2/11	0 d	140,141	
144						
145	Execute Go-Live	Wed 2/9/11	Mon 2/14/11	4 d	135	CP Consultant,CPWR PI
146	State Signoff on Go-Live	Tue 2/15/11	Tue 2/15/11	1 d	145	
147						
148	<b>MS: Deployment Complete</b>	Tue 2/15/11	Tue 2/15/11	0 d	146	
149						
150	<b>Close-out</b>	Tue 2/15/11	Tue 3/8/11	16 d		
151	Prepare Lessons Learned Document	Wed 2/16/11	Thu 2/17/11	2 d	148	CPWR PM
152	Prepare Project Checklist of Deliverables (Project Close-out Document)	Tue 2/15/11	Wed 2/16/11	2 d	145	CPWR PM
153	Develop Recommendations for Proposed Interfaces	Tue 2/15/11	Mon 2/21/11	5 d	145	CP Consultant
154	Develop Cost Table for Roll Out to Agencies	Tue 2/15/11	Mon 2/21/11	5 d	145	CP Consultant
155	Develop Roll-out Budget	Tue 2/15/11	Thu 2/17/11	3 d	145	CP Consultant,CPWR PI
156	State Feedback on Closeout Phase Deliverables (Lessons Learned, Deliverables)	Tue 2/22/11	Mon 2/28/11	5 d	151,152,153,154	State
157	Incorporate Revisions	Tue 3/1/11	Tue 3/1/11	1 d	156	CP Consultant,CPWR PI
158	State Review and Signoff on Closeout Phase Deliverables	Wed 3/2/11	Tue 3/8/11	5 d	157	State
159						
160	<b>MS: Close-out Complete</b>	Tue 3/8/11	Tue 3/8/11	0 d	158	
161						
162	<b>MS: Pilot Implementation Complete</b>	Tue 3/8/11	Tue 3/8/11	0 d	158	
163						
164						



**Attachment C: Compuware Changepoint Project Schedule**

ID	Task Name	Start	Finish	Duration	Predecessors	Resource Names
165	<b>On Going Project Management Activities</b>	<b>Mon 10/4/10</b>	<b>Tue 3/8/11</b>	<b>112 d</b>		
166	Scope, Issue, Risk, Change Management, Schedule Management and Status Re	Mon 10/4/10	Tue 3/8/11	112 d		CPWR PM
167	<b>Monthly Performance Review</b>	<b>Wed 10/27/10</b>	<b>Tue 3/8/11</b>	<b>95 d</b>	<b>9</b>	
168	Monthly Performance Review 1	Wed 10/27/10	Wed 10/27/10	1 d		CPWR PM
169	Monthly Performance Review 2	Wed 10/27/10	Wed 10/27/10	1 d		CPWR PM
170	Monthly Performance Review 3	Mon 11/15/10	Mon 11/15/10	1 d		CPWR PM
171	Monthly Performance Review 4	Tue 12/14/10	Tue 12/14/10	1 d		CPWR PM
172	Monthly Performance Review 5	Fri 1/14/11	Fri 1/14/11	1 d		CPWR PM
173	Monthly Performance Review 6	Mon 2/14/11	Mon 2/14/11	1 d		CPWR PM
174	Monthly Performance Review 7	Tue 3/8/11	Tue 3/8/11	1 d		CPWR PM

# **Attachment D - COMPUWARE APPLICATION SERVICE PROVIDER AGREEMENT**

## **COMPUWARE APPLICATION SERVICE PROVIDER AGREEMENT**

Between:

and:

**Compuware Corporation**

One Campus Martius  
Detroit, MI 48226

Attention: Legal Department

Phone: 313-227-7300

Fax: 313 227-9567

State of Michigan

Department of Technology, Management and Budget

530 W. Allegan

Lansing, MI 48933

Attention: Legal Department

Phone:

Fax:

(hereinafter referred to as "**Compuware**") (hereinafter referred to as "**Customer**")

**Effective Date:** September 30, 2010

This Agreement sets out the terms pursuant to which Compuware will make available to Customer on a hosted basis the Compuware Software (as that term is hereinafter defined).

The "Compuware Applications Provider Agreement - Terms and Conditions" on the following pages of this document and any schedules attached hereto form an integral part of this Agreement. These documents constitute the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no provisions, representations, undertakings, agreements, or collateral agreements between the parties other than as set out herein and the parties agree that no obligations or duties not set out expressly herein shall be imposed upon the parties or implied by law.

For good and valuable consideration (the receipt and sufficiency of which each party acknowledges) the parties have entered into this Agreement as of the Effective Date.



## COMPUWARE APPLICATION SERVICE PROVIDER AGREEMENT – TERMS AND CONDITIONS

### 1 INTERPRETATION

1.1 Definitions. In this Agreement the words and phrases defined in this Agreement shall have the meanings ascribed to them herein, and the following words and terms shall have the respective meanings ascribed to them as follows:

"Administrator" shall have the meaning attributed to it in Section 7.3.

"Affiliate" or "affiliate" means with respect to a party, any entity at any time controlling, controlled by or under common control with, such party. The term "control" as used in this Agreement shall mean the legal, beneficial or equitable ownership, directly or indirectly, of more than 50% of the aggregate of all voting equity interests in such entity;

"Authentication Mechanism" means a security mechanism by which a Named User identifies itself to the Compuware Hosted Solution and gains access thereto, including but not limited to, User IDs, passwords, digital certificates, smart cards, security cards or any other similar process mechanism for authentication and recognition as determined by Compuware from time to time;

"Business Days" means Monday through Friday excluding any day which is a nationally observed holiday in both the United States of America and Canada.

"Changes" shall have the meaning attributed to it in Section 4.1(a);

"Change Order Procedure" shall have the meaning attributed to it in Section 4.1(a);

"Change Order" shall have the meaning attributed to in Section 4.1(c);

"Change Order Request" shall have the meaning attributed to it in Section 4.1(b);

"Change Order Response" shall have the meaning attributed to it in Section 4.1(b);

"Compuware Documentation" means with respect to the Compuware Hosted Solution, the user manuals in any media, as may be provided by Compuware to the Customer for use with the Compuware Hosted Solution.

"Compuware Hosted Solution" means the system comprised of Equipment and Compuware Software by which the Services are provided to the Customer by Compuware via an Internet connection through the Internet Explorer browser.

"Compuware Materials" means collectively, the Compuware Software, Compuware Documentation and Compuware Server.

"Compuware Server" means the computer servers and other related equipment owned, leased or operated by Compuware which will contain the Compuware Software for access by Customer in connection with the Services.

"Compuware Software" means (i) in the case where the Customer is an Internal IT Department of a company (commonly referred to as an ITD) "Compuware IT Governance by Changepoint;" or (ii) in the case where Customer is a Professional Services Organization (commonly referred to as a PSO)

"Changepoint Professional Services Automation". The specific Compuware Software associated with this Agreement is specifically defined as Licensed Software.

"Confidential Information" means the confidential, secret or proprietary information of one party or its Affiliate (the "Disclosing Party"), including technical, financial, and business information and software of the Disclosing Party which has been or may hereafter be disclosed, directly or indirectly to the other party (the "Recipient"), either orally, in writing or in any other material form, or delivered to the Recipient and in the case of Compuware includes the Compuware Software and Compuware Documentation, as well as the terms of this Agreement.

"Customer Data" means all data and information transmitted by Customer to Compuware for processing using the Compuware Hosted Solution.

"Customer Systems" means all equipment, hardware, computers and other systems and devices and associated operating system software to be supplied and used by Customer to access the Compuware Hosted Solution.

"Dispute" shall have the meaning set out in Section 14.14.

"Effective Date" in relation to this Agreement means the date first written above.

"Equipment" means all equipment, hardware, computers and other systems and devices and associated operating system software, to be supplied by Compuware to provide the Services.

"Fees" shall have the meaning set out in Section 5.1.

"Functions" means the functions of the Compuware Software described in the Compuware Documentation that can be implemented and/or carried out by the Customer by accessing the Compuware Hosted Solution.

"Implementation Services" shall have the meaning set out in Section 2.4.

"Installed Date" shall have the meaning attributed to it in Section 3.5.

"Intellectual Property" means all intellectual and industrial property created, developed or reduced to practice by a party, including, without limitation, software, compilations of data and computer databases, specifications, designs and industrial designs, know-how, confidential information, works of authorship, mask works and integrated circuit topographies, inventions and improvements.

"Intellectual Property Rights" includes all intellectual and industrial property rights including all rights to copyrights, copyright registration applications, copyright registrations, trademarks, trademark registration applications, trademark registrations, patents, inventions, discoveries, patent applications, industrial designs, design rights, trade secrets and information of a confidential nature.

"Licensed Software" means computer programs in object code executable format licensed to Customer and described in Schedule "A".

"Maintenance Release" means a new version or release or update of the Compuware Software that Compuware makes generally available on a hosted basis to its Customers.

"Modification" means any addition, change, or deletion to some or all of the components of the Compuware Hosted Solution.

"Named User", in relation to a Role or Process, means the number of individual users who are assigned a password or code to use the Role or Process for the purposes of inserting or altering data or for the purpose of processing any transaction using the Compuware Software and includes any individual who directly or indirectly logs onto or accesses the Role or Process.

"Process" means an element of the Compuware Software described as such in a License and Maintenance Schedule.

"Role" means a component of the Compuware Software described as such in a License and Maintenance Schedule.

"Security Guidelines" means the security guidelines governing access to the Compuware Hosted Solution as modified by Compuware from time to time.

"Service Levels" means the provision of services in accordance with Schedule "C".

"Services" means the hosting services set forth in Schedule "B" provided to Customer via the Compuware Hosted Solution.

"Specifications" means in relation to the functionality of the Compuware Software, the functionality described in the Compuware Documentation, and, in relation to the Services, includes any other specifications for Services described in Schedule "B".

"Support Services" means the services described in Article 8 and Schedule "B".

"Term" means the period described in Section 12.1.

"Third Party Software" means computer programs of a third party described in Schedule "A".

"User ID" means the user identification code or password issued by Compuware pursuant to Section 3.2 to identify Named Users to the Compuware Hosted Solution and grant access thereto.

## PROVISION OF SERVICES

2.1 Services. During the Term of this Agreement, Compuware will provide Customer and Customer will receive from Compuware the Services described in Schedule "B" in accordance with the Service Levels.

2.2 Contrary Terms. Unless otherwise agreed to in writing by the parties, Customer's orders for Services shall be governed by the terms of this Agreement and nothing contained in any purchase order, letter or other instrument shall in any way modify, vary, change or add any term or condition hereto.

2.3 Restrictions. Unless otherwise authorized in writing by Compuware, Customer shall limit access to and use of the Services to Named Users solely for Customer's business purposes and shall not resell or otherwise generate income by providing access to or use of the Services to third parties. Customer's right to use the Services is limited to the Customer's use and is non-transferable.

Implementation Services. Compuware agrees to provide the implementation services (the "Implementation Services") described in Schedule "D".

### 3 GRANT OF LICENSE

3.1 Grant of License. Subject to the provisions of this Agreement, during the Term, Compuware hereby grants to Customer a personal, non-exclusive, non-transferable, revocable license (the "License") for the Named Users to access and use the Compuware Software by means of the Compuware Server in accordance with the Compuware Documentation for the Customer's internal business purposes.

3.2 Restrictions. The Customer agrees that it will not, and will not allow its directors, officers, or employees or agents to:

reverse assemble, reverse engineer, decompile or otherwise attempt to derive source code from the Compuware Software or any component thereof;

copy, reproduce, modify, sell, lease, sublicense, market or commercially exploit in any way the Compuware Hosted Solution, Compuware Software or any component thereof other than as expressly agreed to in this Agreement;

use the Compuware Hosted Solution or any component thereof to perform information processing or any other function whatsoever for any other person, entity or business including, without limitation, providing information processing for a third party in any service bureau, lease, application service provider agreement or any other arrangement;

disclose or grant access to a User ID, the Compuware Hosted Solution or any component thereof to any third party other than one to whom Compuware has consented in writing; or

make more than one copy of the Compuware Documentation per Named User.

If Customer or any of its employees, officers, or directors disclose a User ID to anyone who is not a Named User or permits anyone who is not a Named User to use the Compuware Hosted Solution, the Customer shall pay all related fees in respect of such person's use of the Compuware Hosted Solution.

3.3 Access to Compuware Hosted Solution. Subject to the terms of this Agreement, Compuware shall either provide Customer with a Master User ID which will allow the Customer to issue User IDs to Named Users, or Compuware shall issue the User IDs directly. If the Customer is provided with a Master User ID, Customer shall assign, record and control the use of the Authentication Mechanisms granted by Compuware in accordance with the Security Guidelines. Customer agrees to allow only one Named User to use each User ID. Customer agrees to comply with the terms of the Microsoft License Addendum attached as Schedule E.

3.4 Guest Access Licenses. For the purposes of operating Customer's business, Customer may permit certain unrelated third parties with whom Customer has a business relationship such as a customer, contractor or supplier and the employees of such third person (hereunder "Business Third Parties") to have limited access to the Compuware Software by means of the Compuware Server solely for the purpose of facilitating such persons doing business with the Customer.

3.5 Installed Date. Compuware shall provide Customer with written notice confirming the date the Customer has access to the Services hereunder (the "Installed Date").

### 4 CHANGES

4.1 Changes.

a) Customer may wish to and shall have the right to request changes ("Changes") to the Services in accordance with the procedures (the "Change Order Procedures") set out in this Article 4.

b) To request a Change, Customer shall deliver a written notice (the "Change Order Request") to Compuware specifying the proposed Change and the purpose or objective of such proposed Change. Within thirty (30) Business Days after Compuware's receipt of the Change Order Request, Compuware will deliver to Customer a written response to the Change Order Request (the "Change Order Response"). If Compuware does not deliver a Change Order Response within such thirty (30) Business Day period, Compuware will deliver a statement setting out the date by which Compuware will, using commercially reasonable efforts, be able to deliver the Change Order Response. The Change Order Response will specify which changes Compuware is prepared to make and how such proposed Changes would be implemented including, where appropriate:

(i) the estimated charges for the implementation of the Changes;

(ii) the anticipated effect on the Fees, if any, of the implementation of the Change Order Request;

and,

(iii) the anticipated effect, if any, that such Change will have on the performance of the Services, Compuware Hosted Solution, or Compuware's obligations under this Agreement and the risk including technical risks, if any, of the Change causing non-performance by Compuware.

c) Customer shall respond to the Change Order Response delivered by Compuware pursuant to Section 4.1(b) within five (5) Business Days of receipt thereof providing written acceptance (a "Change Order") to Compuware of the Change Order Response, and therefore authorizing the making of the Change in accordance with the terms of the Change Order Response, or to advise Compuware that it does not wish to proceed with the Change. If Compuware does not receive a Change Order, Customer shall be deemed not to have accepted the Change Order Response. The Change Order Response and the Change Order will constitute an amendment to and will form part of this Agreement. In the event of a conflict between any provision of this Agreement and any provision of a Change Order Response, the Change Order Response shall govern.

d) Pending receipt of a Change Order to implement a Change, or if Compuware does not receive a Change Order, the parties will proceed in accordance with the provisions of and their obligations under this Agreement.

e) Upon receipt of a Change Order, Compuware will implement the change in accordance with the Change Order Response.

## 5 FEES AND PAYMENT

5.1 Fees. In consideration for the provision of Services and the License, Customer shall pay to Compuware the fees set out in Schedule "A" (the "Fees"), without any set-off or deductions of any kind. Compuware shall have the right to increase the Fees at the end of the Initial Term or any Renewal Term provided it gives Customer at least ninety (90) days prior written notice of its intention to increase the Fees. The increase in the Fees shall be effective on the date stipulated in such notice.

5.2 Invoicing. Payments due Compuware from Customer will be invoiced as specified in Schedule A and will be due and payable upon receipt by Customer of the invoice. Amounts which have not been paid within thirty (30) days of receipt by Customer will be subject to a late payment charge at the rate of twelve per cent (12%) per annum calculated daily, payable monthly, or the highest rate permitted by law, whichever is lower, on the amounts outstanding from the time such amounts become due until payment is received by Compuware.

5.3 Taxes. Prices set out herein are exclusive of all taxes and Customer shall pay (and Compuware shall have no liability for), any taxes, tariffs, duties and other charges or assessments imposed or levied by any government or governmental agency in connection with this Agreement, including, without limitation, any federal, provincial, state and local sales, use, goods and services, value-added, non-resident withholding and personal and personal property taxes on any payments due Compuware in connection with the Services provided hereunder, except for tax based solely on the net income of Compuware.

5.4 Remedies in the Event of Failure to Pay. If, after having been given ten (10) days written notice, Customer, defaults in payment of any amount when due or any interest thereon, then Compuware may in addition to any other rights or remedies at law or under this Agreement withhold access to the Services or the performance of any of its obligations under this Agreement until such failure is remedied, or terminate this Agreement.

## 6 INTELLECTUAL PROPERTY RIGHTS

6.1 Ownership. Customer acknowledges and agrees that Compuware and/or licensors of Compuware shall retain and own all right, title and interest and all Intellectual Property Rights in and to the Compuware Materials and all copies thereof, and that nothing herein transfers or conveys to Customer any ownership right, title or interest in or to the Compuware Materials or to any copy thereof or any license right with respect to same not expressly granted herein. Customer agrees that it will not, either during or after the termination of this Agreement, contest or challenge the ownership of the Intellectual Property Rights in the Compuware Materials by Compuware or licensors of Compuware.

6.2 Customer Data. Compuware acknowledges that all Customer Data and Customer Systems shall be and remain the property of Customer. Compuware shall have the right to use and reproduce the Customer Data to the extent necessary to provide the Services and fulfil its obligations to Customer hereunder.

## 7 OBLIGATIONS OF CUSTOMER

7.1 Access to Compuware Hosted Solution. Customer is responsible for obtaining all hardware, software and services which are necessary to connect to the Compuware Server and access the Services including without limitation, all computers, web browsers, and services provided by Internet service providers (ISPs). All such facilities and services shall comply with Compuware's interface specifications for the Services described in the Compuware Documentation or as otherwise notified by Compuware.

7.2 Customer Security Responsibilities. To the extent deemed necessary by Customer, Customer shall implement security procedures necessary to limit access to the Services to Customer's Named Users.

7.3 Customer Personnel. Customer is responsible for establishing throughout the Term of this Agreement a designated point of contact (an "Administrator") to communicate with Compuware.

7.4 Responsibility for Content. Customer is solely responsible for the content, including all text, information, data including Customer Data, files and other content which is created by Customer or which is transmitted by Customer for use with the Services.

7.5 Customer Data. Customer shall provide all Customer Data to Compuware in the manner as the parties may agree. Compuware will not be responsible or liable for any loss, damage or inconvenience suffered by Customer or by any third person arising out of Compuware's inability to perform the Services due to failure of Customer to provide all necessary Customer Data when reasonably required by Compuware or by reason of any deficiencies in Customer Data.

7.6 Customer Systems. Compuware shall have no responsibility for the performance, adequacy, accuracy, concurrency or other matters related to the Customer Systems.

7.7 Export. Customer agrees that it shall not export or re-export the Compuware Software or any copies thereof, either directly or indirectly, outside of the jurisdiction in which such materials are accessed by Named Users except in compliance with all applicable laws, ordinances and regulations. Customer shall have the exclusive obligation to ensure that any export of the Compuware Software is in compliance with all applicable export laws and the laws of any foreign country

7.8 Capacity Planning. Customer agrees on a quarterly basis to provide an estimate to Compuware of the number of Named Users it estimates will be using the Compuware Hosted Solution in the upcoming quarter.

## 8 SUPPORT AND MODIFICATIONS

8.1 Support Services. Provided Customer has paid all Fees and any other amounts owing to Compuware hereunder, during the Term of this Agreement Compuware shall provide the support services set forth in Schedule "B" (the "Support Services"). Compuware shall not be required to provide Support Services: (a) to any person other than Customer; and (b) in respect of any software other than the Compuware Software.

8.2 Provision of Releases. At its sole option, Compuware shall be entitled to prepare Maintenance Releases. Compuware exclusively shall determine whether Maintenance Releases shall be included in the Compuware Software provided pursuant to the Services. At any time, Compuware may install any Maintenance Releases and use same to provide the Services.

8.3 Compuware's Right to Modify the Compuware Hosted Solution.

a) Compuware may from time to time, in its sole discretion, change some or all of the Functions or any component of the Compuware Hosted Solution or make any Modification for the purpose of improving the performance, service quality, error correction or to maintain the competitiveness of the service.

b) If Compuware desires to make any Modification which would adversely affect the use of the Compuware Software, Compuware shall provide Customer with thirty (30) days prior notice (the "Notice Period") in writing of its intention to make such Modification, including a description of its impact on the Compuware Hosted Solution and the Services.

## 9. AUTHENTICATION MECHANISMS

9.1 Authentication Mechanisms.

a) From time to time, Compuware shall issue, in its sole discretion, Authentication Mechanisms and Security Guidelines.

b) Customer shall assign, record and control the use of the Authentication Mechanisms granted by Compuware hereunder in accordance with the Security Guidelines.

## 10. CONFIDENTIAL INFORMATION

## 10.1 Confidential Information.

- a) Each party acknowledges that Confidential Information will be exchanged between the parties pursuant to this Agreement. Each party shall use no less than the same means it uses to protect its similar confidential and proprietary information, but in any event not less than reasonable means, to prevent the disclosure and to protect the confidentiality of the Confidential Information of the other party. Each party agrees that it will not disclose or use the Confidential Information of the other party except for the purposes of this Agreement and as authorized herein.
- b) Notwithstanding Section 10.1(a), the Recipient of Confidential Information may use or disclose the Confidential Information to the extent that such Confidential Information is: (i) already known by the Recipient without an obligation of confidentiality, (ii) publicly known or becomes publicly known through no unauthorized act of the Recipient, (iii) rightfully received from a third party without any obligation of confidentiality, (iv) independently developed by the Recipient without use of the Confidential Information of the Disclosing Party, (v) approved by the Disclosing Party for disclosure, or (vi) required to be disclosed pursuant to a requirement of a governmental agency or law so long as the Recipient provides the other party with notice of such requirement prior to any such disclosure and takes all reasonable steps available to maintain the information in confidence.
- c) Customer shall, and shall cause all Named Users and Business Third Parties to safeguard and maintain the Confidential Information of Compuware in strict confidence and shall not, and shall cause all Named Users not to, disclose, provide, or make such Confidential Information or any part thereof available in any form or medium to any person except to Customer's employees and Business Third Parties, and to contractors and consultants of Customer approved in writing by Compuware, who have a need to access such Compuware Confidential Information in order to enable Customer to exercise its rights under this Agreement.

10.2 Protection of Proprietary Rights. Customer shall include proprietary, copyright, patent, trade mark, design right, trade secret and all other proprietary rights legends and alphanumeric codes, in the same form and location as the legends appearing in or on the Compuware Documentation provided to Customer (or otherwise as directed by Compuware) on all authorized copies of the Compuware Documentation. Further, Customer shall not remove any proprietary, copyright, patent, trade mark, design right, trade secret, or any other proprietary rights legends from the Compuware Documentation.

10.3 Return of Confidential Information. Upon the termination or expiration of this Agreement, each party will return to the other all documents, information and software however recorded, which contain any of the other's Confidential Information.

10.4 Right to Perform Services For Others. Customer recognizes that Compuware is in the business of providing computer and information technology services and may perform services for other persons similar to the Services. Subject to Compuware's confidentiality obligations pursuant to Section 10.1, Compuware retains the right and nothing shall prevent Compuware from using any ideas, concepts, methods, processes, know-how, organization, techniques or any software, including the Compuware Materials and Program Concepts, in providing any services to any third person.

## 11. WARRANTIES AND DISCLAIMERS

### 11.1 Quality of Services.

- a) Compuware warrants that the Services will substantially conform to the Specifications and Service Levels and the Compuware Software will substantially conform to the Specifications.
- b) For any breach of this warranty or the failure of Compuware to perform Services as required herein or any failure of the Compuware Software to substantially conform to the Specifications (a "Claim"), Customer's sole and exclusive remedies and Compuware's entire obligations hereunder shall be to perform or re-perform the Services that are the subject of the Claim, or if service credits are provided for in Schedule "C", the service credits. The remedies in this Section 11.1(b) are expressly in lieu of any or all other remedies which may be available to Customer resulting from the furnishing, the failure to furnish or the quality of any Service. Compuware does not warrant the accuracy of any data or information furnished to Customer that is created from Customer Data, Customer Systems or software supplied by Customer unless expressly agreed to in writing.

### 11.2 Warranty Disclaimer.

- a) EXCEPT AS EXPRESSLY PROVIDED HEREIN, COMPUWARE EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES AND CONDITIONS OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, REPRESENTATIONS, WARRANTIES

AND CONDITIONS OF SATISFACTORY QUALITY, PERFORMANCE, MERCHANTABILITY, MERCHANTABILITY, DURABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USE OF TRADE.

b) COMPUWARE DOES NOT REPRESENT OR WARRANT THAT: (i) THE SERVICES OR COMPUWARE HOSTED SOLUTION WILL MEET CUSTOMER'S BUSINESS REQUIREMENTS; (ii) THE SERVICES OR COMPUWARE HOSTED SOLUTION WILL BE ERROR-FREE OR UNINTERRUPTED OR THAT THE RESULTS OBTAINED FROM ITS USE WILL BE ACCURATE OR RELIABLE; OR (iii) THAT ALL DEFICIENCIES IN THE SERVICES OR COMPUWARE HOSTED SOLUTION CAN BE FOUND OR CORRECTED. FURTHER, THE COMPUWARE HOSTED SOLUTION MAY BE INTERRUPTED OR UNAVAILABLE FOR THE PURPOSES OF PERFORMING MAINTENANCE OR UPGRADES. COMPUWARE WILL NOT BE RESPONSIBLE FOR: (A) SERVICE IMPAIRMENTS CAUSED BY ACTS WITHIN THE CONTROL OF CUSTOMER OR ANY NAMED USER; (B) INTEROPERABILITY OF SPECIFIC CUSTOMER APPLICATIONS OR EQUIPMENT; (C) INABILITY OF CUSTOMER TO ACCESS OR INTERACT WITH ANY OTHER SERVICE PROVIDER THROUGH THE INTERNET, OTHER NETWORKS OR USERS THAT COMPRISE THE INTERNET OR THE INFORMATIONAL OR COMPUTING RESOURCES AVAILABLE THROUGH THE INTERNET; (D) INTERACTION WITH OTHER SERVICE PROVIDERS, NETWORKS, USERS OR INFORMATIONAL OR COMPUTING RESOURCES THROUGH THE INTERNET; (E) SERVICE PROVIDED BY OTHER SERVICE PROVIDERS; OR (F) PERFORMANCE IMPAIRMENTS CAUSED ELSEWHERE ON THE INTERNET.

### 11.3 Limit of Liability.

a) FOR ANY BREACH OR DEFAULT BY COMPUWARE OF ANY OF THE PROVISIONS OF THIS AGREEMENT, OR WITH RESPECT TO ANY CLAIM ARISING HEREFROM OR RELATED HERETO, COMPUWARE'S ENTIRE LIABILITY, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED ON CONTRACT OR TORT, INCLUDING NEGLIGENCE, SHALL IN NO EVENT EXCEED ANY OF THE FOLLOWING: (i) THE FEES PAID TO COMPUWARE BY CUSTOMER PURSUANT TO THIS AGREEMENT IN THE CALENDAR YEAR IN RESPECT OF WHICH THE CAUSE OF ACTION FIRST AROSE EVEN IF THE CAUSE OF ACTION IS A CONTINUING ONE, (ii) IF THE CLAIM RELATES TO IMPLEMENTATION SERVICES, THE AMOUNT PAID BY CUSTOMER FOR THE IMPLEMENTATION SERVICE THAT IS THE SUBJECT OF THE CLAIM, AND (iii) IN THE AGGREGATE WITH RESPECT TO ALL CLAIMS MADE UNDER OR RELATED TO THIS AGREEMENT, THE AMOUNT PAID BY CUSTOMER UNDER THIS AGREEMENT.

b) IN NO EVENT WILL COMPUWARE BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL LOSS OR DAMAGE, LOST BUSINESS REVENUE, LOSS OF PROFITS, LOSS OF DATA, LOSS OF COVER, DAMAGES FOR DELAY, PUNITIVE OR EXEMPLARY DAMAGES, FAILURE TO REALIZE EXPECTED PROFITS OR SAVINGS OR ANY CLAIM AGAINST CUSTOMER BY ANY OTHER PERSON, EVEN IF COMPUWARE HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH LOSSES OR DAMAGES.

c) CUSTOMER IS RESPONSIBLE FOR VERIFYING THE RESULTS OBTAINED FROM USING THE COMPUWARE HOSTED SOLUTION AND COMPUWARE SOFTWARE AND COMPUWARE SHALL HAVE NO OBLIGATION OR LIABILITY WITH RESPECT THERETO.

d) Compuware shall be liable to Customer as expressly provided in this Agreement but shall have no other obligation, duty, or liability whatsoever in contract, tort (INCLUDING NEGLIGENCE) or otherwise to Customer. The limitations, exclusions and disclaimers in this Agreement shall apply irrespective of the nature of the cause of action, demand, or action by Customer, including but not limited to breach of contract, negligence, tort, or any other legal theory and shall survive a fundamental breach or breaches or the failure of the essential purpose of this Agreement or of any remedy contained herein.

e) Neither party shall be responsible or liable for any loss, damage or inconvenience suffered by the other or by any third person, to the extent that such loss, damage or inconvenience is caused by the failure of the other party to comply with its obligations under this Agreement.

f) Neither party may bring an action, regardless of form, arising out of or related to this Agreement (other than to recover fees or expenses due to Compuware) more than two (2) years after the cause of action has arisen or the date of discovery of such cause, whichever is later.

g) Customer agrees to indemnify and hold Compuware, its Affiliates, employees, officers, directors and shareholders harmless from and against any claims, suits, actions or proceedings (a "claim") brought and damages, costs (including attorney's fees) or judgments awarded against Compuware that arise from or in connection with: (i) Claims by any person or entity to the extent that such Claims are based upon or arise out of Customer's use of the Services or Customer's actions; or (ii) breach by Customer of this Agreement. Compuware shall give Customer prompt written notice of such claims, permit Customer to defend and/or settle such claims, and give Customer all information and assistance reasonably requested by Customer in connection with such claims. Affiliates shall not have the right, and Customer shall ensure that Affiliates do not, institute any claim directly against Compuware under or related to this Agreement.

## 12 TERM AND TERMINATION

12.1 Term of Agreement. Subject to the termination provisions of this Article 12, the term of this Agreement will commence on the Effective Date and will continue for the period specified on the applicable Schedule (the "Initial Term"). The Initial Term and Renewal Term is referred to here as the "Term". To recognize usage time that may be lost during implementation, billing terms shall run from the Installed Date.

Other Termination. This Agreement may be terminated:

- a) by Compuware if Customer fails to make any payment when due or any interest thereon to Compuware under this Agreement and fails to cure such default within ten (10) days of receiving notice in writing from Compuware to do so.
- b) by either party in the event the other party materially breaches any of its duties, obligations or responsibilities under this Agreement and fails to cure such breach or provide the other party with an acceptable plan for curing such breach within sixty (60) days after receipt by the breaching party of written notice specifying the breach; or
- c) by either party in the event: (i) a receiver, trustee, administrator, or administrative receiver should be appointed for the party or its property; (ii) the party makes an assignment for the benefit of creditors; (iii) any proceedings should be commenced against the party under any bankruptcy, insolvency, or debtor's relief law, and such proceedings shall not be vacated or set aside within fifteen (15) days from the date of commencement thereof; or (iv) the party should be liquidated or dissolved.

12.3 Effect Of Termination. Except to the extent agreed to in writing by the parties, upon the termination of this Agreement:

- a) Compuware shall be entitled to immediately cease providing the Services;
- b) Compuware shall be entitled to immediately terminate Customer's access to the Compuware Hosted Solution;
- c) Customer shall forthwith pay to Compuware all amounts owing under this Agreement on the date of termination;
- d) Customer shall, and shall cause the Named Users to, immediately and permanently cease to use, in any manner whatsoever, the Compuware Hosted Solution, the User IDs and the Compuware Documentation;
- e) Compuware shall immediately and permanently cease to use the Customer Data however Compuware shall be permitted to make one copy of the Customer Data as at the date of termination for archival, audit or litigation purposes;
- f) each party will immediately return to the other party or destroy all Confidential Information of the other party; and
- g) the License granted under Section 3. 1 will automatically terminate.

12.4 Survival. The parties hereto agree that the provisions hereof requiring performance or fulfillment after the expiry or earlier termination of this Agreement shall survive such expiry or earlier termination. Articles 6 and 10, and Sections 5.4, 11.3, 12.3, and 14.12 shall survive the expiration or termination of this Agreement.

## 13 PERSONNEL

13.1 Independent Contractor. Compuware employees shall not be deemed at any time to be employees or servants of Customer and Compuware is and shall remain an independent contractor for all purposes. Unless otherwise agreed to in writing, Compuware does not undertake to perform any obligation of Customer, whether regulatory or contractual, or to assume any responsibility for Customer's business or operations.

13.2 Solicitation of Employees. Both parties agree not to solicit, hire, or contract, directly or indirectly with any of the other party's employees, or former employees of the other party who were involved in the performance of this agreement at any time during the subsistence of this Agreement and for a period of one (1) year after the termination or expiration thereof for any reason. Either party understands and agrees that if it breaches this covenant, which each party acknowledges is reasonable and necessary for the protection of the legitimate interests of the other party, such party shall be entitled to enforce this covenant by means of interim, temporary, preliminary, interlocutory, and final injunctions, to which the other party hereby expressly consents, without prejudice to any other remedy which may be available.

#### 14 GENERAL

14.1 Headings. The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions in this Agreement refer to this Agreement and not to any particular Article, Section or other portion and include any Agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

14.2 Extended Meanings. In this Agreement words importing the singular number only shall include the plural and vice versa, and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organisations and corporations. The terms "provision" and "provisions" in this Agreement refer to terms, conditions, provisions, covenants, obligations, undertakings, warranties and representations in this Agreement.

14.3 Notices. All notices, demands or consents required or permitted under this Agreement shall be in writing. For the purposes of this Agreement, and for all notices and correspondence hereunder, the addresses of the respective parties have been set out at the beginning of this Agreement and no change of address shall be binding upon the other party hereto until written notice thereof is received by such party at the address shown herein. All notices shall be considered delivered and effective upon receipt if delivered personally or sent by facsimile and one day after posting when sent by registered private overnight carrier (e.g. DHL, Federal Express, etc.) and five (5) days after posting when sent by pre-paid registered or certified mail.

14.4 Mutual Agreement. In this Agreement, where the agreement or consent of a party is required, such agreement or consent shall not be unreasonably withheld.

14.5 Currency. All references to currency herein are deemed to mean lawful money of the United States of America unless expressed to be in some other currency.

14.6 Force Majeure. Neither party shall be deemed to be in breach of this Agreement for any failure or delay in performance caused by reasons beyond its reasonable control, including but not limited to acts of God, earthquakes, strikes or shortages of materials.

14.7 Customer Rights. Nothing in this Agreement shall create or vest in Customer any right, title, or interest in the Compuware Hosted Solution or the Compuware Materials other than the limited right to use the Service under the terms and conditions of this Agreement. All such rights shall remain in Compuware or its licensors.

14.8 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, such provision shall be deemed to be amended and shall be interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law and the remaining provisions of this Agreement shall remain in full force and effect.

14.9 Insurance and Risk of Loss. If the provision of Services or Support Services requires performance by Compuware's or Customer's employees on the other party's premises, the performing party shall carry and maintain worker's compensation and employer's liability insurance covering its employees engaged in such performance. Each party shall bear the risk of loss or damage to equipment and software of the other while in the care, possession or control of such party and shall carry insurance against such loss.

14.10 Assignment. Customer may not, without Compuware's prior written consent, assign or transfer this Agreement, or any of its rights or obligations under this Agreement to any third person (in this Section an "Assignee") except to an Affiliate, or as part of the sale of all of the assets of Customer, provided that: (i) the Assignee undertakes in writing to Compuware to fully perform and be bound by the provisions of this Agreement; and (ii) Customer shall indemnify and hold Compuware harmless from and against the breaches and defaults of the Assignee under the Agreement. Compuware may assign this

Agreement to any third person without the consent of Customer provided that Compuware shall notify Customer in writing of any such assignment. Compuware may delegate to affiliates of Compuware and to agents, suppliers and contractors of Compuware any of the obligations herein imposed upon Compuware and Compuware may disclose to any such persons any information required by them to perform the duties so delegated to them, but such delegation shall not relieve Compuware of its performance obligations hereunder.

14.11 Waiver and Amendment. No modification, addition to or waiver of any rights, obligations or defaults shall be effective unless in writing and signed by the party against whom the same is sought to be enforced. One or more waivers of any right, obligation or default shall not be construed as a waiver of any subsequent right, obligation or default. No delay or failure of Compuware in exercising any right hereunder and no partial or single exercise thereof shall be deemed of itself to constitute a waiver of such right or any other rights hereunder.

14.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan without reference to its conflict or choice of law rules or principles. Customer hereby submits to the exclusive jurisdiction of the courts of the State of Michigan for any legal action arising out of this Agreement or the performance of the obligations hereunder or thereunder. This Agreement shall be deemed to be made in the State of Michigan. This Agreement, and the rights and obligations of the parties under this Agreement, will not be governed by the provisions of the 1980 United Nations Convention on Contracts for the International Sale of Goods.

14.13 Further Assurances. Each of the parties hereto shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

14.14 Language. The parties hereto have requested that this Agreement be drafted in English. Les parties aux présentes ont exigé que le présent contrat soit rédigé en langue anglaise.

14.15 Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed to be an original, but all of which taken together, shall constitute one and the same instrument.

Press Release. Within 30 days of the Effective Date, Compuware may issue a press release stating that Compuware and Customer have entered into an agreement for the Licensed Software (but not disclosing any of the terms or conditions of this Agreement), the form of which shall be subject to Customer's approval not to be unreasonably withheld or delayed.

SCHEDULE A  
SOFTWARE AND FEES

Licensed Software

Compuware Software Licensed to Customer

The computer programs licensed to Customer under this License and Maintenance Schedules are the then current versions consisting of the following Roles and Processes.

For the period of twelve (12) months from the execution of this Application Service Provider Agreement, Licensee shall be granted licenses for the Software listed below, at the configurations listed herein for the fee amount set forth below.

ROLES AND PROCESSES	QTY	MONTHLY FEE PER USER	ANNUAL FEE
Base User	30	\$35	\$12,600
Advanced User	10	\$50	\$6,000
Executive Visibility User	10	\$25	\$3,000
Client Portal	10	\$20	\$2,400
API Toolkit	1	-	\$3,500

Third Party Software

Microsoft SQL Current Version Runtime CAL

Fees

Customer hereby accepts the Services upon execution of the Agreement and agrees to pay Compuware the Total Amount of US \$27,500 plus any applicable taxes. Invoices are due upon receipt and Compuware shall receive payment within 30 days of the invoice date.

## SCHEDULE B

### SERVICE DESCRIPTION

Compuware shall provide hosting for the Compuware Software in a hosting facility operated by or on behalf of Compuware. Compuware shall provide all necessary hardware, software, databases and Internet connections to the Compuware Server to enable it to operate the Compuware Hosted Solution in a secure operating environment.

#### 1.) Operating Environment

The Compuware Hosted Solution will be operated in an electronically restricted facility on a raised floor with redundant HVAC, UPS and diesel generator power backup, and 24x7 monitoring of all environmental subsystems.

#### 2) Security

Compuware shall provide the Compuware Hosted Solution to its customers in a secure environment. This includes protecting the infrastructure from the outside world via firewall and intrusion detection systems; protecting data transmission over secure network connections using SSL and VPN technologies; separating customers within the hosted infrastructure; and employing proactive "human" management of the tools and systems contained in the infrastructure through the use of a formal Security Policy.

For security purposes, note the following:

Data between Customer and the hosted infrastructure is not redirected or forwarded in any way;

Customer site (server, operating system, application, and database) is separate and not shared with any other customers or users with the Compuware Hosted Solution; and;

Customer will receive automatic notification of severe alerts through the Intrusion Detection system.

#### 3) Backups and Disaster Recovery Management

Compuware Hosted Solution offers a Business Resumption Plan that is invoked if Compuware has a Disaster. It is not a full-service Disaster Recovery solution (employing hot sites, mirroring, and automatic cutover); rather the plan is accomplished by leveraging a combination of our off-site back-ups, just-in-time hardware/ bandwidth procurement arrangements, and our data centre partnerships. In situations of physical disaster, this would allow for speedy set-up of a new ASP solution at a safe location within our network of Internet Data Centers. The business resumption plan contained in our standard offering is cold site, three days to restore full service.

As a standard service, Compuware conducts a full image backup daily, overwritten every third day. Weekly backups are taken and then removed to secure offsite storage. With weekly backups being rotated every four weeks. Monthly backups are taken, archived and stored for one year. As a value-added option, the service provided to Customer could include the daily removal of backups from the tape library to a secure fireproof vault onsite at the Telus-Verizon Internet Data Centre.

#### 4) Change Management

Compuware shall provide services to administer the Compuware Hosted Solution, including monitoring and management of system modules and database performance. Compuware will provide support to three (3) employees of Customer who are designated as Designated Support Resources (DSR's) and who are trained and knowledgeable in the use of the Compuware Materials, having taken training in, at a minimum Compuware Product and Sys Admin training. As well, it is expected that Customer will create and maintain an affiliation between the DSR's across the Customer's organization, so that Customer is harmonized in the directions and instructions that the Compuware ASP team is given (reducing duplication and rework).

##### a) Compuware Administration Support

This agreement recognizes that the System Administration of the Compuware application is a joint function. Customer will perform the resource management portion of the system management function, with Compuware providing the remaining System Administration services. The specific determination of responsibilities will be defined during the implementation process. Compuware's support strategy assumes that all custom development and testing occur on Compuware's hosted infrastructure, where we can exercise proper configuration between production and dev/test environments. In the event that Customer has separately signed a Compuware Software License and Maintenance Agreement for the purchase of a license and has a development database at his own site then Customer will be responsible for version control/patches/etc. The types of changes are as follows:

Admin: Roles, features, Report Management (assigning and configuring for new users or changes to existing users), guest access/password management (note that guest access is disabled when not in use);

Minor: Knowledge Base Configuration, Support Desk Configuration, Adding New Reports, Billing Office Management, Pick Lists, Currencies.

Major: Business Process Review, Customisation  
b) Software Upgrade and Maintenance Releases.

Compuware distinguishes between Version Release (new functionality) (90-day notice, test period, mutual agreement that upgrade is feasible) and Maintenance Release (10-day notice, that the install will occur). A release notification will include Compuware's standard Release Package, including release notes. During this notice period, and prior to production release of any new version of the system, Compuware will supply Customer with a copy of the new version, on a separate test database, in order that Customer might review and test the implementation. Compuware will make reasonable efforts to ensure that upgrades occur over mutually agreeable timeframes and with minimal impact to Customer business operations. Note that currently Compuware targets maintenance releases every two months and version releases every 6 – 12 months.

#### 5.) Client Management

Compuware shall appoint an account manager to respond to Customer's account and service inquiries, other than support inquiries. . Customer will receive the standard product documentation set in PDF format. Customer will be notified of outages at the time of incident, via email. On a periodic basis, Customer will receive a report depicting the performance of the Compuware Hosted Solution against its service level commitments for the month.

#### 6.) Customer Support Services

Customer Support consists of Tier 1, Tier 2 and Tier 3 support.

(i) Tier 1 and Tier 2 support is for user related issues, and not software code issues. DSR's provide Tier 1 support to Named Users for the following types of issues:

Training of all Named Users unless otherwise arranged with Compuware.

Answer all functional questions by Named Users.

Resolution of any Named User questions or issues related to interactions with systems external to Compuware.

Troubleshoot, answer, and resolve any Named User questions related to the set up and configuration of Compuware.

Training of and information sharing to Named Users related to any patches, service packs, releases or workarounds.

Before escalating to Tier 2 support, the DSR should make an effort to resolve the reported issue. This includes accessing the secure support area of [guest.changepoint.com](http://guest.changepoint.com) and searching knowledge bases and reviewing software updates. If the DSR is unable to resolve the issue the following information (as applicable) should be provided for Tier 2 support upon escalation: Description of Symptom, Functional area of issue, steps taken to lead up to issue, level of problem consistency/repeatability, workarounds in place, workstation environment details (i.e. operating system, browser version).

(ii) Escalation to Tier 2 is achieved by using one of the following contact methods:

Telephone – DSR has direct telephone access to Compuware support staff that has the necessary technical expertise and experience to understand and resolve Customer's inquiries relating to the Compuware Materials.

On-line - in secure area of [guest.changepoint.com](http://guest.changepoint.com).

Email - [support@changepoint.com](mailto:support@changepoint.com).

Technical Support contact times:

Internet - 24 hours per day, 7 days per week to send transmissions, subject to connectivity; and

Telephone - between the hours of 8:00 a.m. and 8:00 p.m. Eastern Time on Business Days.

(\*For ASP Support Customers pager support is available 24 hours per day, 7 days per week for Priority One Issues only.)

Tier 2 Support will be provided by Compuware to three (3) employees of Customer who are trained and knowledgeable in the use of the Compuware Materials and are designated by Customer as DSR. Customer will provide Compuware with the contact information of the DSR's and notify Compuware of any changes thereto. The Tier 2 will attempt to replicate the problem using the Customer's database in order to determine the solution required. Depending on the type of issue it will be resolved by Tier 2 or escalated to

either Technical Support (non-code related issues) or Software Update Service (code related issues). Support levels and priorities are further defined as Priority 1 thru 4 in Schedule C:

#### Technical Support

Technical Support includes the provision of:

- (i) Provide a central point of contact for problem determination and resolution.
- (ii) Solutions to problems relating to the Compuware Materials as such solutions are identified or developed by Compuware;
- (iii) Code related issue verification and workflow to Software Update Service.

#### Software Update Service

Software Update Service includes the provision of:

- (i) Solutions to problems relating to the Compuware Materials as such solutions are identified or developed by Compuware;
- (ii) All modifications, refinements, and enhancements which Compuware elects to incorporate into and make part of the Compuware Materials and does not separately price or market; and
- (iii) Maintenance Releases of the Compuware Materials that Compuware elects to make generally available to its Customers who have contracted with it to receive Maintenance Services.

#### Compuware Support System

The Compuware Support System will be the system of record for purposes of Resolution Targets/Delivery. If a delivered fix or solution does not resolve the problem, the Resolution Delivery time will be extended by the length of time that the fix or solution was in Customer's possession for testing.

#### 7.) Point of Contact

Compuware provides a level of support to its ASP customers that will ensure compliance to its service level commitments in Schedule C of the Agreement. The relationship with Compuware has two components: a technical component and a business component. At the commencement of the implementation, Compuware will appoint a Project Consultant from the Client Services group who will act as the key point of contact throughout the implementation. This person will be responsible for all issues. At the end of the implementation a formal transitioning process takes place. The relationship post implementation is managed by Customer Management, which will conduct regular meetings with Customer and ensure that requirements, queries and issues are being resolved and managed by Compuware. Technical and support issues are handled by Compuware's support team. Additional details and contact names are provided to customers as part of the transition-to-support process that occurs at the end of project implementation. Contact information is also provided through Compuware's Hosted Customer Support Overview document, updated and republished regularly.

#### 8.) Transition-Out Services

At the end of the agreement, Compuware shall appoint a project manager to oversee the controlled and scheduled shut down of ASP operations. Provided that Customer has made all payments under this Agreement, Compuware shall provide: a backup of the data (data only); a redirect of the website for a period of six months; and, a final exit report and invoice at no charge to Customer. If the agreement ends with Customer's desire to move to a licensed Compuware application managed in-house, the Compuware Project Manager shall provide Customer with a full backup (versus data only) and oversee the implementation of a new contract, also at no charge to Customer. Note that the installation of the application on the Customer infrastructure is a separate for-fee services engagement.

## SCHEDULE C SERVICE LEVELS

A "Service Credit" is defined as the total hosting charge for the stated period of time. For example, a one-day service credit is equal to the total annual charges for hosting services divided by 365.

Service Credits will be applied to the billing period immediately following the service loss for which the credit was granted.

In order to receive any of the service credits described in this agreement, the Customer must notify Compuware in writing or email within seven (7) days of the service loss.

The aggregate of service credits to be issued by Compuware to Customer for all service losses that occur within a calendar month shall not exceed the total amount invoiced for that month. Downtime and service loss elapsed time shall not accrue during scheduled maintenance periods.

If the service loss involves more than one failure, Service Credits will be awarded based on one failure only, the failure that provides the largest credit.

Problems that are outside of Compuware's scope of responsibility, resulting in a loss of service, are not covered by any of the provisions of this SLA.

Customer is responsible for providing a primary contact(s) who can be contacted in the event of a service loss. Compuware must be provided with changes to the primary contact's contact information in writing or e-mail.

In the area of Application Management and Support, Compuware distinguishes between problems with the application, problems with the service and software "bugs". In cases where a "software bug" is discovered, Compuware commits to support Customer through the escalation process and apply a patch as it

becomes available. In areas where Customer experiences problems with the application or service that do not relate to "software bugs", Compuware will commit to support Customer through its support desk using the pre-defined support levels outlined below.

There are two aspects of Service Levels – an Operational aspect, which is related to whether the solution is available for use; and a Support aspect, which asks whether, during the process of resolving a problem, if Compuware's support organization is adequately engaged with the Customer. Success in achieving the operational aspect of the Service Levels is measured on a "pass/fail" basis relative to our availability and time to repair metrics, outlined below. Success in achieving the Support aspects of the Service Levels is measured based on whether the Support organization commenced the service process within the contract window.

Scheduled outages, if required, will occur on Sundays between 01:00am and 04:00am Eastern Time.

Repeated service level failures constitute a material breach by Compuware.

### HOSTING INFRASTRUCTURE

#### Hardware Component Failure

##### Responsibility:

To replace the defective component or if it is more expeditious, replace the server.

Notify Customer's primary contact within 30 minutes of determining the scope of the failure.

Time to Repair for hardware component failure is (i.e. the hardware should be made operational and placed in production without data loss) within 4 hours of detecting the problem.

##### Remedy:

One day of service credit is granted if the server is not restored within the time limit specified.

An additional 1 day of credit is granted for each 4 hours of delay beyond the initial delay.

#### Server Full Restore

##### Responsibility:

To restore a server's contents from the last full back-up.

Notify Customer's primary contact within 30 minutes of determining the scope of the failure.

Time to Repair for server restore is (i.e. the server should be made operational and placed in production without data loss) within 6 hours of determining the scope of the failure.

##### Remedy:

Two days of service credit is granted if the server is not restored within the time limit specified.

An additional day of credit is granted for each 6 hours of delay beyond the initial delay.

#### Network Failure

##### Responsibility:

Downtime shall mean sustained packet loss in excess of fifty percent (50%) within service provider's network for fifteen (15) consecutive minutes due to the failure of service provider's to provide service for such period."

Remedy:

One hour of service credit is granted for each 15-minute period of downtime.

Application Availability

Responsibility:

"Application Availability" refers to the percent of time in a given month the system is capable of providing services to the registered end users.

The Compuware system shall provide 99.5% Application Availability on a 7x24 basis, except for scheduled downtime.

Time to Repair for application failure is (i.e. the application should be made operational and placed in production) within 4 hours of detecting the problem

Remedy:

One (1) hour of Service Credit is granted for each 15-minute period the system is unavailable beyond the committed level.

Application Response Time

Responsibility:

The Compuware system will be designed to provide sub two-second average response times within the hosting infrastructure (i.e. up to the router connecting Compuware's hosting infrastructure with the Worldwide Web. Compuware can neither control nor take responsibility for the overall performance of the Internet)

Action Plan:

Compuware will proactively and reactively investigate and take corrective measures to ensure that the deployment operates within the above performance levels

Customer Support services

Priority 1 Technical Support Request

Responsibility:

Description - Situations in which the system fails to perform major functions on a system-wide basis resulting in a critical business impact. Severe business impact. P1 problems generally result in significant financial impact. System may be down and there is no direct workaround (for example, Customer has lost complete capability of invoicing its customers).

Time to Assign Support Resource – 2 hours

Time to Resolve – close of next business day

Remedy:

One (1) hour of Service Credit is granted if the request is not acknowledged within the time limit specified. An additional one (1) hour Service Credit is granted for each hour of delay beyond the initial delay.

Priority 2 Technical Support Request

Responsibility:

Description - Primary functional area or process is substantially restricted or has failed. Significant business impact. P2 problems require significant effort in dealing with any workaround. (For example, Customer has experiencing problems with the invoicing Role or Process, but there is not complete loss of functionality (a subset of users or a subset of customers)).

Time to Assign Support Resource – 6 business hours

Time to Resolve – 36 business hours

Remedy:

One (1) hour of Service Credit is granted if the request is not acknowledged within the time limit specified provided that the request is received during the support center's business hours. Requests received outside of business hours must be completed within 4 hours of the start of business hours on the business day immediately following the request.

Priority 3 Technical Support Request

Responsibility:

Description - Situations in which the functionality of the system is slightly restricted. Some business impact. P3 problems usually have workarounds but the extra effort involved in using the workaround can not be absorbed indefinitely.

Time to Assign Support Resource – 12 business hours

Time to Resolve – 60 business hours

Priority 4 Technical Support Request

Responsibility:

Description - Minor errors that do not affect the functionality of the system. Little to no business impact. P4 problems generally have workarounds but do impact Customer satisfaction.

Time to Assign Support Resource – 2 business days

System Administrator Support

This agreement recognizes that Customer will perform the resource management portion of the system management function, with Compuware providing the remaining System Administration services. The specific determination of responsibilities will be defined during the implementation process. For those tasks the fall under Compuware's responsibilities, the following response times will apply:

Administrative Changes per Schedule "B": One Business Day

Minor Administrative Changes per Schedule "B": Two Business Days

Major Administrative Changes per Schedule "B": Per Change Request

SCHEDULE D

IMPLEMENTATION SERVICES

SOW

SCHEDULE E

CUSTOMER LICENSE TERMS

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