

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

**NOTICE
 OF
 CONTRACT NO. 071B2200246**
 Between
THE STATE OF MICHIGAN
 And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
ACRO Service Corp 39209 West Six Mile Road, Suite 250 Livonia, MI 48152	RV Rao	rvrao@acrocopr.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 542-4318	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:				
BUYER:	DTMB	Joe Kelly	(51) 373-3993	Kellyj11@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Vendor Managed Services			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 years	June 1, 2012	May 31, 2015	3, 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 type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
The terms and conditions of this Contract are those of ITB # 07111300153, 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.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$23,012,290.80

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No.07111300153. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

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

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FOR THE CONTRACTOR:	FOR THE STATE:
Firm Name ACRO Service Corp	Signature
Authorized Agent Signature	Name/Title Jeff Brownlee, Chief Procurement Officer
Authorized Agent (Print or Type)	DTMB/Procurement
Date	Date



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Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

The purpose of this contract is for a Web-Based Vendor Managed System (VMS) for handling the temporary staffing needs for the Department of Technology Management and Budget (DTMB). A Vendor Management Service (VMS) means a single contractor providing staff augmentation services through the use of a web-based vendor hosted application, for contingent labor utilizing subcontracted suppliers whereby the prime contractor does not participate in providing resources. However, the State reserves the right to purchase services outside of this contract.

This initiative may be expanded to include staff augmentation for professional services in the future.

1.002 BACKGROUND

DTMB (formerly the Michigan Department of Information Technology (MDIT)) was created on October 14, 2001 to centralize and improve the management of state information technology investments. Among other enumerated items, DTMB is leading state efforts to re-engineer the State's information technology infrastructure, and to coordinate development of common technology across the executive branch. As part of its integrated functions, DTMB assists state agencies in obtaining staff augmentation services. Agency supplemental staffing needs vary in terms of resources required; need dates, and length of assignment. The majority of the work assignments are in the Lansing, Michigan, area, although other work sites may be in the Detroit, Michigan, area, or other areas of the State of Michigan.

The State of Michigan currently has three (3) methods to obtain staffing services, the Re: START Program, the Business Intelligence Program (BIP), as well as the fully competitive Request for Proposal (RFP). The Re:START program and the BIP, through a roster of more than 400 pre-qualified companies, provide annually approximately 175-260 staff at an estimated cost of \$9-14M per year.

However, due to the dynamic nature of projects within state government, the State cannot predict the number of personnel that will be required under this contract. Therefore, the State makes no guarantees, either stated or implied, about the demand for resources provided through this procurement. Although the VMS vendor will be the primary source, the State reserves the right to contract for personnel services from other sources if the project or assignment definition incorporates specific skill requirements and time constraints that cannot be met by the contractor under this contract or if other contracts and agreements provide a better value.

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

The contractor shall provide a Web-Based Vendor Hosted Solution (VMS) to furnish and deliver staff augmentation services more quickly and cost-effectively than the current programs while ensuring competition in the process.

See Section 1.104, Work and Deliverables, for more detail on the scope of the aforementioned requirements.

1.102 OUT OF SCOPE

Purchase of hardware, software or other commodities is not within the scope of the Contract.

1.103 ENVIRONMENT

The contractor must follow the standards for project management, systems engineering, and associated forms and templates found at <http://www.michigan.gov/suite>.

Agency Specific Technical Environment

Technical documentation and training specialists at DTMB use the following tools in support of MDOT projects:

- Microsoft Office products, including Word, Excel, PowerPoint, and Visio, Internet Explorer, Outlook
- Adobe Acrobat Professional



- RoboHelp
- SnagIt
- SharePoint and/or Vignette (web content management tools)

Other information about MDIT's technical environment (e.g., development tools) is available upon request.

1.104 WORK AND DELIVERABLE

The following Requirements sections are included as appendices to this contract.

- Appendix A- Security Requirements
- Appendix E – Rate/Cost Table
- Appendix F – SLA Table
- Appendix G – Job Title Requirements
- Appendix H – Functional Requirements
- Appendix I – Reporting Requirements
- Appendix J – Service Requirements
- Appendix K – Implementation Plan Requirements

Implementation will be accomplished in two phases. During phase 1 all approvals will be conducted through current State process (ITRAC/MAIN). Approved Requisitions will be entered into XRMSM System by the State ReStart team. The contractor will broadcast requisitions to participating vendors. Submitted resumes will be screened and forwarded to hiring managers per Appendix F – SLA Table. Selected candidates will be on-boarded by the contractor. Weekly time will be captured online and monthly invoice prepared. Payments received from the State will be disbursed to vendors per Appendix E Rate/Cost Table.

During phase 2 requisitions will be entered directly into the XRMSM System by the State manager and approvals will be routed per State business requirements.

Phase 1

Step 1: Project Planning and Ratification

The contractor will meet with the State Project Manager responsible for the implementation of the VMS to discuss and confirm: project timing and constraints; key project roles, responsibilities and required time commitments; and key project decision processes and their implications. The contractor will also present its communication plan at this time for discussion and approval by the State Project Manager.

Step 2a: Workflow/ Protocol Model Development

Acro will facilitate a series of meetings and discussions with the State managers to:

- Finalize labor classes that will be included in the VMS program.
- Review, adjust as appropriate, and ratify the Job Category/Job Level structure that will be used under the program.
- Define the process for procuring deliverable-based consulting services if applicable.
- Review and reach decisions on key process options.

Step 2b: Definition of VMS System and Services Tailoring Requirements

Simultaneous with Step 2a above, Acro will conduct a detailed review of XRMSM System processes and features, and facilitate discussions with the State management and operations personnel concerning required system tailoring to optimize system benefits for the State. Topics to be addressed in these discussions will include:

- State organizational structure as it relates to XRMSM System reporting.
- Detailed review and tailoring decisions regarding the use of the XRMSM System by the State hiring managers, Human Resources and purchasing personnel, including nomenclature and workflow considerations.
- Approach to contingent labor budgeting and new position authorization rules.
- Integration of the XRMSM System with the State legacy systems as required.



- Capture and reporting of cost/project accounting information.
- Invoice format, including discussion of electronic invoicing and time record approval authorizations for the XRMSM Time Capture module.
- Review of standard reports and definition of any custom reporting requirements.
- Steps 2a and 2b will require approximately 30 days.

Step 3: System Tailoring

Following review and approval of specifications for XRMSM System tailoring, Acro will initiate and complete the required programming processes and customization of XRMSM System documentation and training materials. Following completion, the tailored systems and documentation and training materials will be presented to the State management. A period of 30 elapsed days will be required for this process.

Step 4: Subcontractor Contracting

Concurrent with the commencement of system tailoring activities, Acro will initiate contracting activities with the State approved vendor organizations based on the decisions reached during the Pricing/Protocol Model Development effort. Acro will contact all approved vendors, provide draft vendor agreements (pre-approved by the State at State's option), meet with the vendors to review and resolve any contract issues, and execute vendor agreements. This process will require approximately 30 elapsed days.

Step 5: User Testing & Validation

Following the completion of the XRMSM System tailoring, the State will perform user testing and validation based on the approved specifications. The State will complete this testing within 10 days and will communicate any issues and/or defects in writing to the Contractor's Project Manager.

Step 6: User Training & Documentation

The contractor will provide a comprehensive training program regarding all important aspects of the vendor managed service program, with appropriate material for each stakeholder type. Appropriate training will be provided to all stakeholders including the State's internal super-users (e.g., HR program owner, Procurement, and others), hiring managers and vendors, respectively, prior to go-live and shall include the following components:

- Managed Service Concepts (Lecture/Discussion w/PowerPoint presentation).
- Achieving Managed Service Objectives (Lecture/Discussion w/PowerPoint presentation).
- Introduction to XRMSM System (Lecture/Demonstration tailored to audience – separate sessions anticipated for the State executive management, user managers and supplier firm participants).
 - Automated Procurement System
 - Acro's Time Record Automation Center (AcroTracTM)
 - Electronic Invoicing
 - Time Import Facility
 - Reporting
- XRMSM System Training (Lecture/Demonstration tailored to audience)
- XRMSM System Documentation Manuals (hardcopy and online, consisting of detailed system flowcharts and step-by-step process documentation)
- XRMSM System Proficiency Training (training exercises)
- New user training, including customized orientation and training programs for new contract employees and The State managers (ongoing)



Acro will use a train-the-trainer approach for XRMSM System training for supplier firm participants. Acro will perform live, group training for the State managers at major locations. Multiple training sessions will be held at each site.

In addition, Acro's assigned Account Representative will work directly with the State managers, as appropriate, during their use of the system and subsequently as needed. New user system orientation and training programs will also be provided by Acro on a scheduled basis as needed.

Post-implementation announcements regarding program updates such as new business rules, or software functionality will be placed on the XRMSM System home page and emailed to all users with attachments or links to the appropriate information and training materials. Training may be conducted via web events, teleconferences, live meetings, and step-by-step documentation.

New users will be trained via live and pre-recorded web sessions. Program management team members will also be available for one-on-one sessions as needed.

Phase 2

Following the launch of the Phase 1 of the VMS project, Acro and State will monitor the use of the system and the new procurement process for its effectiveness and customer satisfaction. Based on the results observed as well as the constraints imposed by the State policies and systems, the State will decide when and if it wants to proceed to Phase 2. When Phase 2 is implemented, Acro will add the capability for the creation of a new requisition from scratch and all approvals being handled within the VMS system. Acro anticipates an implementation time frame of 30 days in duration for Phase 2 consisting of the following implementation project steps:

Step 1: Document and ratify State's approval hierarchy and rules

Step 2: System Tailoring (Phase 2): Following review and approval of approval workflow, Acro will initiate and complete the required programming processes and update of XRMSM System documentation and training materials for Phase 2. Following completion, the tailored systems and documentation and training materials will be presented to the State management.

Step 3: Implementation (Phase 2): Following the completion of system tailoring and database update, Acro will initiate rapid launch of the Phase 2 of the VMS Program, including:

- Systems training for the State users (requestors and approvers).
- Database Update – Upload of approver data into the system.
- Phase 2 Systems and services go-live.

1. Process to Request Services

State's Submission - Statement of Work.

- a. The State will provide, in electronic format, a Statement of Work (SOW) describing the requested information technology professional services.
- b. The SOW shall be numbered to facilitate tracking and shall include the following:
 1. Background on the work requested
 2. Objectives
 3. Agency technical environment for the work
 4. Description of the requested work, including deliverables
 5. Any specific regulations, requirements or expertise applicable
 6. Reports required
 7. Location where the work is to be performed
 8. Hourly or monthly contract terms
 9. Hours



10. State's contract/hiring manager for the work
11. The numbers of personnel by skill set (classification), and
12. Estimated start and end dates for the work

Contractor's Response – Statement of Work

- a. The contractor must respond fully to each SOW.
- b. The contractor shall provide at least three (3) names and resumes of qualified staff for each position the State has requested in the SOW. The State can request more than 3 resumes/names, if necessary.
- c. The contractor must respond to the SOW with candidate information within seventy-two (72) hours of issuance per Appendix F – SLA Table. Responses shall include at a minimum:
 - i. The name and date of availability of the candidate.
 - ii. The resume(s) of the actual individual(s) proposed
 - iii. The results of two reference checks that the contractor has performed on the proposed individual, including the names and telephone numbers of the references themselves. At least one of these reference checks must be from a supervisor.
 - iv. A signed commitment letter from the individual referencing the SOW number, with the candidate's name, signature, and date. Blanket commitment letters for all SOW's shall not be accepted.
- d. During the response period, the contractor may request any clarification needed on the Statement of Work.
- e. If the contractor is unable to provide the personnel requested, the contractor must record this fact in a written response to the State. Consequently, the State may choose to solicit responses from outside vendors.
- f. The contractor must provide a mechanism for expedited procurement of staff to meet a need for immediate replacement or for mission critical services.

2. Evaluation of Candidates

- a. The State shall evaluate the resumes and references of submitted candidates.
- b. Selection shall be based on a best value evaluation using the criteria identified in the SOW and the rate provided by the contractor.
- c. The State reserves the right to refuse any or all individuals presented by the contractor(s).
- d. The State will evaluate the resumes of the submitted candidates and communicate its initial feedback (Reject/Interview) within 7 business days of receipt for regular requests and within 2 business days of receipt for urgent requests.
- e. The State may contact the contractor to request an interview with the candidate.
 - v. The contractor must be responsible for setting up all interviews.
 - vi. At the State's discretion, this initial interview may be conducted over the telephone. The State will attempt to pre-screen candidates over the phone.
 - vii. The State may, at its discretion, request a face-to-face interview. The State shall bear no cost for the time and travel of the candidate for attendance at the interview.
 - viii. After selecting the candidate(s), the State will notify contractor regarding its selection within 2-3 days.
- f. The contractor shall provide the results of a criminal background check and any additional screening required by a specific SOW to meet agency requirements.
- g. The contractor shall provide verification of a candidate's permission to work in the United States.

3. Performance Evaluations

Contractor

- a. Poor performance may be used as grounds for termination of the contract and may be used to evaluate the contractor on future State RFP's.
- b. Performance metrics include are included in, but are not limited to, Appendix F – SLA Table.

Staff



- c. The contractor shall require its subcontractors to be responsible for the performance of selected staff and must provide a process for their performance evaluation by State managers within the VMS.
- d. The State may determine to discontinue the services of any contractor-supplied staff without cause at any time.

Subcontractors

- e. Contractor must provide a process for the performance evaluation of its subcontractors staff through the VMS

4. Replacement Personnel

- a. Replacement of discontinued staff will be at the State's sole discretion; the State is not obligated to replace terminated or withdrawn individuals.
- b. In the event an individual has been terminated or has voluntarily withdrawn from an assignment:
 - The State can request the contractor replace the individual with an individual of equal or greater qualifications.
 - For instances where Contractor-supplied resources terminate their service prior to the completion of the assignment scope or duration specified in the request their assignments, such notice will be 10 business days, unless a shorter notice period is mutually agreed upon by the State and Contractor. Contractor will attempt a replacement resource with a transition period of 40 hours.
 - A plan for transitioning to a new resource (including knowledge transfer) must be provided by the Contractor.
 - The State can choose from the other candidates submitted in response to the SOW, if they are still available and the proposed rates are still valid or otherwise within the scope of this contract and acceptable to the State.
 - The State can re-issue the SOW and obtain a new list of candidates and rates.

5. Restrictions on Personnel Movement among Contractors and SOWs

- a. In the event that an individual assigned to the State under this or any other professional services contract leaves that assignment without authorization or is terminated for breach, prior to the completion of the assigned task(s), that individual is barred from any State assignment under this contract for a period of six (6) months. For purposes of applying this rule, the six-month period shall be measured from the effective termination/withdrawal date to the start date stated in the SOW in question.

6. Removal of Staff

- a. Contractor must not remove any individual assigned under a SOW without the approval of the agency's contract administrator who signed the SOW.
- b. If the assigned individual becomes unavailable due to sickness, resignation or other reason, the removal process is stated in Article 2 Terms and Conditions.

7. Exit Interview

- a. At the close of any staffing contract, or on termination or removal of staff, the vendor or its applicable subcontractor will ensure that:
 - i. An exit interview using a checklist approved by the State is conducted
 - ii. All State equipment, including any security badges, keys, etc. are collected and returned

8. Contractor/Resource Training

- a. Contractor must ensure that staff proposed for assignment is fully trained and meet the skill set requirements of the job position being filled.
- b. Contractor or its subcontractor providing the resource must provide an orientation program (kick-off) for new staff to be placed.



1.200 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

The Contractor must provide, and update when changed, an organizational chart highlighting the key people assigned to manage the personnel called for in this Contract, and illustrating the lines of authority.

The Contractor must identify an implementation project manager (Project Manager who will oversee the project during implementation. The Project Manager must be identified as a Key Personnel subject to the State's interview and approval.

The Contractor must identify an Account Representative who will be responsible for the day to day activities related to this contract throughout the contract term. The Account Representative must be identified as a Key Personnel subject to the State's interview and approval.

The Contractor must designate an individual to serve as the Contract Manager for the provision of services pursuant to this Contract. The duties of the Contractor's Contract Manager shall include but not be limited to:

- supporting the management of the contract,
- facilitating dispute resolution, and
- advising DTMB of performance under the terms and conditions of the contract.

DTMB reserves the right to require a change in the Contractor's Contract Manager if the assigned Contract Manager is not, in the reasonable opinion of DTMB, adequately serving the needs of the State. The Contract Manager must be available to meet with State staff on a daily basis, if needed, to resolve issues that may arise.

The Contract Manager must be identified as a Key Personnel subject to the State's interview and approval.

The State acknowledges and understands that, unless otherwise authorized by the State, the Contractor is restricted under this Contract from directly providing any resources or otherwise fulfilling any tasks and deliverables under any SOW, and that such resources shall be provided by and/or such tasks and deliverables shall be fulfilled by Contractor's subcontractors.

Subject to the foregoing understanding, in accepting a SOW, the Contractor recognizes its responsibility for all tasks and deliverables contained therein, warrants that it has fully informed itself of all relevant factors affecting accomplishment of the tasks and deliverables and agrees to be fully accountable for the performance of selected staff. Section 1.104 Work and Deliverables Section of the Contract outlines the expectations of the State. In addition, the Contractor assumes full responsibility for the acts of all subcontractors.

The Contractor must provide all commercially reasonable management oversight, administrative and clerical functions required for the effective and efficient performance of all SOW's it accepts. The Contractor is accountable to the State for the following actions.

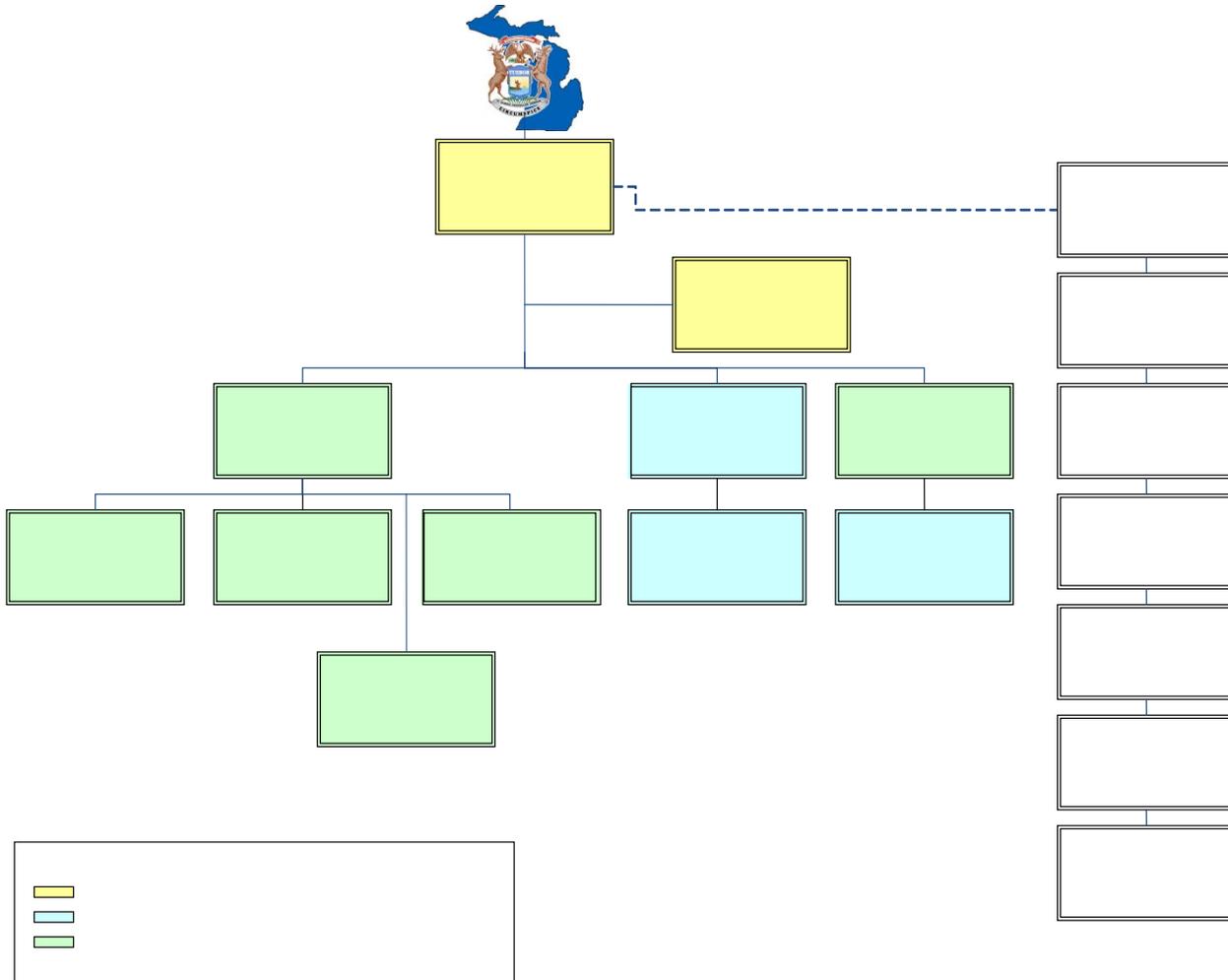
Contractor's management responsibilities include, but are not limited to, the following:

- A. Ensure staff understands the work to be performed on SOW to which they are assigned.
- B. Ensure staff know their management chain and adhere to contractor policies and exhibit professional conduct to perform in the best interest of the State.
- C. Ensure staff adheres to applicable laws, regulations, and contract conditions governing contractor performance and relationships with the State.
- D. Ensure high quality results are achieved through task performance.
- E. Will be available to meet on an as needed basis to resolve issues related to services.
- F. Contractor's office shall be available during normal State hours of operation – 8:00 am to 5:00 pm, Monday through Friday, excluding State holidays.
- G. Contractor must provide an after-hours method of contact for emergency or mission critical operations support.



Contractor must maintain current the following information for any subcontractor firm from which the staffs are obtained:

- Name of subcontractor firm
- Mailing address
- Primary contact name, phone number, and e-mail address
- Staff profiles provided by the subcontractor



1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The Department of Technology Management & Budget (DTMB) is responsible for the administration of the services within the contract. DTMB shall provide a buyer as a contact for all issues pertaining to the execution of services and deliverables under the contract. As of the effective date for contract commencement the DTMB buyer shall be:

Joe Kelly, Buyer



IT Division
 Department of Technology Management & Budget
 Purchasing Operations
 530 W Allegan St., 2nd floor
 Lansing, MI 48909
 E-mail: kellyj11@michigan.gov

DTMB shall provide a contract compliance inspector whose duties shall include but not be limited to: i) supporting the management of the contract, ii) advising DTMB of contractor's performance under the terms and conditions of the contract, and iii) periodic verification of pricing and monthly reports submitted by contractor.

Name	Agency/Division	Title
Joe Kelly	DTMB	Contract Administrator

State agency staff will be responsible for providing the detailed information needed for the clear and concise statement of work requested, and for management of services.

1.203 OTHER ROLES AND RESPONSIBILITIES

Reserved

1.300 Project Plan

1.301 PROJECT PLAN MANAGEMENT

Project Plan

Contractor will provide a Project Plan, 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 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 Project Plan shall include the following deliverable/milestones for which payment shall be made.
 - a. Payment to the Contractor will be made upon the completion and 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.

Orientation Meeting

- a. Upon thirty (30) calendar days from execution of the contract, the contractor must be required to attend an orientation meeting to discuss the content and procedures of the contract.
- b. The meeting shall be held in Lansing, Michigan, at a date and time mutually acceptable to DTMB and the contractor.
- c. The State shall bear no cost for the time and travel of the contractor for attendance at the meeting.



Performance Review Meetings

- d. DTMB will require the contractor to attend periodic meetings to review the contractor's performance under the contract.
- e. The meetings will be held in Lansing, Michigan, at a date and time mutually acceptable to DTMB and the contractor.
- f. DTMB shall bear no cost for the time and travel of the contractor for attendance at the meeting.

1.302 REPORTS

Reporting formats must be submitted to the State's Project Manager for approval within (60) business days after the execution of the contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract

- *Weekly Project status*
- *Updated project plan*
- *Accomplishments during the report period*
- *Action Item status*
- *Issues*
- *Change Control*
- *Repair status on Hosted Service*
- *Maintenance Activity on Hosted Service*

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 must 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 program manager on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

- Issue number
- 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 can be assigned the following priority levels: critical, high, medium or low.

Critical and high priority issues will be brought to the attention of the State's contract compliance inspector within 24 hours of discovery. Issues with other priorities will be brought forward by the next bi-weekly project status meeting at the latest.

Any issues regarding the VMS program identified by State users shall be escalated for resolution as defined below.

- Level 1: Acro Account Representative
- Level 2: Acro XRMSM Product Manager
- Level 3: Acro Contract Administrator
- Level 4: Acro President



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. 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 shall be the responsibility of the Contractor. The State will assume the same responsibility for risks assigned to them.

Acro's risk management methodology involves:

1. Risk identification.
2. Risk analysis involving assigning a level of priority based on the probability of occurrence and impact to the project. This results in preparation of probability and impact matrix.
3. Risk response planning involving definition of mitigation strategies.
4. Risk monitoring and control involving continuous review of risks and revision of mitigation strategies.

Acro will review the risks during its internal program status review meetings. Based on the impact on schedule, cost and quality, if needed, Acro will escalate the risk to State contract compliance inspector and work out a mitigation strategy in consultation with the State.

During regular program status reviews with the State, Acro will review the risks, reassign the levels and revise the probability and impact matrix.

1.403 CHANGE MANAGEMENT

Change management is defined as the process to communicate, assess, monitor, and control all changes to system features, parameters, rate cards 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 & 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.**

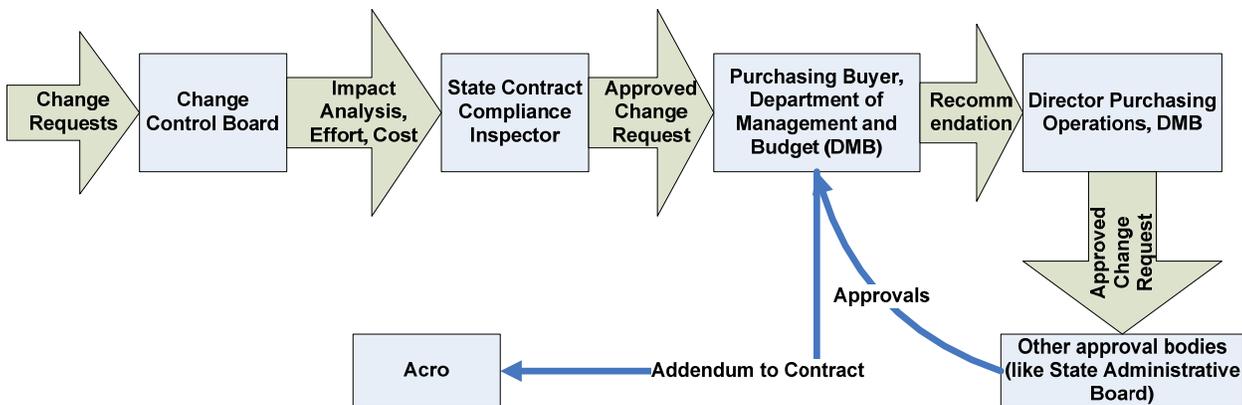
The Contractor must employ change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State while the migration is underway.



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

Acro will utilize a Change Control Board (CCB) for handling “out-of-scope” requests or any changing business needs of the State during VMS implementation and on-going operation. The CCB will comprise of Acro and State representatives. Acro will receive change requests from State users, subcontractors and others, study the feasibility of the request and prepare an impact analysis sheet with estimates for effort and cost (if any). Within 2 weeks of receiving the change request, Acro will provide an impact analysis to the State. If, because of nature of the change request, Acro is unable to provide the analysis within 2 weeks, it will provide the timeframe for analysis.

This process is shown in the following figure.



If a change request is approved by the State’s contract compliance inspector, and the change does not affect Acro’s contract with the State, Acro will go ahead and implement the change. Otherwise, the contract compliance inspector 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 the change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including the State Administrative Board, if necessary), the Purchasing Operations Buyer will issue an addendum to the Contract, via a Contract Change Notice. Acro will not begin the work on the change request until written approval is received from the State in the form of Contract Change Notice issued by the Department of Technology Management and Budget, Purchasing Operations.

1.500 Acceptance

1.501 CRITERIA

Acceptance is tied to adequate performance of required services and/or delivery of the deliverables.

1.502 FINAL ACCEPTANCE

Final acceptance is expressly conditioned upon completion of ALL applicable tasks, deliverables/milestones.



1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

The ceiling hourly rates for every IT Job Classification are listed in Appendix E. These ceiling rates shall be the maximum hourly rate the contractor can charge for an individual in that job classification. The ceiling hourly rate must incorporate any direct and indirect costs, ongoing fees, one-time charges.

The State of Michigan will not pay travel expenses to the contractor.

In the event that the subcontracted staff is required by the State to travel away from their regularly assigned work locale to perform related tasks, the State will reimburse direct costs for travel and expenses in accordance with the then current State travel reimbursement policies. No other travel or expenses will be reimbursed.

Standard payment terms for the State are net 45 days from invoice receipt. Only work satisfactorily performed after execution of a written contract, after the contractor's receipt of a notice to proceed from DTMB and after the contract term has begun will be reimbursed. Contractor is expected to pay subcontractors within 7 days of receipt of payment from the State.

FOR CONTRACTOR

A. Invoice and Payment

Contractor must electronically invoice DTMB monthly for work completed by subcontractors for all agencies. All invoices MUST include VMS generated reports showing approvals from the agency project managers verifying hours worked. The invoice shall include, but not be limited to, the following information:

- Project Number
- Names of Subcontractors
- Purchaser Order number
 - Hours worked
 - Hourly and monthly rateAnd/or
 - Milestones and deliverables completed
- Accounting Funding Source

Contractor is also expected to accept and track purchase orders electronically, make payments to subcontracted suppliers within 30 days based on approved timesheets by the vendor and manage subcontractor budget and length of contract.

The State shall not be liable to pay the contractor for any hours worked in excess of the most current approved PO price.

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

Payment

Electronic Payment Availability

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). Vendors are required to register to receive payments by EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).

1.602 QUICK PAYMENT TERMS

Reserved



1.603 PRICE TERM

Time & Materials hourly rate



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 July 15, 2012 through July 31, 2015. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.130**) 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 three (3) additional 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 Technology Management & Budget, Purchasing Operations and the Department of Information Technology (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Joe Kelly, Buyer
Purchasing Operations
Department of Technology Management & Budget
Mason Bldg, 2nd Floor
Lansing, MI 48909
kellyj11@michigan.gov
Phone 517-373-3993

2.022 CONTRACT COMPLIANCE INSPECTOR

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



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

Joe Kelly, Buyer
Purchasing Operations
Department of Technology Management & Budget
Mason Bldg, 2nd Floor
Lansing, MI 48909
kellyj11@michigan.gov
Phone 517-373-3993

2.023 PROJECT MANAGER

The following individual will oversee the project:

Lisa Evani
Department of Technology Management & Budget
111 S. Capitol Ave – 9th Floor
Lansing, MI 48909
Evanil@michigan.gov
517-373-1840

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 Technology Management & 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: Joe Kelly
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:

Name: Ron Shahani
Address: Acro Service Corporation

39209 W. Six Mile Rd., Ste 250
Livonia, MI 48152

With a required copy to:

Attention: Legal Counsel
Address: Acro Service Corporation
39209 W. Six Mile Rd., Ste 250
Livonia, MI 48152



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**

Reserved

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) 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.



- (c) 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.

2.045 PRO-RATION

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

2.046 ANTITRUST ASSIGNMENT

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

2.047 FINAL PAYMENT

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

2.048 ELECTRONIC PAYMENT REQUIREMENT

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

2.050 Taxes

2.051 EMPLOYMENT TAXES

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

2.052 SALES AND USE TAXES

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



2.060 Contract Management

2.061 CONTRACTOR PERSONNEL QUALIFICATIONS

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

2.062 CONTRACTOR KEY PERSONNEL

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the commercially reasonable control of Contractor, including illness, disability, leave of absence, and 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 10 days of shadowing unless parties agree to a different time period. The Contractor must review any Key Personnel replacements with the State, 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 primarily dedicated 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 period 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, other than the specific duties of supplying staff augmentation resources and related services in accordance with the provisions of this Contract unless the Department of Technology Management & 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) if any for the removed Subcontractor shall be fully qualified for the position.

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/dtmb>. 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 Technology Management & 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 Technology Management & Budget, Financial Services documentation showing PCI Data Security certification has been achieved. The Contractor will advise the Department of Technology Management & 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 will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two 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 Technology Management & Budget, Purchasing Operations.

2.122 WARRANTY OF MERCHANTABILITY

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

2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

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

2.124 WARRANTY OF TITLE

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

2.125 EQUIPMENT WARRANTY-RESERVED

2.126 EQUIPMENT TO BE NEW-RESERVED

2.127 PROHIBITED PRODUCTS-RESERVED

2.128 CONSEQUENCES FOR BREACH-RESERVED

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.

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 DTMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract 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 Technology Management & 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 tortuous 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 by a court 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 total amount payable to the State pursuant to this subsection 2.152 (b) shall not be in excess of 25% of the VMS fees (as defined in Appendix E) earned by Contractor 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 or if the Contractor 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.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 CONTRACTOR TRANSITION RESPONSIBILITIES

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 60 days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145**.

2.172 CONTRACTOR PERSONNEL TRANSITION

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

2.173 CONTRACTOR INFORMATION TRANSITION

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

2.174 CONTRACTOR SOFTWARE TRANSITION

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

2.175 TRANSITION PAYMENTS

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



2.176 STATE TRANSITION RESPONSIBILITIES

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

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

2.180 Stop Work

2.181 STOP WORK ORDERS

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 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**. 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 2.182**.

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, DTMB, 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, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section 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 such 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 or 2.160**, 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 appears in the register. With respect to Subcontractors that appear in the register after Contract award, Contractor will terminate their subcontract and participation in the program.

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>.

The State 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 State must comply with Civil Service regulations and any applicable agency rules.

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 to the extent caused by the gross negligence or willful misconduct of the Contractor or the State; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The Contractor's liability for damages to the State under this Contract is limited to the VMS fees (as defined in Appendix E) received by the Contractor under this Contract. The State's liability for damages to the Contractor under this Contract 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 DTMB Purchasing Operations.
 - (2) Contractor must also notify DTMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor must also notify DTMB 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. Failure to meet the performance targets for the Service Level Agreements identified in Appendix F on 3 occasions over a 180 day period will also be defined as Chronic Failure. 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.



2.244 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 must 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/dtmb>.

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 DTMB 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. 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 will be submitted 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.

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

Estimated requirements for authorized local units of government are not included in the quantities shown in this Contract.

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

2.303 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

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and exercise its full rights in the Deliverables, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables.

2.322 CROSS-LICENSE, DELIVERABLES AND DERIVATIVE WORK, LICENSE TO CONTRACTOR

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable and/or Derivative Work now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and/or Derivative Work and exercise its full rights in the Deliverables and/or Derivative Work, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables and/or Derivative Work.

2.323 LICENSE BACK TO THE STATE

Unless otherwise specifically agreed to by the State, before initiating the preparation of any Deliverable that is a Derivative of a preexisting work, the Contractor shall cause the State to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (1) use, execute, reproduce, display, perform, distribute internally or externally, sell copies of, and prepare Derivative Works based upon all preexisting works and Derivative Works thereof, and (2) authorize or sublicense others from time to time to do any or all of the foregoing.

2.324 LICENSE RETAINED BY CONTRACTOR

Contractor grants to the State a non-exclusive, royalty-free, site-wide, irrevocable, transferable license to use the Software and related documentation according to the terms and conditions of this Contract. For the purposes of this license, "site-wide" includes any State of Michigan office regardless of its physical location.

The State may modify the Software and may combine such with other programs or materials to form a derivative work. The State will own and hold all copyright, trademarks, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks unless otherwise agreed by the parties.

The State will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor shall, for any reason, cease to conduct business, or cease to support the Software, the State shall have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment, but subject to payment obligations not to exceed the then current rates.

2.325 PRE-EXISTING MATERIALS FOR CUSTOM SOFTWARE DELIVERABLES

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in



the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.



APPENDIX A – System Security

1.	<p>The system will provide for encryption of data during transmission as well at rest.</p> <p>All data transmitted from and to the system over the network is encrypted by 128-bit SSL (secure socket layer) certificate from Verisign.</p> <p>Data in the system at rest can be encrypted using the standard methodology available in Microsoft SQL Server product based on the client’s requirements.</p>
2.	<p>The system will be designed to bill the State for only those time records that have been approved by an appropriate State manager/supervisor who accesses the system through secure username/password (encrypted) mechanism. Also, all actions within the system will be time-stamped and logged for auditability.</p>
3.	<p>The contractor’s network will have advanced protection mechanisms to secure the system from external threats such as viruses and intrusions to protect the system’s confidentiality, integrity and availability. All incoming network traffic is monitored and screened by a high-end Juniper firewall with intrusion detection and virus scanning features. The Contractor’s system and network technicians monitor the network and servers on a real-time basis using mobile devices and are alerted when serious events are detected. The Contractor will keep all the hardware and system software up-to-date with vendor issued patches. The Contractor will use backup tools (from Veritas) to perform daily backups of the database. These archives can be used to restore the system quickly as needed. The backup media is stored off-site and is available within half an hour of notice.</p>
4.	<p>The system will be web-based and only requires access to the Internet through a supported browser (IE 5 or higher). No special hardware or software will be required by the State.</p>
5.	<p>No components of Acro’s solution will be hosted on State’s premises. Acro utilizes two data centers to host the XRMSM System. The Primary Data Center (PDC) is located in Acro’s Global Headquarters in Livonia, Michigan and the Disaster Recovery Data Center (DRDC) is located at SunGard Availability Services in Wood Dale, Illinois.</p>
6.	<p>There will be absolutely no sharing of runtime code or data between client programs.</p>
7.	<p>The system will utilize role based security and access methodologies as one component of its security structure. Certain predefined user groups in the system, like time-sheet approvers and subcontractors, get automatic access to modules required for their minimum usage. These access rights can be tailored at the group and individual level by the system administrator. The ability of the system to completely control user access to any screen or report based on the user’s specific need ensures a high degree of system security and gives a personalized experience to every level of user.</p>
8.	<p>A single user can be granted membership in multiple user groups (roles). As an example, a State employee can belong to the groups of Requestor, Approver and Buyer and will be able to perform all of the functions available to these user groups.</p>
9.	<p>The system will allow establishment of various groups such as Requestor, Approver, Buyer, HR, Finance, Supplier, Employee, Support, etc. Each user of the system can be given membership in one or more of these groups based on their roles or State’s preferences.</p>
10.	<p>Creation of new user groups will be supported at any time during the program based on the State’s request.</p>
11.	<p>Permissions can be customized. The system enables the systems administrator to add/remove permissions for individual functions of the system available to individuals and groups based on client specifications at any time during the program.</p>
12.	<p>The role-based security implemented by the application will support the assignment of ownership rights over various data elements to users or user groups. Users of the system can access (read/create/modify) various data elements in the system based on their roles.</p>
13.	<p>The system will have the ability to assign proxy rights to a user to access the system on behalf of another user (data owner and/or this/her designee) for specific transactions.</p>
14.	<p>The workflow for processing work requests will have the ability to be configured to either restrict a user to process a request below a threshold or require additional approvals beyond the threshold.</p>



15.	The system will have a proxy function that allows supervisors to delegate authority.
16.	All functional permissions (including ability to change user rights) will be assignable at both the group level and individual level. An administrator with proper rights can then delegate subsets of rights to other groups or users.
17.	The system will use multiple methods to authenticate user requests. First method is to authenticate the user's access through a combination of username and password (additional security options such as security questions can be added at the State's request). Once the user successfully logs in, his/her user rights will define what menu options and dashboard information is presented. Finally, when the user selects an approved function, he/she will only see the data that is accessible based on the rights assigned to him/her.
18.	All authentications will be done within the system and a separate server is used.
19.	The presentation, application logic and database will be on logically separate servers.
20.	The database server will be separated onto a different hardware server from the logical presentation and application servers which run together on another hardware server.
21.	The system will disable user access after a certain number of failed log-in attempts. This number is customizable based on the State's preferences and access rights to re-set passwords can be customized and delegated to any authorized user required by the State.
22.	All actions taken within the system will be date and time stamped, logged and reportable. The system is fully auditable. Access permission to this data is completely configurable and customizable.
23.	The Contractor will utilize standard Internet network layers to detect typical transmission errors and initiate recovery processes including re-transmission. The XRM SM System is developed using the .Net framework of Microsoft and uses its SQL database server. This ensures that transactional updates are not committed to the database unless all of the required information has been received from the user. Finally, at the successful conclusion of all transactions, the system will display a conformation screen to assure the user of successful completion.

The XRMSM System addresses security as follows:

Physical Location(s):

The primary servers for the XRMSM System reside in a secured data center within the Acro headquarters in Livonia, Michigan. These enterprise-level servers employ redundant server and RAID mechanism to minimize the possibility of hardware failure. This hardware is under vendor maintenance plan requiring 4 hour parts availability and response. A backup environment for disaster recovery purposes is maintained at the Sungard data center located in Wood Dale, Illinois.

Network Layer:

Access to the XRMSM System is provided via the Internet using secure connections as described below in the section "Data Transmission Layer". The server environment is protected with the use of DMZ (De-militarized Zone), Cisco and Juniper firewalls (with virus checking and intrusion detection features), Barracuda Spyware Firewall, Norton Anti-virus software and other measures.

Data Transmission Layer:

All data transmitted from and to the XRMSM System over the network is encrypted by a 128-bit SSL (secure socket layer) certificate from Verisign.

Access Control:

All access to the XRMSM System and its data is subject to compliance with applicable U.S. export control laws.

Data Layer:

Confidential information like user passwords are encrypted and stored in the database. Also, all data in the system at rest can be encrypted based on the client's requirements.

**Application Layer:**

1. Each client implementation of the XRMSM System uses a separate instance of the software code and database system. This ensures that the data and run time processes of one customer is not commingled with the data of another customer

2. Password Policy:

- The XRMSM System employs user ID and password based user authentication. Passwords are masked during entry. Password protection is one of the strategies that prevent unauthorized use of the system to assure compliance with ITAR protocols for access and data security.
- A user id is blocked after a pre-set number (sepecified by the client) of unsuccessful attempt to use an invalid password for that user id.
- Passwords are subject to minimum length of 6 characters and maximum of 10 characters and can be configured to require client desired combination of alphabets, numbers and special characters
- Expiration period for passwords can be set in the system. Password expiration reminders are sent by the system to active users.
- Users can change passwords on their own without depending on the system administrator. While changing passwords, new passwords cannot be the same as the old passwords.

3. Role based security: Certain predefined user groups in the XRMSM System, like contingent employees, time-sheet approvers and subcontractors, get automatic access to modules required for their minimum usage.

4. User-level module access: Though a user gets access to certain modules based on his/her user group, access to individual modules can be revoked or access to additional modules or reports can be granted by the system administrator. The ability of the system to completely control group or individual user access to any screen or report based on the user's need ensures a high degree of system security and gives personalized experience to any level of user.

5. Restricted data access: The XRMSM System limits each user's access to reports based on tiered level reporting. For example, a supervisor will be able to view time and expense records for contingent employees for whom he/she has been designated as the primary or alternate approver. The head of a department will be able to access the time and expense records for all managers, supervisors and contract employees within his/her department. Subcontractor firms have access only to the job requirements that are broadcasted to them. They have access only to the candidate profiles submitted by them.

6. Audit Trail: The XRMSM System keeps user information and time stamp for all the important transactions like record creations, modifications, deletions, candidate submittals, reviews, approvals, time-sheet submittals, approvals to facilitate security audits at any time.

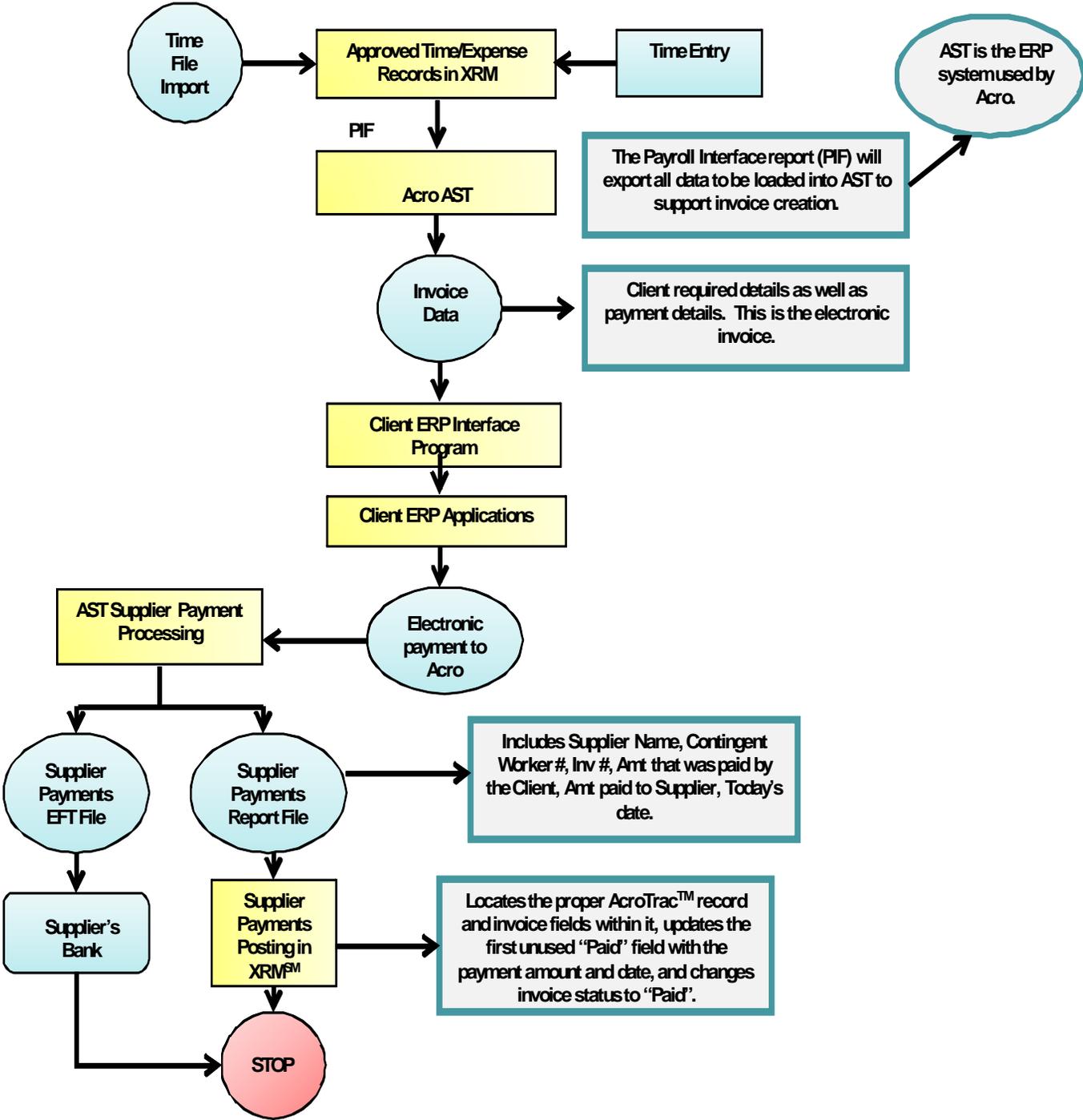
7. File upload restrictions: The XRMSM System allows only MS Word, Adobe PDF and text files to be uploaded for candidate profiles. Other file formats like exe and zip are not accepted as they are potential security hazards.

8. Inactive users and termed employees lose ability to login within one business day or less.

9. System time-out: After a preset time (client specified) period (20 minutes for example), an idle session of the XRMSM System on a user terminal is locked out and re-login is required.

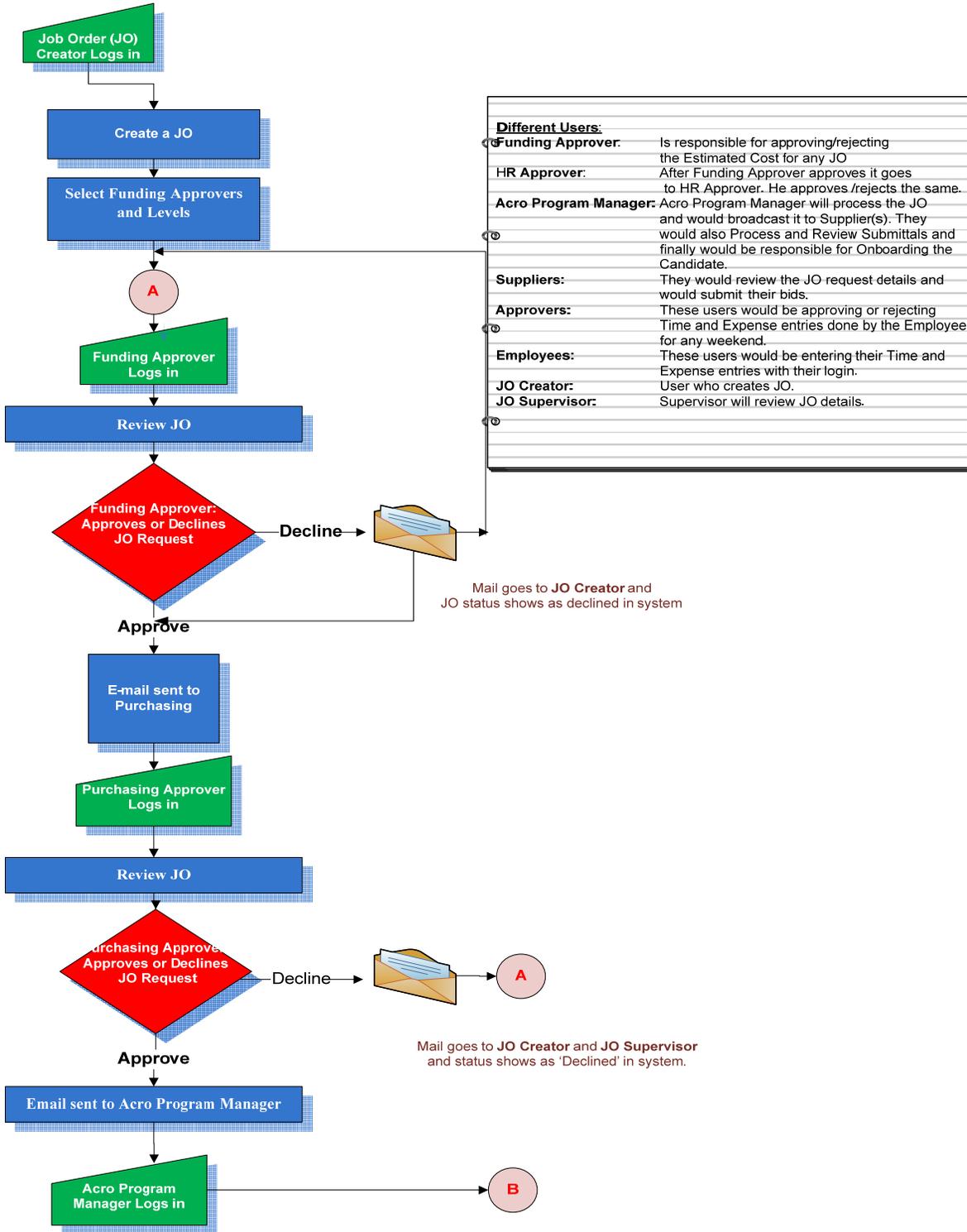


APPENDIX B – Invoice and Payment Process

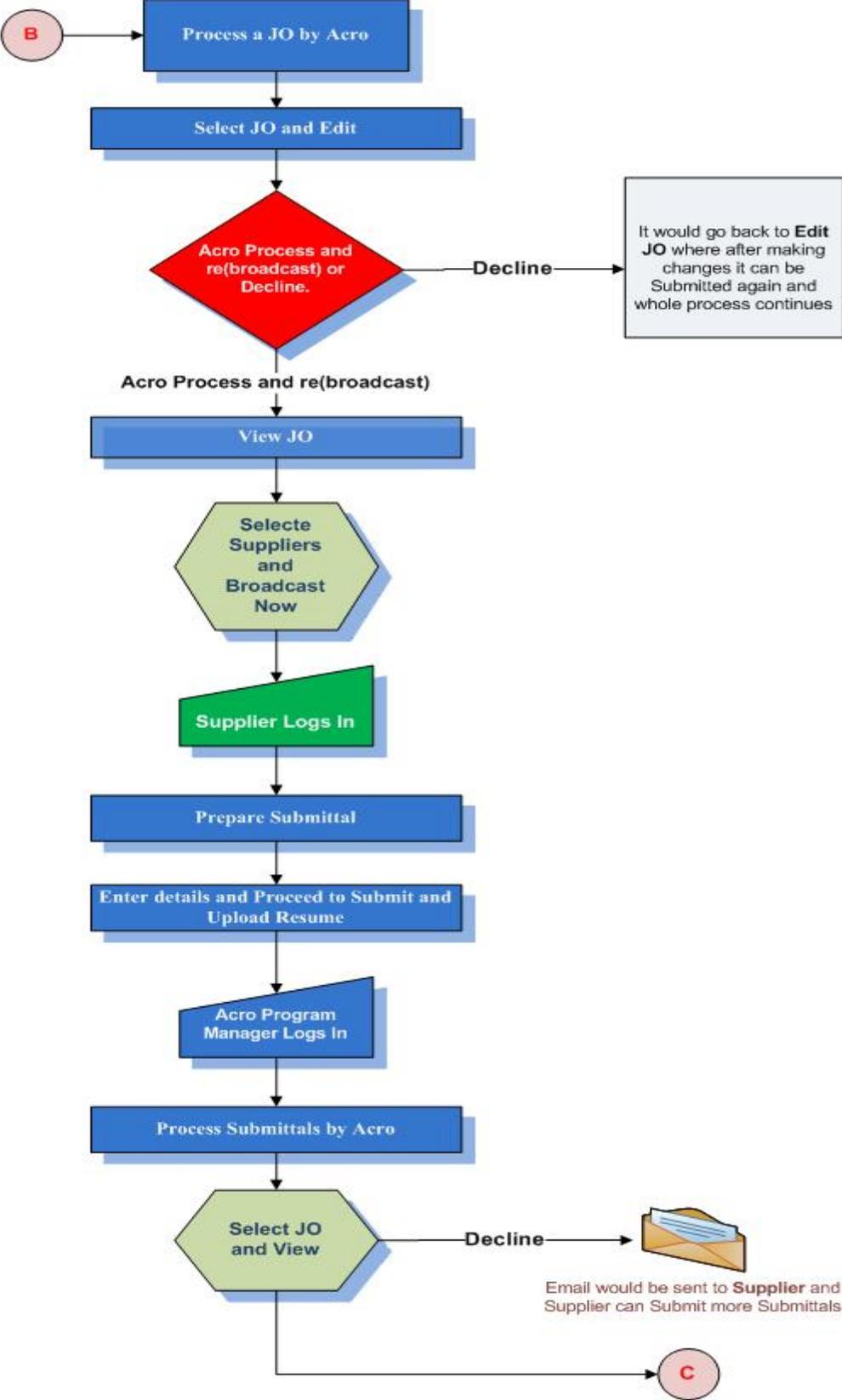


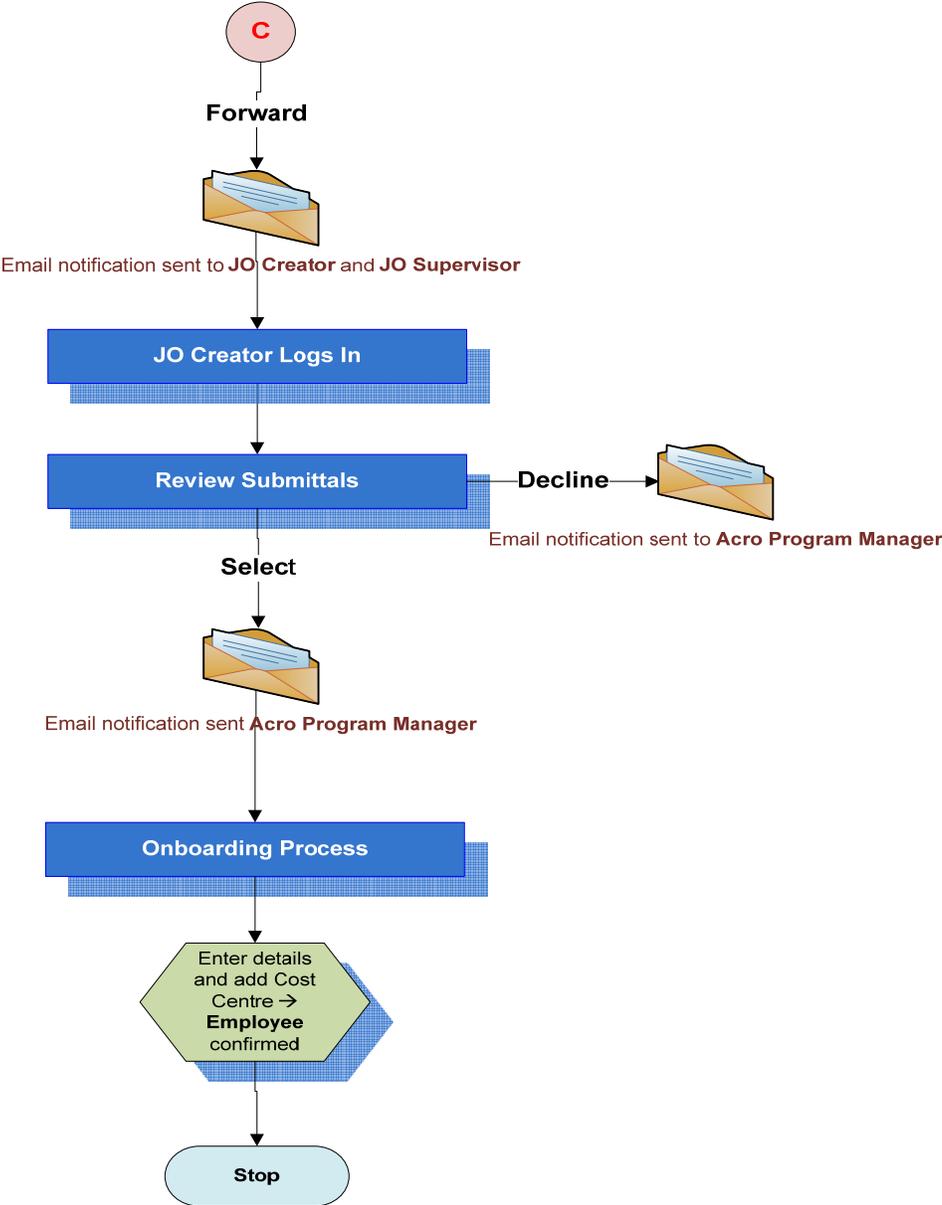


APPENDIX C –WorkFlow



Different Users:	
Funding Approver:	Is responsible for approving/rejecting the Estimated Cost for any JO
HR Approver:	After Funding Approver approves it goes to HR Approver. He approves /rejects the same.
Acro Program Manager:	Acro Program Manager will process the JO and would broadcast it to Supplier(s). They would also Process and Review Submittals and finally would be responsible for Onboarding the Candidate.
Suppliers:	They would review the JO request details and would submit their bids.
Approvers:	These users would be approving or rejecting Time and Expense entries done by the Employee for any weekend.
Employees:	These users would be entering their Time and Expense entries with their login.
JO Creator:	User who creates JO.
JO Supervisor:	Supervisor will review JO details.



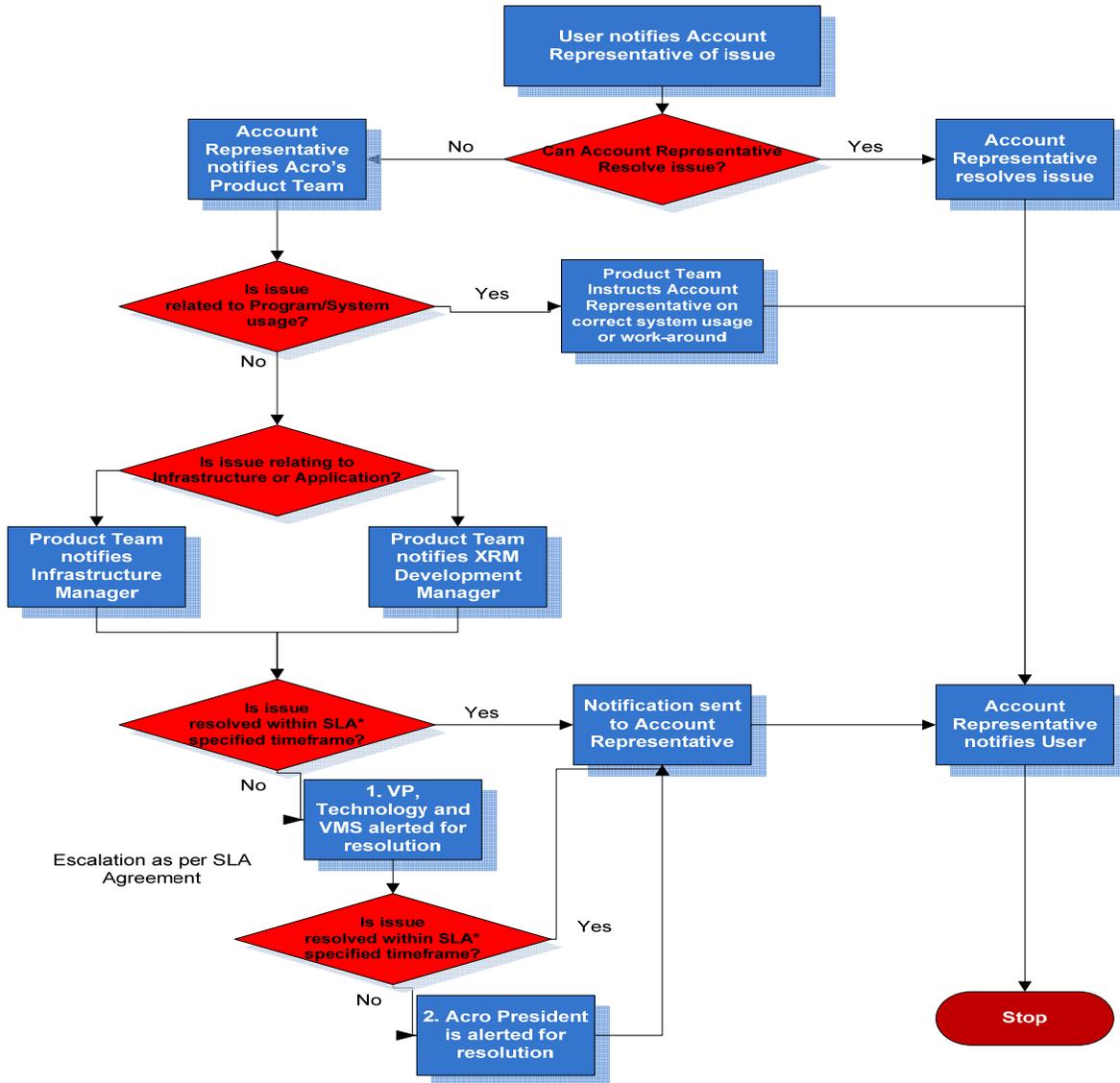




APPENDIX D – Issue Resolution Process

**Acro Service Corporation
Issue Resolution & Escalation Process**

(All actions below are logged in Acro's Issue Tracking Tool and can be reported to the client)



*- Please see SLA Agreement for terms/timeframes



APPENDIX E – Cost Table

1. Service Rates

This service rate will cover all fees charged to the State, including any costs that may arise from Support Services provided with the product and costs that may arise from installing and implementing the Product

The Contractor will use a subcontractor funded fee model to recover its costs of providing the proposed VMS web-based system and services the State, including any costs that may arise from support services provided with the XRMSM System and all costs that may arise from installing and implementing the XRMSM System Product and providing required training and user documentation to all users, as well as ongoing help desk and other VMS program support during the contract term (all-inclusive pricing).

Acro's fees would be charged to the subcontractor as a percentage of the payments received from the State for the services delivered to the State by the employees of each subcontractor.

Acro will hold back **1.80% of the amount** (VMS fees) due to each subcontractor for the contingent labor services rendered by such subcontractor and remit the rest to the subcontractor within seven (7) business days of receiving the corresponding payments from the State.

The components factored into this service rate are as follows:

VMS Product Related:

- Unlimited User License for the XRMSM System
- System Tailoring
- Implementation Support
- Initial Data Loading
- 24X7 Technical Support
- System Backups
- Training
- On-going Systems Support
- Integration with Client Systems
- Software Updates and Upgrades
- All other VMS product requirements identified in this Contract

VMS Service Related:

- 24/7 Support
- Job Order Support, and Review for Completeness and Compliance
- Approval Process Monitoring, Flag/Escalate Exceptions
- Broadcast Job Orders to Sub-contractors
- Manage Resume Submittal Process
- Coordinate Interviews
- Coordinate On-Boarding (Drug & Background, Wage Rate/Bill Rate Confirmation, Security) Coordinate Extensions and End of Assignments
- Monitor/Report Program, Sub-contractor Metrics and SLA Compliance
- Bill Rate/Wage Rate Management
- Monitor Assignment for Quality and State Manager Satisfaction
- Strategic Support/Market Analysis
- Ongoing Training of New Users
- All other VMS service requirements identified in this Contract

2. Discounted Service Rates for Large Work Order Contracts

The Contractor has provided the levels of percentage discounts against its service fees, shown in the table below. Fees shall be based on the monthly volume of program spend, i.e., the amount billed to the State for



contingent labor services. Acro shall apply the discount percentage shown below to its service fee and include it as a credit in its monthly invoice to the State:

Value of Monthly Invoice to the State (\$)	Percentage (%) Discount Applied to Acro's Service Fee**
\$100,001 - \$150,000	0%
\$150,001 - \$500,000	0%
\$500,001 - \$1,000,000	0%
\$1,000,001-\$2,000,000	2%
\$2,000,001 and greater	3%

** Acro's service fee shall be equal to 1.80% of the Value of Monthly Invoice to the State.

3. Potential Discounts

Acro will be able to offer the following additional conditional discounts to the State:

- If approved by the State, Acro will negotiate volume discounts with the subcontractors based on the amount billed to the State on their behalf and will pass on all of these discounts to the State as a reduction in the monthly invoice.

IT JOB CLASSIFICATION	Not To Exceed Hourly Rate
PROGRAMMING	
Programmer-Analyst	\$55.00
Programmer-Analyst Sr	\$60.83
Programmer	\$55.00
Programmer Sr.	\$60.83
Application/Software Engineer	\$55.00
Application/Software Engineer Sr	\$72.34
SYSTEMS DEVELOPMENT	
Systems Analyst	\$50.00
Systems Analyst Sr	\$64.12
Systems Administrator	\$53.51
Systems Administrator Sr.	\$57.54
DATA MANAGEMENT	
Database Administrator	\$56.55
Database Administrator Sr.	\$62.47
Database Analyst	\$55.00
Database Analyst Sr.	\$62.47
TECHNICAL SPECIALIST	
Technical Writer	\$45.00
Technical Writer Sr.	\$54.25
Testing Technician	\$39.95
Testing Technician Sr.	\$44.39
Technician	\$35.02
Technician Sr.	\$41.10
QUALITY ASSURANCE	
Quality Assurance Analyst	\$55.00
Quality Assurance Analyst Sr.	\$64.12
PROJECT MANAGEMENT	
Project Manager	\$60.86



Project Manager Sr.	\$65.76
Project Coordinator	\$32.91
Project Coordinator Sr.	\$36.17
Business Analyst/Consultant	\$60.86
Business Analyst/Consultant Sr.	\$65.76
Facilitator	\$62.47
NETWORKING	
Network Analyst	\$57.90
Network Analyst Sr.	\$64.12
Network Administrator	\$53.51
Network Administrator Sr.	\$57.54
SECURITY	
Security Analyst	\$49.35
Security Specialist	\$53.51
HELP DESK/CALL CENTER REPS	
Help Desk/ Call Center Rep	\$23.94
Help Desk/ Call Center Rep Sr	\$27.95
WEB DEVELOPMENT SERVICES	
Web Developer	\$60.86
Web Developer Sr	\$62.47
DATA CENTER OPERATIONS	
Data Center Operator	\$28.54
Data Center Operator Sr.	\$31.24
TELEPHONY	
Telephony Analyst	\$40.00
Telephony Analyst Sr	\$50.00
Telephony Administrator	\$45.00
Telephony Administrator Sr.	\$55.00
INFRASTRUCTURE	
System Administrator	\$53.51
System Administrator Sr.	\$57.54
Storage & Backup Administrator	\$56.55
Storage & Backup Administrator Sr.	\$59.18
OTHER POSITIONS	
Training Specialist	\$41.20
Field Services Technician	\$29.74
Strategic Technology/Enterprise Architecture	\$77.30
Technical Consultant	\$83.88
ADDITIONAL CLASSIFICATIONS	
Geospatial Information Scientist and Technologist	\$60.83
Electronic Commerce Specialist	\$60.83
Document Management Specialists	\$60.83

*** Notes:**

1. Not to Exceed Hourly Rates are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed.



APPENDIX F – SLA Table

The contract includes **service level agreements** to which the managed service provider must adhere. They are:

No.	Performance Metric	Performance Target	Description	Calculation	Frequency of Review
1	Request Receipt Confirmation Time	92% or higher	Measures average response time from Contractor’s receipt of request to the confirmation of request receipt.	Number of requests which received confirmation within 1 business day / total number of request.	quarterly
2	Response Time	92% or higher	Measures average response time from Contractor’s receipt of a valid request to delivery of proposed candidate list and qualified resumes.	Number of requests which received proposed candidate list and qualified resumes for review within 3 business days / total number of requests.	quarterly
3	Fill Rate	92% or higher	Measures Contractor’s ability to satisfactorily process and service submitted valid requests: Indicates how many requests are open.	Total number of filled positions at quarter end / (total number of requests that has been in place over 4 business weeks and have State’s feedback on submitted candidates within 5 business days , excluding requests that were cancelled or put on hold during the quarter).	quarterly
4	Urgent Flagged Submittal Response Time	92% or higher	Measures average response time from receipt of urgent valid requests to delivery of proposed candidate list and qualified resumes.	Number of urgent requests that received proposed candidate list and qualified resumes for review within 2 business days / total number of urgent requests.	quarterly
5	Urgent Fill Rate	92% or higher	Measures Contractor’s ability to fulfill urgent requests: Indicates how many requests are open beyond 2 business day response time.	Total number of urgent requests filled at quarter end / (total number of requests that have been in place over 2 business weeks and have State’s feedback on submitted candidates within 2 business days, excluding requests that were cancelled or put on hold during the quarter).	quarterly



No.	Performance Metric	Performance Target	Description	Calculation	Frequency of Review
6	Attrition Rate	8% or lower	Measures Resource turnover due to unplanned situations not caused by the State, not including inadequate performance, death, serious illness, etc.	Number of unplanned turnovers / total number of Resources.	quarterly
7	Performance Removal	5% or lower	Measures Resource turnover due to inadequate resource performance.	Number of Resource turnovers (due to inadequate performance) / total number of resources.	quarterly
8	Failure to Start Rate	8% or lower	Measures Resources who've accepted the position and confirmed a start date, that fail to start the assignment.	Number of candidates who've accepted the position and confirmed a start date, that fail to start the assignment / total number of candidates that accepted a position and confirmed a start date during the quarter	quarterly
9	VMS Availability	99% or higher availability	Measures VMS.	System availability time/Total time within period (excluding non-business hours and scheduled downtime)	quarterly
10	Financial Accuracy	5% or lower	Measures the number of financial related errors by the vendor such as bill rate, wage rate and markup errors entered into the system.	Total number of errors / Total number of submissions.	quarterly

Given that the services and the learning process for the users and the Subcontractors providing resources under the Contract will ramp over a period of time, the above SLAs will be computed and reported for observation purposes (only) for a duration of six months after the launch of the VMS program with no effect on the Contract. At the end of six months of operation, the State and Contractor will adjust the above metrics (if necessary) and start applying the actual values of the metrics to evaluate the program.

Given that the services and the learning process for the users and the Subcontractors providing resources under the Contract will ramp over a period of time, the above SLAs will be computed and reported for observation purposes (only) for a duration of six months after the launch of the VMS program with no effect on the Contract. At the end of six months of operation, the State and Contractor will adjust the above metrics (if necessary) and start applying the actual values of the metrics to evaluate the program.



APPENDIX G – Job Classifications

The contractor must provide the services of the staffing classifications listed below, which describes the State's minimum requirements for personnel in the various classifications and any technical expertise that shall be expected of vendor personnel. Staff shall be provided only through subcontracted suppliers.

The contractor or companies owned by the contractor are not allowed to participate in providing staff. Exception may be made in limited instances but, will require pre-approval by the State.

IT Job Classification	Qualifications & Skill-sets for Position
PROGRAMMING	
Programmer-Analyst	Programmer-Analyst capabilities with 1-7 years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
Programmer-Analyst Sr.	Programmer-Analyst capabilities with 8 or more years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
Programmer	Programmer capabilities with 1-7 years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
Programmer Sr.	Programmer capabilities with 8 or more years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
Application/Software Engineer	Software Engineer capabilities with 1-7 years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
Application/Software Engineer Sr.	Software Engineer capabilities with 8 or more years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
SYSTEMS DEVELOPMENT	
Systems Analyst	Systems Analyst capabilities with 1-7 years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
Systems Analyst Sr.	Systems Analyst capabilities with 8 or more years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
Systems Administrator	System Administrator with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular technology area. Relies on experience and judgment to plan and accomplish goals. Performs a variety of administration tasks including, but not limited to: operating system configuration, performance tuning, hardware and software troubleshooting, software patch application and 3rd party software installation and configuration. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is



IT Job Classification	Qualifications & Skill-sets for Position
Systems Administrator Sr.	required. Must have Novell, Microsoft and Unix network certification. System Administrator capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience in multiple technology areas and judgment to plan and accomplish goals. Performs a variety of administration tasks including, but not limited to: operating system configuration, performance tuning, hardware and software troubleshooting, software patch application and 3rd party software installation and configuration. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a supervisor or manager. Must have advanced Novell, Microsoft and Unix network certification.
DATA MANAGEMENT	
Database Administrator	Database Administrator capabilities with 1-7 years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
Database Administrator Sr.	Database Administrator capabilities with 8 or more years of experience, relies on experience and judgment to plan and accomplish goals, performs a variety of complicated tasks, may lead and direct the work of others, may report directly to a project lead or manager, a wide degree of creativity and latitude is expected.
Database Analyst	Database Analyst capabilities with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is required.
Database Analyst Sr.	Database Analyst capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on experience and judgment to plan and accomplish goals. Performs a variety of complicated tasks. May lead and direct the work of others. Typically reports to a project leader or manager. A wide degree of creativity and latitude is expected.
TECHNICAL SPECIALIST	
Technical Writer	Technical Writer with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision; typically reports to a supervisor or manager. A certain degree of creativity and latitude is required.
Technical Writer Sr.	Technical Writer capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. May lead and direct the work of others. Typically reports to a manager or head of a unit/department. A wide degree of creativity and latitude is expected.
Testing Technician	Testing Technician capabilities with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision. A certain degree of creativity and latitude is required. Typically reports to a supervisor or manager.
Testing Technician Sr.	Testing Technician capabilities with 8 or more years of experience in the field or



IT Job Classification	Qualifications & Skill-sets for Position
	in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a supervisor or manager.
Technician	Technician capabilities with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is required.
Technician Sr.	Technician capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on experience and judgment to plan and accomplish goals. Performs a variety of complicated tasks. May lead and direct the work of others. Typically reports to a project leader or manager. A wide degree of creativity and latitude is expected.
QUALITY ASSURANCE	
Quality Assurance Analyst I	Quality Assurance Analyst capabilities with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision. A certain degree of creativity and latitude is required. Typically reports to a supervisor or manager.
Quality Assurance Analyst III	Quality Assurance Analyst capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a supervisor or manager.
PROJECT MANAGEMENT	
Project Manager	Project Manager capabilities with 2-7 years of experience.
Project Manager Sr.	Project Manager capabilities with 7 or more years of experience.
Project Coordinator	Project Coordinator capabilities with 5-10 years of experience.
Project Coordinator Sr.	Project Coordinator capabilities with 11 or more years of experience.
Business Analyst/Consultant	Business Analyst/Consultant capabilities with 1-7 years of experience in the field or in a related area. Has knowledge of commonly-used concepts, practices, and procedures within a particular field. Relies on instructions and pre-established guidelines to perform the functions of the job. Performs a variety of tasks, such as identify and document business requirements. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is required.
Business Analyst/Consultant Sr.	Business Analyst/Consultant capabilities with 8 or more years of experience in the field or in a related area. Relies on experience and judgment to plan and accomplish goals. Performs a variety of complicated tasks, such as identify and document business requirements. May lead and direct the work of others. May report directly to a project lead or manager. A wide degree of creativity and latitude is expected.
Facilitator	Facilitator capabilities with 1-5 years of experience in the field or in a related area. Experience facilitating information gathering sessions to capture business requirements and business processes related to information



IT Job Classification	Qualifications & Skill-sets for Position
	<p>technology solutions. Experience facilitating review session(s) to discuss the draft document and determine the appropriate revisions. Experience preparing documents for the design of solution components that meet user/system requirements, including the selection of alternative approaches. Experience facilitating technical design sessions to translate business process and business requirements into technical design requirements. Experience working with diverse group, consensus building and team building.</p>
NETWORKING	
Network Analyst	<p>Network Administrator with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is required. Must have Cisco CCNP/CCNA certification.</p>
Network Analyst Sr.	<p>Network Analyst capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a supervisor or manager. Must have Cisco CCIE certification.</p>
Network Administrator	<p>Network Administrator with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is required. Must have Cisco CCNP/CCNA certification.</p>
Network Administrator Sr.	<p>Network Administrator capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a supervisor or manager. Must have Cisco CCIE certification.</p>
SECURITY	
Security Analyst	<p>Candidate should have knowledge of commonly used concepts, practices, and procedures within information technology. This position requires a bachelor's degree in area of specialty and 0-3 years of experience in the field or in a related area.</p>
Security Specialist	<p>Candidate should be familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals and will be required to perform a variety of tasks. A wide degree of creativity and latitude is expected. This position requires a bachelor's degree with at least 5 years of experience in the field.</p>
HELP DESK/CALL CENTER REPS	
Help Desk/ Call Center Rep	<p>The candidate must have knowledge of commonly used concepts, practices, and procedures within information technology. Relies on instructions and pre-established guidelines to perform the functions of the job. This position prefers an associate's degree and requires 0-3 years of experience in the field or in a related area.</p>
Help Desk/ Call Center Rep Sr.	<p>The candidate must be familiar with a variety of the field's concepts, practices, and procedures. Relies on experience and judgment to plan and accomplish</p>



IT Job Classification	Qualifications & Skill-sets for Position
	goals. Performs a variety of complicated tasks. A wide degree of creativity and latitude is expected. This position prefers an Associate's degree and requires 3+ years of experience in the field or in a related area.
WEB DEVELOPMENT SERVICES	
Web Developer	Knowledge and experience in HTML, including style sheets, templates, complex tables, frames, image maps, CGI programming, applets, animation, multimedia design and delivery, and web publishing procedures, is essential. This position prefers a Bachelor's Degree in Computer Science, Information Systems, or other related field and requires 2 to 4 years of IT work experience.
Web Developer Sr.	This position prefers a Bachelor's Degree in Computer Science, Information Systems, or other related field and requires 4 to 7 years of IT work experience.
DATA CENTER OPERATIONS	
Data Center Operator	The candidate must be familiar with standard concepts, practices, and procedures within a particular field. Relies on instructions and pre-established guidelines to perform the functions of the job. This position prefers an Associate's degree or its equivalent and requires 0-3 years of experience in the field or in a related area.
Data Center Operator Sr.	The candidate must be familiar with a variety of the field's concepts, practices, and procedures. Relies on experience and judgment to plan and accomplish goals. Performs a variety of complicated tasks. This position prefers an Associate's degree or its equivalent and requires 3+ years of experience as a computer operator.
TELEPHONY	
Telephony Analyst	Telephony Analyst with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is required.
Telephony Analyst Sr.	Telephony Analyst capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a supervisor or manager.
Telephony Administrator	Telephony Administrator with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular field. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is required.
Telephony Administrator Sr.	Telephony Administrator capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience and judgment to plan and accomplish goals. Performs a variety of tasks. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a supervisor or manager.
INFRASTRUCTURE	
System Administrator	System Administrator with 1-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a



IT Job Classification	Qualifications & Skill-sets for Position
	particular technology area. Relies on experience and judgment to plan and accomplish goals. Performs a variety of administration tasks including, but not limited to: operating system configuration, performance tuning, hardware and software troubleshooting, software patch application and 3rd party software installation and configuration. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is required. Must have Novell, Microsoft and Unix network certification.
System Administrator Sr.	System Administrator capabilities with 8 or more years of experience in the field or in a related area. Familiar with a variety of the field's concepts, practices, and procedures. Relies on extensive experience in multiple technology areas and judgment to plan and accomplish goals. Performs a variety of administration tasks including, but not limited to: operating system configuration, performance tuning, hardware and software troubleshooting, software patch application and 3rd party software installation and configuration. May lead and direct the work of others. A wide degree of creativity and latitude is expected. Typically reports to a supervisor or manager. Must have advanced Novell, Microsoft and Unix network certification.
Storage & Backup Administrator	Storage & Backup Administrator with 1-3 years of experience in the field or in a related area. Has knowledge of commonly-used concepts, practices, and procedures within a particular technology area. Relies on instructions and pre-established guidelines to perform the functions of the job. Works under immediate supervision. Primary job functions do not typically require exercising independent judgment. Typically reports to a project leader or manager. Must have Novell, Microsoft or Unix NOS experience. Must also have Veritas or EMC certification.
Storage & Backup Administrator Sr.	Storage & Backup Administrator capabilities with 4-7 years of experience in the field or in a related area. Familiar with standard concepts, practices, and procedures within a particular technology area. Relies on limited experience and judgment to plan and accomplish goals. Performs a variety of tasks. Works under general supervision; typically reports to a project leader or manager. A certain degree of creativity and latitude is required. Must have Novell, Microsoft and Unix NOS certification. Must also have Veritas or EMC certification.
OTHER POSITIONS	
Training Specialist	This category requires a person with directly related knowledge and experience in the areas of computer and applications related end user and support personnel training requirements. Individuals proposed for this category must possess superior communications and interpersonal skills. This position requires one to two years of experience in developing and providing specialized training.
Field Services Technician	This position prefers an Associate's or Bachelor's Degree, or technical institute degree/certificate or equivalent work experience and requires 1 to 2 years of IT work experience.
Strategic Technology/Enterprise Architecture	This position prefers a Bachelor's degree in area of specialty and requires 10+ years of experience in the field or in a related area.
Technical Consultant	This position prefers a Bachelor's Degree in Computer Science, Information Systems, or other related field, or equivalent work experience and requires 7 to 10 years of IT work experience. Requires prior management, supervisory, or team leader experience.



APPENDIX H – Functional Requirements

1.	Contractor's system will use a user friendly, easy to use, one-page "Create a Requisition"/pre-request screen.
3.	The system will allow for different dashboards for each user type. Users such as hiring managers, buyers and approvers can get their specific dashboard views, menu choices and reports.
4.	The system will have the ability to source both hourly based work and fixed-price contracts.
5.	The system will be accessible by any authorized user's desktop with Internet connectivity.
6.	<p>The contractor will maintain a detailed Disaster Recovery Plan (DRP), which defines the response time to restore the XRMSM System in the event of a primary system failure, as well as detailed backup processes to protect data. The purpose of the DRP is to minimize the down time due to the impact of a disaster and to return to operation in a timely manner. In the event of a disaster, the plan establishes a chain of command that sets in motion a number of activities to be performed by pre-assigned staff members. Following is a description of ACRO's DRP.</p> <ul style="list-style-type: none"> • Acro utilizes two data centers to host the XRMSM System. The Primary Data Center (PDC) is located in Acro's Global Headquarters in Livonia, Michigan and the Disaster Recovery Data Center (DRDC) is located at SunGard Availability Services in Wood Dale, Illinois. If the PDC is not available for any reason, Acro's computing systems switch over to the DRDC to assure continuity of operations. • Within the PDC, the XRMSM System is hosted on two separate servers. All transactions are processed by the primary server. The data from this server is copied onto a backup server which is re-populated every hour creating redundancy. In the event the main server fails, no more than one hour of production can be lost. • The XRMSM System's database is archived each day using Veritas software, and stored offsite. This data can be made available to restore the database within one hour. • The PDC has UPS for uninterrupted operation during intermittent power failures. If there is an extended power outage, operations will switch over to the DRDC. <p>Acro's Business Continuity Management Team is responsible for updating the Disaster Recovery Plan and testing the environment twice annually. A copy of Acro's DRP will be available upon request.</p>
7.	The system will be a web-based, vendor hosted ordering tool that can be used for ordering temporary help, professional services, and deliverable-based fixed price services.
8.	<p>The system will have a one-screen online work request form that contains all the fields necessary to quickly create a detailed work request/SOW.</p> <p>The system will automatically provide an estimated total cost for the requested work based on the applicable rate and contract duration. The estimated total work/assignment cost will be viewable only by internal State personnel, to assist with internal budget compliance.</p>
9.	The system will utilize a robust email notification system for alerting status changes, (and/or actions required by the recipient) to all stakeholders for each step of the requisition life-cycle process. These notifications will occur at numerous points in the process, including but not limited to the when the following events occur : requisition submitted, requisition 1st level approved, 2nd level approved, rejected, broadcast, candidate submitted, candidate reviewed, interview requested, candidate selected, employee on-boarded and employee off-boarded. In addition all actions taken within the system will be date and time stamped and viewable at the bottom of the requisition page for easy tracking. Status reports can also be generated in real-time. Finally, when viewing most lists within the system such as "Requisitions" and "Candidates" the current status is listed there along with other high level information.
10.	The system will have a rate card management function that assures rate card management and compliance with all State rate structure and business rules. XRM SM System can accommodate a variety of rate structures including but not limited to; Not to Exceed (NTE) Billing Rates, Target Billing Rates, Fixed Billing Rates, and Target or NTE Markups with or without specified Wage Rate guidelines. During the creation of a new job requisition by the hiring manager or the submittal of a candidate by the vendor, the system ensures the stipulated Billing Rates, Wage Rates and Markups, as applicable, are not exceeded unless client defined exception processes (if any) are followed. All rate data is available to generate multiple standard, ad-hoc and customized reports for review by State personnel.
11.	The system will track contract workers time and expenses. Contract workers enter their time and expenses directly into the system for approval. State managers who have been established as Primary and Alternate Approvers for billable time and expenses are notified via email at established points in time, if there are records in the system awaiting their approval. To approve time and expenses, the Approver accesses the XRM SM System to review the contract workers time record. The reviewing manager can either approve the record by clicking the "Approve" button, or the record can be rejected by clicking the "Decline" button. If a record is declined, the manager must enter comments as to why the record was declined. An email is then sent to the contract worker informing him/her of the reason for rejection. The contract worker can then access the XRM SM System to make the appropriate changes and resubmit the time record for review.



<p>12.</p>	<p>The system will track, record, and report (as required) on any action taken or data element in the system. This includes tracking all subcontractor data including their employee data, PO #, assignment start and end dates, rates, on-boarding activities, etc. All State required tracking information for subcontractor services will be accessible and reportable. In addition Acro tracks and records subcontractor performance related data as described below. Collectively, Acro's Program Management Team will monitor and facilitate all aspects of the VMS program, including the management and tracking of the State's subcontractor community. All subcontractor actions taken within the XRMSM System are date and time-stamped and are used to evaluate and improve vendor and program performance metrics. The specific metrics to be used for the State's VMS program will be finalized by Acro and the State Project Manager during implementation and will be communicated to the subcontractors prior to the program's launch. To monitor subcontractor and overall VMS program performance, Acro typically uses the following metrics and will incorporate additional metrics or remove one or more of the metrics stated below in keeping with the State's requirements.</p> <ol style="list-style-type: none"> 1. Response Rate: This metric reflects the percentage of positions broadcasted to the managed vendor, where the managed vendor has at least one submittal within the target time frame. 2. Fill Rate: The percentage of positions filled by the managed vendor out of all positions broadcast to the managed vendor that closed during the measurement period. 3. Failure to Start: The percentage of contingent workers who've accepted the position and confirmed a start date, that for whatever reason fail to start the assignment. 4. Retention Rate: This metric measures the percentage of candidates placed by the vendor who remain in their positions through completion of the assignment (i.e., who do not terminate voluntarily or involuntarily). 5. Client Manager Satisfaction: Measures the average numerical satisfaction rating, typically on a 1-5 scale for all placements by the vendor during the measurement period. 6. On-Boarding: The percentage of times the vendor meets the client's on-boarding specifications including requirements for safety training, drug and background testing and other on-boarding requirements. 7. Financial Accuracy: A measure of the number of financial related errors by the vendor such as bill rate, wage rate and markup errors entered into the system. 8. Response Rate: Measures the average time between a position broadcast and the vendor's first qualified submittal. This is compared to a target response. <p>Acro provides performance reports (scorecards) to participating managed vendors on a quarterly basis and conducts meetings and/or conference calls to review their performance and answer any questions managed vendors may have. Other one-on-one sessions are also scheduled with vendors as needed or requested by either the vendors or Acro. The quarterly performance review meetings serve as the basis for managing the overall vendor pool performance, and will include any appropriate corrective actions that may be necessary to support the vendors improvement, including:</p> <ol style="list-style-type: none"> a. Co-developing a corrective action plan with the managed vendor and working with the vendor to help them improve their performance. As an expert in the staffing industry and a quality oriented organization, Acro has a deep understanding of the issues faced by the vendors and is able to offer many constructive ideas to help improve the vendors' performance. b. For repeated performance issues, Acro may put the vendor on probation, restrict their access to new requisitions and continue to support the resolution of their performance issues. c. For unsuccessful probationary vendors and serious policy or process non-compliance issues, vendors will be removed from active participation in the program. <p>Acro will also perform periodic and spot audits on managed suppliers to ensure compliance with State on-boarding, worker classification and documentation requirements. Acro will take appropriate corrective actions when instances of non-compliance are discovered, as described above. Acro's disciplinary action plan described above or a modified plan is subject to the State's approval.</p>
<p>13.</p>	<p>The requisition creator will have the ability to customize the job description selected for each requisition within the system. This will not affect the global job description library, because locally customized job descriptions are saved in the requestors personal library. The State's standard/global descriptions will be available from an on-line library of job descriptions the State will provide to the contractor. The system will save each manager's job requirement into a personal library to streamline the process of creating future requisitions of a similar nature. Global job descriptions, which represent the default job descriptions, are also customizable by authorized users, typically, the System Administrators.</p>
<p>14.</p>	<p>The system will fully support standardized and custom job titles and descriptions.</p>
<p>15.</p>	<p>The system will have a scheduling feature to automate and facilitate the scheduling of interviews and will update a manager's Outlook calendar automatically when interviews are confirmed. Requesting Managers can request to interview a candidate directly through the system by entering the details of up to three interview time slots. An automated email is sent to the vendor for confirmation. The vendor will then either confirm their candidate's availability for the three time-slots requested by the manager or suggest an alternate schedule. The Requesting</p>



	<p>Manager will then select the final interview time slot from the candidate's availability and an email is sent to the vendor confirming the interview.</p>						
16.	<p>The system will provide complete customizable control over the client's (including all client agencies, departments and units) internal approval process. The system will be tailored to meet the State's exact needs based on DTM's/agencies internal approval processes. When a requisition is submitted for approval, an email notification is automatically sent to the first approver for review, approval or rejection.</p> <p>If the requisition is approved, an email notification is sent to the next approver and so-on until all required approvals have been secured, at which time, the requisition is released to the VMS program team for final review before being broadcasted to the appropriate managed vendors. The requisition creator and VMS program team also receive email notifications at every step in the approval process.</p> <p>If the requisition is rejected by any approver, the person making the rejection must enter a reason in the rejection reason field. Another email notification is automatically sent back to the creator, so that the creator can review the rejection reason, make modifications if appropriate and re-submit the requisition for approval.</p> <p>The system will support each client's/agency's exact internal approval processes. Internal approval processes will be defined in accordance with the State's requirements during program implementation, including, if required a different internal approval scheme for each agency, department and user.</p> <p>All aspects of the internal approval process can be customized to meet the State's requirements. The list below highlights, by way of example, some of the common points of customization.</p> <ul style="list-style-type: none"> • Number of levels of approval required. • Types of approvals required (Line, Function, Program, HR, Procurement, Finance, etc.). • Exception approvals are required for overspend (i.e., approval of billing rates above any specified maximum rates). 						
17.	<p>The system will provide fully auditable budget and accounting data recording and tracking capability to accommodate and manage accounting data including purchase order (PO) #, period of performance, total purchase order funding amount, actual spend to date, project office location, buyer information, primary and alternate approver information, and all other relevant information. This capability will be tailored to meet all State requirements.</p> <p>The system accommodates other formats for capturing budget and accounting data. Further, the system will record and track all budget and accounting data required by the State (including each agency if required), while maintaining the ability to roll up to the State level.</p>						
18.	<p>Service location by individual resource data will be captured by the system.</p>						
19.	<p>The system will track, display and report each contract worker's service duration in terms of elapsed time, billed hours and expended amount. Upon demand by the authorized users, this data can be reported against the approved limits for elapsed time, billed hours and expended amount.</p>						
20.	<p>Project names and codes can be stored and displayed/reported by the system.</p>						
21.	<p>Hiring manager's name will be captured, displayed and reported by the system.</p>						
22.	<p>Subcontractors name and contact data will be captured displayed and reported by the system.</p>						
23.	<p>The system will allow users to search among current contract workers by job title and availability. The State can use this availability information to request or reserve specific current contractors or for other required purposes.</p>						
24.	<p>The system will contain free text fields; some will be designed to be viewable by State employees only, while others will be designed to be shared with subcontractors depending on their specific purpose.</p>						
25.	<p>The system will allow users to create and attach files, including a Statement of Work (SOW).</p>						
26.	<p>The system will have the capability to generate a single monthly invoice for each PO (as clarified in the Q&A) that includes all required details regarding all charges by agency, project number, purchase order, contract worker name and any other information required by the State.</p>						
27.	<p>The System and Services will be available 24 hours a day and 7 days a week.</p> <p>The system will provide users with direct access to its web-based trouble reporting and tracking system to report and track problems and/or post questions which get forwarded to appropriate vendor personnel for resolution. Please note that Acro also takes prompt action to rectify any reported customer dissatisfaction with any aspect of the VMS program. A root cause analysis of the issue or problem causing the dissatisfaction is performed, corrective actions are taken immediately, and the results are monitored to assure the source of dissatisfaction has been eliminated.</p> <p>The vendor's response times are provided in the table below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th style="text-align: center;">Case Priority Problem Severity</th> <th style="text-align: center;">Response Goals</th> <th style="text-align: center;">Resolution Goals</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1-Severe</td> <td style="text-align: center;">One Hour Response</td> <td style="text-align: center;">Upon confirmation of receipt, Team begins</td> </tr> </tbody> </table>	Case Priority Problem Severity	Response Goals	Resolution Goals	1-Severe	One Hour Response	Upon confirmation of receipt, Team begins
Case Priority Problem Severity	Response Goals	Resolution Goals					
1-Severe	One Hour Response	Upon confirmation of receipt, Team begins					



<p>The system or major application is down or seriously impacted, or the customer's data is lost or destroyed, and there is no reasonable workaround currently available (system crashes or panics, corrupted data).</p>		<p>continuous work on the problem, and a customer resource must be available at any time to assist with problem determination. Team will provide best effort for workaround or fix within 24 hours, once the problem is reproducible or once Contractor has identified the system issue. Fix may be incorporated in future release of software.</p>
<p>2-High The system or application is moderately affected. There is no workaround currently available or the workaround is cumbersome to use.</p>	<p>Four Hour Response</p>	<p>Team will provide best effort for workaround or fix within 1-2 business days, once the problem is reproducible. Team may incorporate fix in future release of software.</p>
<p>3-Medium The system or application issue is not critical; no data has been lost, and the system has not failed. The issue has been identified and does not hinder normal operation, or the situation may be temporarily circumvented using an available workaround; feature failure; convenient workaround exists.</p>	<p>Eight Hour Response</p>	<p>Team will provide best effort to workaround or fix within 3-4 business days, once the problem is reproducible. Team may incorporate fix in future release of software.</p>
<p>4-Low Non-critical issues, general questions, enhancement requests, or the functionality does not match documented specifications</p>	<p>Eight Hour Response</p>	<p>Team will provide a workaround or fix within 10 business days, once the problem is reproducible. Team may incorporate fix in future release of software.</p>

28. A Detailed workflow map has been included as Appendix C. The information below summarizes each step referred to in this question.

Create and Submit a Request / Statement of Work (SOW)
Acro's VMS, XRMSM System, has a "one-screen" Create a Requisition" page that contains all the fields necessary to quickly create a detailed request/statement of work for approval processing or submit an already created and approved request/statement of work as described in answer to Question 8 above. Once the approved request/statement of work is submitted, a confirmation screen is displayed and e-mail notification is sent to the Acro team who will review and process the request and acknowledge that it is completed and submitted for approval, email notifications are automatically sent in sequence to each required approver for their review and approval. If the request/statement of work needs management approvals within the Agency or DTMB, the process outlined in answer to Question 16 above is followed. The hiring manager is notified via e-mail during all status changes and also can access the current status on a real time basis by accessing the XRMSM System.

Resume Receipt and Scan:
Requisition Broadcasting:
After all internal approvals have been obtained; a final review will be completed by Acro's VMS program team to ensure that all relevant information has been provided, and that all client program requirements have been met. It will then be broadcast to all subcontractor firms simultaneously. Each subcontractor firm receives multiple email notifications (sent to primary and back-up email addresses) informing them that a new requisition is ready for their submittals.

Candidate Submittal:
When a vendor's personnel needs to submit a bid, i.e., a candidate (including candidate resume), they select the appropriate requisition and then enter relevant data into the Candidate Summary in addition to uploading the resume and other documents such as Candidate Commitment Letter, Vendor Certification of the rates and others.

Select Candidate:
When new resumes are received Acro's Account Representative, can either prescreen and forward qualified submittals (only) to client managers or allow client managers to access all applicable submittals directly, without any type of filtering.



After reviewing detailed submittal information including the resume, the hiring manager can select the following options for each candidate: Defer, Shortlist, Request an Interview, Select or Reject. The system has a scheduling feature to facilitate the scheduling of interviews and will update Outlook automatically, when interviews are confirmed. Vendor firms receive email notifications automatically when the hiring manager selects any of the above options. If the candidate is selected, an automated email containing on-boarding instructions and forms is sent to the appropriate vendor for processing. All of the above functions can also be tracked to user's mobile device for review, approval, and acceptance of requests (e.g. interviews).

Monitor Time Reporting:

XRMSM System's Time Record Automation Center (AcroTracTM) module tracks contract worker's time and expenses. Contract workers will enter their time and expenses directly into the system for approval. The contract worker's primary and alternate time and expense approvers are automatically notified via email when a time or expense record is awaiting their review and approval. To approve time and expenses, the Approver will access the XRMSM System to review the contract workers time record. The reviewing manager can either approve the record by clicking the "Approve" button, or the record can be rejected by clicking the "Decline" button. If a record is declined, the manager must enter comments as to why the record was declined. An email is then sent to the contract worker informing them of the reason. The contract worker can then access the AcroTracTM System to make the appropriate changes and resubmit the time record for review.

Business Reports:

XRMSM System's reports are provided on a real-time, self serve basis, and can be generated in minutes by the user directly, on-demand 24x7x365. The specific data and reports available to each user are dependent on their identified role within the system. Acro's XRMSM System contains an extensive and robust reporting feature including over 40 standard reports, plus a powerful and user friendly ad-hoc report engine. In addition, custom reports will be developed upon request at no cost to the State. XRMSM System's dashboard feature will display selected information in real-time to provide critical program information at a glance. The XRMSM System has the capability to process 2000 data elements from 125 tables and present the information in virtually any desired layout. Acro's XRMSM team can develop and deploy a new report on request. Each report provides a host of filters that make the report output flexible and quickly usable. In addition, every report has standard feature that allows the reports to be exported to a flat file or Microsoft Excel file in order to feed the report data to a proprietary system. All data captured in the XRMSM System can be reported by the system. All reports are available online and are accessible 24x7 using standard internet browsers. Access security to reports is completely granular, i.e. access to a report can be controlled at individual user level. This makes it one of the most robust reporting systems in terms of security.

29. The vendor will work with any potential or new subcontractor company interested in doing with the State to assist and mentor them in meeting the State's business requirements and qualifying to provide services under this contract.

Acro makes the on-boarding process for existing vendors as simple and straight forward as possible. In the VMS programs Acro administers, The Contractor consistently on-board over 95% of all incumbent vendors. Acro's vendor on-boarding process includes the following steps:

9. Initial Contact: Acro will contact the vendor and provide them with a packet of on-boarding information and forms specific to the program including but not limited to the following:

- Welcome/Introductory Letter
- Instructions and deadlines for completion of on-boarding documentation including:
 - Vendor Data Sheet** - provides business information about the vendor including staffing capabilities and business classifications (such as Large, Minority Owned, Small Business, etc.).
 - W-9 Tax Form** - Allows Acro to set up the vendor to receive payments from Acro.
 - Electronic Funds Transfer Form**- Provides information so that a vendor can receive payments via EFT.
 - Vendor Information Request Letter** - Provides information regarding the vendor's business status.
 - Subcontract Service Agreement** - Agreement to be signed by the vendor that includes all flow down requirements from the contract with the client.
 - Sample Insurance Certificate** – Provides a model for the vendor to follow to ensure all client and Acro insurance requirements are met.
 - Vendor Contact Information** - Provides vendor point of contact information and specifies vendor facility clearance level.
 - Other Client-Specified Documentation** - Any and all other client required or specified documents are also included in the on-boarding packet.

10. Vendors submit on-boarding documentation to Acro for review. During this step Acro works with and



	<p>negotiates through any issues raised by the vendor regarding the program and subcontract agreement, certificates of insurance and other matters as appropriate to ensure the vendor is fully compliant with all on-boarding requirements. All material individual vendor requests for changes to the subcontract will be reviewed with State and approved before any changes are made.</p> <p>11. Contract Execution. After negotiations and all documentation has been properly completed and submitted to Acro, the subcontract agreement is executed. PO's and/or engagement agreements if needed are then issued for all existing contract workers in place at program launch.</p> <p>12. Vendor Training. Acro will schedule and conduct a vendor training session to cover system training and educate the vendor in the program rules, standard operating procedures, and all other necessary program information they need to effectively transition into the new program. After the training is complete, vendors are given a comprehensive user guide for assisting them with the use of Acro's XRMSM System and the VMS process along with contact information for Acro's program Account Representative.</p> <p>13. On-Going Support. Acro will monitor the subcontractor's performance and provide mentoring and assistance as needed to help the subcontractor establish best practices, develop efficient processes and support their success within the program.</p>
30.	<p>The vendor will conduct regular forums with the State to educate potential new subcontractors how to become involved in the contract.</p>
31.	<p>The system will utilize an email notification system for alerting all stakeholders throughout every step of the requisition process including but not limited to the following steps: submitted, approved, rejected, broadcast, candidate submittal, candidate reviewed, candidate interview requested, candidate selected, employee on-boarded and employee off-boarded .</p>
32.	<p>The system will automatically rank each candidate, based on a combination of price, qualifications and availability. Candidate qualifications are presented alongside client manager's stated requirements to allow for easy comparison. Using the rankings and detailed submittal information, the hiring manager can select the following options for each candidate: Defer, Shortlist, Request an Interview, Select or Reject.</p>
33.	<p>The vendor will upload the State's Personnel Department IT job classifications into the system's global job description library to be used by the State.</p> <p>The data available in the global job description library will include a job title and description for the position along with required and desired soft and hard skills, education level, experience level, estimated start and end dates, billing rate, and other pertinent information that will assist the subcontractor firms in submitting qualified candidates.</p>
34.	<p>Once the State manager(s) select a candidate, the XRMSM System and Acro's Account Representative will work with the subcontractor providing the candidate to manage and keep the on-boarding process and steps on track. First of all, the system will expect the vendor to re-confirm, within a specified period of the selection date, the selected candidate's offer acceptance and start date. Only after this confirmation is received, the system will notify the vendors of non-selected candidates so that those candidates can be released for submission to other requirements. If the subcontractor of the selected candidate fails to confirm the selected candidate's offer acceptance and start date, the Contractor's Account Representative will work with the hiring manager and help him/her in making a selection from the remaining candidates, and if that's not possible, to broadcast the job requisition immediately to the same and/or other vendors in an attempt to rapidly identify replacement candidates for the hiring manager. Depending on the urgency of the position, the Contractor's Account Representative will also initiate and host a "line up" conference call with all subcontractors that were sent the job requisition the second time to express the urgency of filling the position(s), answer any questions or provide any clarifications about the position(s), and understand from the subcontractors their inventory of candidates for the position(s) and the date when the State can expect to receive qualified candidates from them.</p> <p>If acceptable to the State, hiring managers will be invited to participate in the above conference calls, which will be setup in accordance with the hiring managers' schedules if they are able to participate in the call. Such participation by the hiring manager in an Acro controlled, structured and time-efficient conference call is beneficial for both the vendors and the hiring manager. The vendors benefit because they get to hear directly from the user the urgency of filling the position, the position(s)' detailed requirements, including any special requirements and extenuating circumstances. Further, the vendors can ask and obtain answers to any technical or other questions pertaining to the position that will assist them in finding the best fit candidates for the State as rapidly as possible. The hiring managers benefit because in a relatively short conference call they are able to (a) clearly provide all relevant position details, including the urgency of filling the position, to the entire pool of vendors working on the State's job requisition(s), and (b) address the vendors' questions.</p> <p>Based on the information gained in these calls, Acro may decide to broadcast the job requisition to additional vendors immediately following the conference call or do so on the date by which one or more subcontractors had indicated they'll submit qualified candidates, if such submitted candidates are found to be lacking in quality and/or quantity.</p> <p>By using the above or similar proactive approaches appropriate for each client's environment, Acro is able to</p>



	<p>achieve a fill rate in excess of 99% in all VMS programs it manages. The XRMSM System keeps track of no-shows and cancellations by candidates of various vendors, as that metric impacts a vendor's scorecard performance. Vendor's that have a high rate of no-shows and cancellation will receive low scores and will be counseled and coached during performance review meetings to improve their performance. Vendors that have score below specified levels will be asked to prepare and submit corrective action plans, which will be monitored for compliance. Tracking and reporting such data along with a potential for removal from the program keeps no-shows and cancellations to a minimum. Further, in the few cases where no-shows or cancellations do occur, Acro is routinely able to rapidly find alternate candidates by using the approaches described above.</p>
35.	The State has the right to directly hire a contingent worker.
36.	<p>The system will automatically notify client users at intervals of 45, 30 and 15 days prior to the scheduled end of an assignment of their temporary employee. The system will give the State's managers the ability to request an assignment extension by accessing the "Assignment Extension/Adjustment Request" feature. The system will process the extension after any State specified approvals have been secured, and such approvals can be secured electronically within the system based on the State's preferences</p>
37.	<p>Once the contractor's Account Representative receives notification from the system that a new submittal is in the system, if desired by the client, the contractor's Account Representative will scan and review the resume for adherence to mandatory and minimum requirements (such as education, experience, references, candidate commitment letter, etc.) before forwarding the submittal to the hiring manager. Any rejection by contractor's Account Representative and reason thereof is recorded in the system and communicated to the vendor immediately by the system via an email notification along with the reason for the rejection.</p>
38.	<p>When a requisition for hard to find skills is released and requisite number of qualified submittals are not received by the State's standard set of vendors, the contractor will select capable vendors from its broader pool of vendors and approach them to supply these resources. The contractor will initiate and host "line up" conference calls with vendor groups to share information about the hard to fill positions to assure the vendors complete understanding of the skill sets being sought, express the importance of filling the positions as soon as possible, explore specific actions the vendors plan to take to find the hard to find skill sets, challenge them to use creative approaches to find and attract qualified candidates, establish a reasonable a date by which the vendors will submit qualified candidates, and cover other similar items designed to support, motivate and challenge the vendors to use their best efforts to find qualified candidates on behalf of the State. The contractor will also invite and welcome the participation of the State's hiring managers in the above conference calls. In the event the contractor learns any information during the lineup calls that suggests some modifications to the job description would be appropriate, based on prevailing market conditions, to better meet the State's needs, the contractor will immediately notify the State and work with the State to revise the job description and rebroadcast the requisition to the subcontracted vendors.</p>
39.	The system will be configured to support procurement of contract services under a scope of work (SOW) project model in addition to the time and labor model.
40.	<p>The contractor's solution will be vendor neutral. The system will send requisitions to all selected suppliers simultaneously, based on applicable criteria like job description/code, skill sets, location, etc., the VMS program and system will give all approved subcontractor firms equal access, equal information and equal opportunity. By maintaining transparency and a level playing field, contractor guarantees that vendors are always and fully motivated to provide the most qualified candidates available at highly competitive prices, at or below market rates. Each subcontractor firm will receive at least two email notifications (sent to primary and back-up email addresses) informing them that a new requisition is ready for their submittals.</p>
41.	The system will provide completely customizable control over the approval process, and allow for flexible approval hierarchies based on the State's business needs. The approval workflow will be defined per the State's requirements during implementation and can support a different approval scheme for each agency, department and user if required.
42.	The system will have the ability for approvers to edit requisitions.
43.	The system will automatically create a copy of each requisition in the user's personal library for future use as a template. Selecting a job title from the library will automatically populate the most of the required fields and allow a new requisition to be created and submitted for approval within minutes.
44.	The system will automatically assigns a unique number to each requisition.
45.	The system will utilize email notification system for alerting all stakeholders throughout every step of the requisition process including but not limited to the steps related to requisition submittal, requisition approval/rejection, broadcast, candidate submittal, candidate review, candidate interview request, candidate selection, employee on-boarding and employee off-boarding. In addition all actions taken within the system are date and time stamped and viewable at the bottom of the requisition for easy tracking and viewing. This data can also be presented in standard



	and ad-hoc reports as needed.
46.	The system will capture start date, assignment details and manages start logistics. Once a candidate is selected to start an assignment all stakeholders involved in start logistics are notified including the subcontractor, the State's security, IT support, HR, facilities, and other departments as required by the State. The email sent to the subcontractor contains all necessary attachments and required on-boarding documents, which when completed will be uploaded to the system. Once the on-boarding requirements have been met and the candidate is approved to start, all requisition details including start and end dates, requisition number and link, agency, department, manager, location, time and expense approvers, purchase order number and approved funding amounts, rates and much more are captured.
47.	Hiring managers will be able to view candidate qualifications and select candidates online. The system will automatically rank each candidate, based on a combination of price, qualifications and availability. Each candidate is presented to the hiring manager on a Review Submittal screen that lists the candidates' qualifications alongside client manager's stated requirements from the requisition. This allows for easy comparison of the candidates skills with the requisition without having to review the resume (which is always available for review if required). Using the rankings and detailed submittal information, the hiring manager can select the following options for each candidate: Defer, Shortlist, Request an Interview, Select or Reject. A link to the candidate's resume is available on the screen as well so the manager can view the resume if needed. Based on hiring manager's preferences, the contractor's Program Manager Account Representative, supported by the system's automated candidate ranking and comparison-enabling functionalities, can either prescreen and forward qualified submittals (only) to client managers or allow client managers to access all applicable submittals directly, without any type of filtering.
48.	The system will allow any number of documents to be uploaded and accessible to the applicable users. Any type of documents (e.g., MSA, certificate of insurance, diversity certificate, background check results, candidate commitment letters, etc.) in Word, PDF or Text formats can be uploaded into the system repository for access by authorized users in the State.
49.	The system will contain a "do not use" function to prevent the re-hire of individuals that were previously considered undesirable by the State.
50.	The system will identify and record the user's name, date and time of all system actions. Every step of the process will be tracked and auditable. Current status of the requisition will always be visible to all stakeholders including hiring managers and suppliers.
51.	Every status change in the system will triggers an automated email notification to all stakeholders including suppliers.
52.	The system will show a history of the requisition listed at the bottom of the every screen which displays the requisition. This information can also be generated in a report.
53.	The system will have an exception processing function for situations where hiring manager is requesting a cost that is higher than the predefined parameters. The request will be routed to additional approvers as defined by the State.
54.	The system homepage will contain links to user guides and detailed instructions to assist users in the requisitioning and other processes.
55.	The system will have the capability to capture the performance of the contingent workers at various milestones defined by the client. Possible milestones include (a) 30 days after start, (b) periodically, such as every six months, and (c) at termination. Depending on the client's policy, these performance reviews can be triggered by the system and tracked. The system will present managers with State-approved template to capture contingent worker performance metrics and these will be stored in the system for later retrieval and reporting.
56.	The system will to measure supplier performance. The specific metrics to be used for the State's VMS program will be finalized by contractor and the State's Project Manager during implementation and will be communicated to the vendors prior to the program's launch. To monitor vendor and overall VMS program performance, Acro typically uses the following metrics. <ol style="list-style-type: none"> 1. Response Rate: This metric is based on the percentage of positions broadcasted to the managed vendor, where the managed vendor has at least one submittal within the target time frame. 2. Fill Rate: A performance score will be calculated based on the percentage of positions broadcasted to the vendor that closed during the measurement period and were filled by that vendor. 3. Failure to Start: The percentage of contingent workers who've accepted the position and confirmed a start date, that for whatever reason fail to start the assignment. 4. Retention Rate: This metric measures the percentage of candidates placed by the vendor who remain in their positions through completion of the assignment (i.e. who do not terminate voluntarily or involuntarily). 5. Client Manager Satisfaction: Measures the average numerical satisfaction rating, typically on a 1-5 scale for all placements by the vendor during the measurement period. 6. On-Boarding: The percentage of times the vendor meets the client's on-boarding specifications including requirements for safety training, drug and background testing and other on-boarding requirements.



	<p>7. Financial Accuracy: A measure of the number of financial related errors by the vendor such as bill rate, wage rate and markup errors entered into the system.</p> <p>8. Response Rate: Measures the average time between a position broadcast and the vendor’s first submittal. This is compared to a target response.</p> <p>Acro provides performance reports (scorecards) to participating vendors on a quarterly basis and conducts meetings and/or conference calls to review their performance and answer any questions vendors may have. Other one-on-one sessions are also scheduled with vendors as needed by either the vendors or Acro. The quarterly performance review meetings serve as the basis for managing the overall vendor pool performance, and will include any appropriate corrective actions (developed in consultative discussions with the State during implementation and anytime during the contract term) that may be necessary to support the vendors improvement, including:</p> <ul style="list-style-type: none"> a. Co-developing a corrective action plan with a vendor and working with the vendor to help them improve their performance. As an expert in the staffing industry and a quality oriented organization, Acro has a deep understanding of the issues faced by the vendors and is able to offer many constructive ideas to help improve the performance of the vendors. b. For repeated performance issues, Acro may put the vendor on probation, restrict their access to new requisitions and continue to support the resolution of their performance issues. c. For unsuccessful probationary vendors and serious policy or process non-compliance issues, vendors will be removed from active participation in the program. <p>Acro will also perform periodic and spot audits on managed suppliers to ensure compliance with the State on-boarding, worker classification and documentation requirements. Acro will take appropriate corrective actions when instances of non-compliance are discovered, as described above.</p>
57.	The contractor and the State’s Project Manager will create standardized format for electronic resumes.
58.	Resumes will be submitted without any vendor logos or other identifying marks so that hiring managers aren’t influenced by which vendor submitted the resume, and can focus on the candidate with the best combination of skills and price. If a vendor inadvertently leaves its logo or identifying mark on the resume, it will be removed or rejected by contractor’s VMS Account Representative before the resume is forwarded to the client.
59.	The system will notify hiring managers and suppliers at intervals of 45, 30 and 15 days prior to the scheduled end of an assignment of an applicable contingent worker. The system will also notify the hiring manager when the actual spend for the assignment reaches 80% of the approved funding amount.
60.	The system will be a real time system with all its data and reports available on-line in real time.



APPENDIX I – Reporting Requirements

In addition to the standard reports (Article 1, Section 1.302) contractor must provide a summary of activities for manager review. The reports shall include but not be limited to the following elements (criteria):

- Statement of Work (SOW) Tracking Number
- Client/Agency Name and Location
- Client/Agency Purchase Order Number
- Number of hours worked
- Rate
- Total amount billed
- Invoice Number

The Contractor must maintain a staff availability profile for the staffing classifications listed in **Appendix G (Job Classifications)**. This profile shall detail for each classification the total number of qualified individuals your network of providers:

- currently has assigned to projects

The staff that makes up these counts shall have:

- All experience and qualifications required for each classification, as described in Appendix G.
- A pre-existing agreement or relationship with one of the vendor’s network of subcontractors.

1.	Users will have the ability to report problems either through the menu option in the system or by e-mailing/calling contractor’s Account Representative(s). All such problem reports will be logged into a web based trouble tracking system for follow up and reporting. This system can be made available to selected person within the State for real-time reporting. In addition, the contractor will include a summary report about the problems handled during the regularly scheduled Quarterly Business Reviews (QBRs) with the State’s management.
2.	The system will provide standardized invoicing and reporting formats for all services delivered to the State and other public bodies.
3.	All data will be accessible in real-time through the system’s reporting feature. Over 40 standard reports are available in addition to a powerful ad-hoc report generator. Specifically, the ad hoc Contract Labor Report provides a real-time report of subcontractor resource name, job type, work location and hours worked by project or PO. In case the State requires a custom report beyond 40+ reports and numerous ad-hoc reports, the contractor will develop such a custom report within five (5) business days at no cost to the State. Reports are generated by the user in real-time.
4.	The contractor will provide performance reports (scorecards) to participating vendors (and the State) on a quarterly basis and will conduct meetings and/or conference calls to review their performance and answer any questions vendors may have. The specific metrics to be used for the State’s VMS program will be finalized by the contractor and the State’s Project Manager during implementation and will be communicated to the vendors prior to the program’s launch. To monitor vendor and overall VMS program performance, Acro typically uses the following metrics. <ol style="list-style-type: none"> 1. Response Rate: This metric is based on the percentage of positions broadcasted to the managed vendor, where the managed vendor has at least one submittal within the target time frame. 2. Fill Rate: A performance score will be calculated based on the percentage of positions broadcasted to the vendor that closed during the measurement period and were filled by that vendor. 3. Failure to Start: The percentage of contingent workers who’ve accepted the position and confirmed a start date, that for whatever reason fail to start the assignment. 4. Retention Rate: This metric measures the percentage of candidates placed by the vendor who remain in their positions through completion of the assignment (i.e. who do not terminate voluntarily or involuntarily). 5. Client Manager Satisfaction: Measures the average numerical satisfaction rating, typically on a 1-5 scale for all placements by the vendor during the measurement period. 6. On-Boarding: The percentage of times the vendor meets the client’s on-boarding specifications including requirements for safety training, drug and background testing and other on-boarding requirements. 7. Financial Accuracy: A measure of the number of financial related errors by the vendor such as bill rate,



	<p>wage rate and markup errors entered into the system.</p> <p>8. Response Rate: Measures the average time between a position broadcast and the vendor's first submittal. This is compared to a target response.</p>																											
5.	All Supplier performance reports will be available at the subcontractor level. Summary information is also provided to the State along with detailed reports.																											
6.	All State required co-employment compliance policies will be incorporated into the system's business rules, and the VMS program policy guidelines. These include signed copies of statements from the contract workers such as Benefits Waiver, and other such documents. If required by the State, the system can also enforce tenure limit policies.																											
7.	<p>The system will have the capability to process 2000 data elements from 125 tables and present the information in virtually any desired layout. Acro's VMS team can develop and deploy a new report on request. Each report provides a host of filters that make the report output flexible and quickly usable. In addition, the reports have standard features that allow them to be exported to a flat file or Microsoft Excel file in order to feed the report data to a proprietary system.</p> <p>All data captured in the system can be reported by the system. All reports are available online and are accessible 24x7 using standard internet browsers. Access security to reports is completely granular, i.e. access to a report can be controlled at individual user level. This makes it one of the most robust reporting systems in terms of security.</p> <p>In addition to over 40 standard reports contained in the system, the solution also includes powerful self-serve reporting options using the systems' ad hoc reporting functionality. This functionality allows users to create ad hoc reports based on all the data items in records in data sets such as Work Requests, Candidate Submittals, Worker Information, etc. A user can create his/her own customized reports using this feature and then save the selection criteria as part of their own personal reports options.</p> <p>Other enhanced reporting features include graphic reports, charts and dashboards.</p>																											
8.	Every user will have direct web-based access to all authorized reports in the system. All reports can be downloaded into a CSV format file for import into other programs such as Excel for further manipulation and analysis. If required by the State, reports can be delivered electronically via e-mail.																											
9.	Reports can be scheduled to be emailed.																											
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11.	<p>The system contains an extensive reporting feature including over 40 standard reports, plus an ad-hoc report engine. In addition, custom reports will be developed upon request at no cost to the State. The system's dashboard feature will display selected information in real-time to provide critical program information at a glance.</p> <p>A list of Standard reports is included below:</p> <table border="1"> <thead> <tr> <th></th> <th>Report Name</th> <th>Report Details</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">Automated Procurement System Reports</td> </tr> <tr> <td>1</td> <td>Detailed JO Report</td> <td>This report shows the details of an individual Job Order (JO), including the Status, Job Order Creator, etc.</td> </tr> <tr> <td>2</td> <td>Detailed Submittal Report</td> <td>The report details the submittals made to each job order. The report can be run by an individual Job Order, Supplier or Labor Category.</td> </tr> <tr> <td>3</td> <td>Supplier Tier-wise Report</td> <td>This report details all suppliers within the available supplier pool along with contact information. The report output is based on the tier level of the suppliers.</td> </tr> <tr> <td>4</td> <td>Financial / Bid Rate Report</td> <td>This report is very useful to monitor the bid rates of each supplier to JOs in every Labor Category (LC), and also on a regional basis.</td> </tr> <tr> <td>5</td> <td>Hit Rate Report</td> <td>This report is very useful to monitor the hit rate of each supplier in every Labor Category (LC), and also on a regional basis.</td> </tr> <tr> <td>6</td> <td>Individual JO Report</td> <td>This report will show each employee by JO number. It also is helpful in determining which job orders are confirmed or suspended.</td> </tr> <tr> <td>7</td> <td>Order Activity Report</td> <td>This report is very useful to monitor the response rate of each supplier to JOs in every Labor Category (LC), and also on a regional basis.</td> </tr> </tbody> </table>		Report Name	Report Details	Automated Procurement System Reports			1	Detailed JO Report	This report shows the details of an individual Job Order (JO), including the Status, Job Order Creator, etc.	2	Detailed Submittal Report	The report details the submittals made to each job order. The report can be run by an individual Job Order, Supplier or Labor Category.	3	Supplier Tier-wise Report	This report details all suppliers within the available supplier pool along with contact information. The report output is based on the tier level of the suppliers.	4	Financial / Bid Rate Report	This report is very useful to monitor the bid rates of each supplier to JOs in every Labor Category (LC), and also on a regional basis.	5	Hit Rate Report	This report is very useful to monitor the hit rate of each supplier in every Labor Category (LC), and also on a regional basis.	6	Individual JO Report	This report will show each employee by JO number. It also is helpful in determining which job orders are confirmed or suspended.	7	Order Activity Report	This report is very useful to monitor the response rate of each supplier to JOs in every Labor Category (LC), and also on a regional basis.
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8	Response Time Report	This report is useful to monitor the response time of each supplier to JOs in every Labor Category (LC), and also on a regional basis.
9	Advance Bid Report	This report is used to see specific details of a single bid or multiple bids. The report can be customized to show the client manager exactly what they need.
10	Turnover/Negative Attrition Report	This report is very useful to identify the negative attrition rate of each supplier. The client can take appropriate action against those suppliers whose negative attrition rate is much higher than target rates. Negative attrition will not include the turnover caused due to voluntary separation such as assignment completion, or other causes such as budget cuts, etc.
Program Management Reports		
11	Criminal Background Check Report	This report will detail when temporary employees have had their criminal background check completed.
12	Daily Schedule	This report will provide details of all scheduled Temporary Employees for a specific work date.
13	Event Report	This report will provide details of the Events in the Temporary Employee History.
14	Fill Rate Report	This report details the fill rate of Suppliers to Client requests for Temporary Employees.
15	Reason for Request	This report will provide the details of the reason why Client Using Manager is requesting a Temporary Employee(s).
16	Response Time	This report will provide the details of the time it took Suppliers to respond to a Client request.
17	Temporary Employee History Report	This report will give a detailed history on the Temporary Employee's job assignments.
18	Turnover Report	This report will provide details of the turnover rate of Temporary Employees and provide the reasons of the turnover.
19	Workload Status	This report will provide details of the Client workload.
20	Advanced PNS Report	This report shows all the Potential New Supplier (PNS) applications that have been received. The report can be modified to show a number of fields from the online application.
Executive Reports		
21	Quarterly Dashboard Report	This report will show the number of employee and spend in hours and expenses on a quarterly basis. It will also display the percent variance from the previous quarter as well as same quarter from last the previous year.
22	Headcount Report	This report will detail the number of temporary employees who have been scheduled during a specified date range. This range can be either for past assignments or for future scheduling.
23	Monthly Expenditure Report by Dept.	This report can be used to show the \$\$ amount spend of Straight Time Hours, Overtime Hours and Expenses. It can be run for any date range including weekly, monthly or yearly. The report output is divided by Dept. code.
24	Local HR List	This report is useful in showing information regarding each HR representative. It is also useful in helping the local HR representative to identify their password in the event it is forgotten. This report will be available only to a few HR staff members in the Client's Corporate HR team.



AcroTrac™ Reports		
25	Basic Expense Report	This report is very useful to monitor the amount of expenses paid during a certain period. The time period could range from a week to a year.
26	Employee Access Report	This report useful to determine which employees have active assignments and should have security access.
27	Electronic Invoice Audit Report	This report documents the contents of a given electronic invoice, including identification of each time record and expense record invoiced
28	Employee by Cost Center	This report will show each employee with their cost center number(s).
29	Missing Approvals	This report details the AcroTrac™ time records which have been submitted but have not yet been approved.
30	Missing Time Sheets	This report details all time records which have not yet been entered into AcroTrac™ for the given date range
31	Overtime Analysis Report	This report details the amount of overtime worked by a given employee during the specified date range.
32	Rejected Records	This report will be useful to view which records have been rejected and also the reason for the rejection.
33	Supplier Payment Report	This report will detail the supplier's weekly payment from Acro.
34	Weekly Expenditure Report	This report shows all expense related information regarding an employee. It is a report that the client can create to determine expense information such as what expenses have been recorded, how many hours the employee has worked, etc.
35	Weekly Time Report	This report will show how many hours an employee has worked in a given week.
36	Weekly Time Report for Suppliers	This report will show the supplier the weekly time record for each of the supplier's employee(s).
Employee Record Reports		
37	Employee Job History Report	This report will detail all assignments for each employee with the total Spend in hours and expenses.
38	Approvers List	This report is useful to view each client user who has been designated as a Time/Expense approver. It also provides a link to see a list of employees for which the client user is listed as an approver.
39	ER to Expire Report	This report is useful to view employee assignments which are scheduled to end in a specified date range. PO numbers are displayed in the report output, along with the primary approver for each employee.
40	ER History Report	This report is useful to view changes that have been made to an employees online Employee Record. The report shows the date of the change, as well as the user who made the change.
41	PO Amount Tracking Report	This report can be used to view amounts remaining on a specific PO.
42	Contract Employees / Client Supervisors Report	This report is useful in identifying the contact information for each employee.
43	Employee Details Report	This report is very useful to identify an employee's password in the event it is forgotten.
44	Employee/Purchase Order (PO) Number Report	This report will identify the PO number of each employee.
12.	Acro assures excellent client satisfaction for its VMS services by 1) strictly monitoring the methods and frequency used to collect the client's feedback, 2) continuously measuring and testing the client's satisfaction level at various stages in the staffing process and 3) communicating the survey results to the client based on agreed frequency, format and content. Acro measures client satisfaction as shown below:	



Satisfaction with each candidate submitted: Acro begins to monitor client and employee satisfaction in the staffing process after a screened candidate is submitted against the client’s job order within the specified client time frame. After a client receives the qualified submittals they are asked to indicate if each candidate is acceptable or not, and if not, what is the candidate lacking through the selection of a rejection code in the XRMSM System. Additionally any other verbal feedback that will improve the vendors understanding of the managers requirements will be documented as an update to the requisition, and broadcast to the vendors. This data is presented as part of the quality metrics in the supplier score cards.

Satisfaction with each candidate interviewed: The client is surveyed again after each candidate interview. The level of a client’s satisfaction with the candidate interview is usually measured in conversations with Contractor’s staffing specialists, but is also gathered via email, fax or through the XRMSM System. The feedback provided is appropriately and immediately incorporated into the screening process for future submittals and/or interviews and shared with the vendors.

Satisfaction with on-boarding arrangements: The client’s satisfaction is measured after a selected candidate starts work. Acro contacts the client on the first day to see if the candidate started on time and if Acro’s on-boarding arrangements were satisfactory. Usually, this feedback is obtained in conversations between Acro representatives and the client, but it is also gathered via email, fax, or through the vendor management system. Any client feedback provided is appropriately and immediately incorporated into the process for future use.

Automated Customer Survey of Contingent Worker Performance: The XRMSM System has the capability to capture the performance of the contingent workers at various milestones defined by the client. Possible milestones include 1) 30 days after start, 2) periodically, such as every six months and 3) at termination. Depending on a client’s policy, these performance reviews can be triggered by the XRMSM System and tracked. The system will present the managers with a State-approved template to capture performance metrics, which will be stored in the system for later retrieval and reporting.

Annual Client Satisfaction Surveys: Acro conducts a comprehensive and thorough annual survey through a third party web-based tool to gauge the client’s satisfaction in all aspects of its service including, but not limited to the recruitment process, the interview process, the hire and on-boarding processes, the account management team and processes, the quality and quantity of the employees/candidates that will be provided, The Contractor’s employee management teams, the employee performance appraisal and reward systems, the processes that will be used to reduce turnover, keep the employees motivated and in high morale, Contractor’s training processes, Contractor’s billing processes, Contractor’s problem resolution processes, and the overall service experience provided to the State. This survey is conducted on-line and the results are sent within 30 days following the tabulation of the survey results. All satisfaction surveys will be customized, conducted and reported at intervals specified by the State. A sample customer satisfaction survey appears below:

Question	Score (out of 5)
1. The Acro Support Team members are knowledgeable in understanding your resource requirements	
2. When I need help with the XRM SM program, the Acro Support Team members are readily available to answer my question or help with an issue.	
3. The Acro Support Team members are courteous and helpful.	
4. The temporary employees provided by Acro and/or one of its sub-vendor are qualified for the position to which they are assigned.	
5. The temporary employees provided by Acro and/or one of its sub-vendor are provided within the time frame requested	
6. The temporary employees provided by Acro and /or one of its sub-vendors are on-boarded satisfactorily (i.e. all appropriate background checks and drug screens are completed before start date and other client specific pre-requisites are done)	
7. Creating a job requisition in the XRM SM Automated Procurement System is quick and easy.	
8. Review of the submitted candidates and interview/selection among the finalists is quick and easy.	
9. The XRM SM Automated Procurement System is simple and easy to use.	



	10. By using the XRM SM System, I am able to review an adequate number of qualified candidates against my requisition.	
	11. If you have any suggestions for improving the procurement process in XRM SM , please provide in the box below.	
	12. Reviewing and approving time and/or expense records in the AcroTrac TM system is quick and easy.	
	13. The process to identify and correct a rejected time and/or expense record is quick and simple.	
	14. Please list below any suggestions for improving the time/expense record review and approval process.	
	15. Updates to the XRM SM System are handled in a prompt and timely manner.	
	16. The overall look and feel of the XRM SM System is professional and appealing.	
	17. The XRM SM System is available when I need to access it.	
	18. The XRM SM System and Services meet or exceed your overall expectations.	
	Overall	
13.	Reports can be requested for immediate print or to be saved as a file in .CSV (Excel) format in the user's folder for manipulation. In addition, most of the reports can also be saved in Adobe PDF format.	
14.	Access to each report (and the data partitions it covers) can be controlled at the group/role level, as well as individual user level.	



APPENDIX J – Service Requirements

The contractor shall draw from and or manage a base of subcontractors identified to the contractor by SOM. The State recommends the development of relationships with its current ReStart vendors.

The contractor’s solution shall support and enable the procurement of temporary IT personnel. It shall include features supporting the characteristics and requirements of individual Statements of Work (SOW), such as specification of the skills and capabilities, required distribution of SOW to registered subcontractors, and analysis of responses. The contractor is expected to provide a set of resumes and initialize interview process.

SOM requires that the contractor’s network of subcontractors remains open to additional subcontractors, at SOM's option, for the life of the contract.

The demand for IT staff augmentation service varies by agency, location and IT Job Classification. There will be peak times for certain IT Job Classifications or agencies, which will require a significant increase in the number of resources required.

1.	The contractor will incorporate all State requirements into its qualification/vetting process for subcontractors. The State will have the final authority regarding granting any requested exceptions.
2.	The system will require subcontractors to enter candidate availability and upload a copy of the candidate’s signed commitment letter testifying the candidate’s availability to start work within a reasonable time frame (typically within two weeks of offer acceptance) when they are submitted to a requisition. Candidates who are unavailable within a reasonable timeframe will be declined, and not forwarded to the hiring manager.
3.	The contractor will have a program to provide 40-70% of the State’s contracted work to small Michigan IT businesses.
4.	The contractor will have a plan to transition all current Re:Start vendors to the VMS System.
5.	<p>The system will have the capability to add, edit and delete subcontractors. The contractor will continuously monitor and track overall program and individual vendor performance on a number of metrics including price. If a need to include additional subcontractors is identified, the contractor will solicit, evaluate and on-board new subcontractors utilizing the process described below:</p> <p>Acro’s vendor on-boarding process includes the following steps:</p> <p>14. Initial Contact: Acro will contact the vendor and provide them with a packet of on-boarding information and forms specific to the program including but not limited to the following:</p> <ul style="list-style-type: none"> Welcome/Introductory Letter Instructions and deadlines for completion of on-boarding documentation including: <ul style="list-style-type: none"> Vendor Data Sheet - provides business information about the vendor including staffing capabilities and business classifications (such as Large, Minority Owned, Small Business, etc.). W-9 Tax Form - Allows Acro to set up the vendor to receive payments from Acro. Electronic Funds Transfer Form- Provides information so that a vendor can receive payments via EFT. Vendor Information Request Letter - Provides information regarding the vendor’s business status. Subcontract Service Agreement - Agreement to be signed by the vendor that includes all flow down requirements from the contract with the client (the State if are awarded the contract). Sample Insurance Certificate – Provides a model for the vendor to follow to ensure all client and Acro insurance requirements are met. Vendor Contact Information - Provides vendor point of contact information and specifies vendor facility clearance level. Other Client-Specified Documentation - Any and all other client required or specified documents are also included in the on-boarding packet. <p>15. Vendors submit on-boarding documentation to Acro for review. During this step Acro works with and negotiates through any issues raised by the vendor regarding the program and subcontract agreement, certificates of insurance and other matters as appropriate to ensure the vendor is fully compliant with all on-boarding requirements. All material individual vendor requests for changes to the subcontract will be reviewed with State and approved before any changes are made.</p> <p>16. Contract Execution. After negotiations and all documentation has been properly completed and submitted to Acro, the subcontract agreement is executed. PO’s and/or engagement agreements if needed are then issued for all existing contract workers in place at program launch.</p>



	<p>17. Vendor Training. Acro will schedule and conduct a vendor training session to cover system training and educate the vendor in the program rules, standard operating procedures, and all other necessary program information they need to effectively transition into the new program. After the training is complete, vendors are given a comprehensive user guide for assisting them with the use of Acro's XRMSM System and the VMS process along with contact information for Acro's program Account Representative.</p> <p>18. On-Going Support. Acro will monitor the subcontractor's performance and provide mentoring and assistance as needed to help the subcontractor establish best practices, develop efficient processes and support their success within the program.</p> <p>In the event a subcontractor's performance and/or price competitiveness is at issue, Acro will implement the following steps with the subcontractor to resolve the issue, subject to the State's approval, either during program implementation or thereafter, of the process below for disciplining suppliers.</p> <ol style="list-style-type: none"> Co-developing a corrective action plan with the vendor and working with the vendor to help them improve their performance and/or price competitiveness. As an expert in the staffing industry and a quality oriented organization, Acro has a deep understanding of the issues faced by the vendors and is able to offer many constructive ideas to help improve the performance of the vendors. For repeated performance and/or price competitiveness issues, Acro may put the vendor on probation, restrict their access to new requisitions and continue to support the resolution of their performance issues. For unsuccessful probationary vendors and serious policy or process non-compliance issues, vendors will be removed from active participation in the program.
6.	The contractor will have a program to recruit subcontractors from within Michigan.
7.	The contractor will have a plan to recruit subcontractors owned by qualified disabled veterans, and continuously recruits for additional qualified subcontractors in this and other small disadvantaged business categories.
8.	Contractor will arrange for a pre-employment national, regional and local background check for each resource that will have access to Michigan work tasks, facilities, systems or operations either through on-site access or through remote access.
9.	The contractor will provide written confirmation of the successful completion of required background checks and drug tests (if required) be uploaded into the system for verification before the contract worker can start an assignment.
10.	Upon candidate selection for an assignment, the system will automatically send an email notification to the subcontractor with required on-boarding forms attached including for example, a badge request form and systems access request form for completion. When completed, these forms must be uploaded into the system by the subcontractor firm. This action triggers email notifications to the appropriate internal State personnel responsible for badging, security, IT access, etc. The required documents can be attached to the notifications emails or downloaded from the system by the appropriate user for further processing.
11.	The contractor will manage the off-boarding process and coordinate with the State and the subcontractor as needed for the return of all State property.
12.	The system will have a mandatory field in the candidate submission and contract labor personnel record that identifies whether the worker is W-2 or 1099.
13.	<p>The contractor will provide a comprehensive training program regarding all important aspects of the vendor managed service program, with appropriate material for each stakeholder type. Appropriate training will be provided to all stakeholders including the State's internal super-users (e.g., HR program owner, Procurement, and others), hiring managers and vendors, respectively, prior to go-live and shall include the following components:</p> <ul style="list-style-type: none"> • Managed Service Concepts (Lecture/Discussion w/PowerPoint presentation). • Achieving Managed Service Objectives (Lecture/Discussion w/PowerPoint presentation). • Introduction to XRMSM System (Lecture/Demonstration tailored to audience – separate sessions anticipated for the State executive management, user managers and supplier firm participants). <ul style="list-style-type: none"> – Automated Procurement System – Acro's Time Record Automation Center (AcroTracTM) – Electronic Invoicing – Time Import Facility – Reporting • XRMSM System Training (Lecture/Demonstration tailored to audience) • XRMSM System Documentation Manuals (hardcopy and online, consisting of detailed system flowcharts and step-by-step process documentation) • XRMSM System Proficiency Training (training exercises) • New user training, including customized orientation and training programs for new contract employees and The State managers (ongoing) <p>Acro will use a train-the-trainer approach for XRMSM System training for supplier firm participants. Acro will perform</p>



live, group training for the State managers at major locations. Multiple training sessions will be held at each site. In addition, Acro's assigned Account Representative will work directly with the State managers, as appropriate, during their use of the system and subsequently as needed. New user system orientation and training programs will also be provided by Acro on a scheduled basis as needed.

Post-implementation announcements regarding program updates such as new business rules, or software functionality will be placed on the XRMSM System home page and emailed to all users with attachments or links to the appropriate information and training materials. Training may be conducted via web events, teleconferences, live meetings, and step-by-step documentation.

New users will be trained via live and pre-recorded web sessions. Program management team members will also be available for one-on-one sessions as needed.



APPENDIX K – Implementation Requirements

The Contractor must submit an implementation plan to SOM Project Manager. At a minimum the response should include the structure of an account representative(s) who shall be dedicated to the State of Michigan, the expected time to transfer knowledge from possible phase-out of current resources to new resources assigned under the ensuing contract, the development (as needed) and roll-out of the web-based ordering and reporting tool, and the process the contractor must use to ensure all billing is meeting State of Michigan standards.

The Contractor must meet with the relevant State of Michigan IT personnel to review potential technical and logistical issues of the implementation plan. To ensure a timely and satisfactory implementation, the contractor and the State of Michigan must jointly agree to an implementation strategy and plan.

The contractor must also be required to present one or more sessions with agency representatives to demonstrate the usage of tools such as the web-based ordering tool, as well as review any additional services and processes that agencies shall need to be aware.

<p>1.</p>	<p>Acro will assign an experienced project manager to manage the initial implementation of the VMS program as well as a dedicated and experienced account representative to provide post-implementation support. These dedicated individuals will be supported by many other Acro members as required during implementation and post-implementation.</p> <p>ALL of the Acro team members assigned to work on the State’s VMS implementation (directly or indirectly) including the development and support team for the XRMSM System work out of the Contractors Livonia, MI office and are based in Michigan.</p>
<p>2.</p>	<p>Acro will facilitate a series of meetings and discussions with involved State managers to:</p> <ul style="list-style-type: none"> • Finalize resource requirements by type that will be included in the VMS program. • Review, adjust as appropriate, and ratify the Job Classifications, Qualifications and Skillsets contained in the Contract. • Define the process for procuring Scope of Work based services if applicable. • Document the State’s organizational structure as it relates to XRMSM System reporting. • Conduct a detailed review and reach agreement on tailoring decisions regarding the use of the XRMSM System by State’s hiring managers, Human Resources and purchasing personnel, including nomenclature and workflow considerations. • Define approach to contingent labor budgeting and new position authorization rules. • Define requirements for capture and reporting of cost/project accounting information. • Define invoice format, including discussion of electronic invoicing • Review standard reports and define any custom reporting requirements.
<p>3.</p>	<p>The State intends to continue with existing subcontractor staff until their current contracts expire. In the event, the State requires Acro to transition current resources, the Contractor has extensive experience in managing a smooth transition of current resources from SOM’s pool into the XRMSM System as follows:</p> <ol style="list-style-type: none"> 1. Acro will obtain from the State, a list of current resources, their employer names, current bill rate, job classification, and assignment dates 2. The suppliers who currently have resources working at the State site(s) will be contacted to sign them up under the State specific standard subcontract with Acro which flows down all of the State required terms and conditions. 3. Acro will also obtain additional data about the suppliers’ employees that is needed for upload in to the XRMSM System. 4. The above data will be uploaded into the State’s customized XRMSM System prior to launch and validated with the State. 5. Just prior to the launch of the VMS program, the subcontractor personnel and their employees at the State will be given web based training related to their roles 6. The day before launch, these users will receive e-mails with their temporary log-in credentials to the



	<p>XRMSM System so that they can access the system next day and start using it. The Contractor shall transition almost all of the vendors and their current resources to Acro's VMS program if so desired by the State.</p>
4.	<p>Acro's program development methodology is front-ended by a process in which Acro's VMS implementation team engage and consult with client management to assure the best understanding of client needs, to provide the benefits of the Contractor's extensive experience with VMS programs and to design the program that will best fulfill client objectives.</p> <p>The results of this consultative process include detailed descriptions of VMS protocols, business rules, procedures, job classifications and descriptions, vendor pool development, on-boarding/off-boarding requirements, the program pricing model, and detailed XRMSM System tailoring specifications and a communication plan.</p> <p>All subsequent steps in the program development, implementation and management processes are driven by this detailed set of client requirements, and are not considered complete until Acro has achieved 1-to-1 satisfaction of each requirement.</p> <p>Acro anticipates an implementation time frame of 60 days in duration for each sector, (assuming customization is needed for the sector), consisting of the following implementation project steps:</p> <p>Step 1: Project Plan Ratification: Acro will meet with the State management responsible for the implementation of the VMS to discuss and confirm: project timing and constraints; key project roles, responsibilities and required time commitments; and key project decision processes and their implications. Acro will also present its communication plan at this time for discussion and approval by the State. Acro anticipates this process will require approximately two elapsed weeks.</p> <p>Step 2a: Protocol Model Development: Acro will facilitate a series of meetings and discussions with involved the State managers to:</p> <ul style="list-style-type: none"> • Finalize labor classes that will be included in the VMS program. <p>Review, adjust as appropriate, and ratify the Job Category/Job Level structure that will be used under the program.</p> <p>Define the process for procuring deliverable-based consulting services if applicable.</p> <p>Review and reach decisions on key process options.</p> <p>Step 2b: Definition of XRMSM System tailoring requirements: Simultaneous with Phase 2a, Acro will conduct a detailed review of XRMSM System processes and features, and facilitate discussions with the State management and operations personnel concerning required system tailoring to optimize system benefits for the State. Topics to be addressed in these discussions will include:</p> <ul style="list-style-type: none"> • State organizational structure as it relates to XRMSM System reporting. • Detailed review and tailoring decisions regarding the use of the XRMSM System by the State hiring managers, Human Resources and purchasing personnel, including nomenclature and workflow considerations. • Approach to contingent labor budgeting and new position authorization rules. • Integration of the XRMSM System with the State legacy systems as required. • Capture and reporting of cost/project accounting information. • Invoice format, including discussion of electronic invoicing and time record approval authorizations for the XRMSM Time Capture module. • Review of standard reports and definition of any custom reporting requirements. <p>Steps 2a and 2b will require approximately 30 days.</p> <p>Step 3: System Tailoring: Following review and approval of specifications for XRMSM System tailoring, Acro</p>



will initiate and complete the required programming processes and customization of XRMSM System documentation and training materials. Following completion, the tailored systems and documentation and training materials will be presented to the State management. A period of 30 elapsed days will be required for this process.

Step 4: Sub-contractor Contracting: Concurrent with the commencement of system tailoring activities, Acro will initiate contracting activities with the State approved vendor organizations based on the decisions reached during the Pricing/Protocol Model Development effort. Acro will contact all approved vendors, provide draft vendor agreements (pre-approved by the State at State’s option), meet with the vendors to review and resolve any contract issues, and execute vendor agreements. This process will require approximately 30 elapsed days.

Step 5: Data Collection and Verification: Acro will send data collection spreadsheets to each vendor regarding their company and their current contingent workers placed at the State. These documents will provide Acro with details concerning the vendor’s current activities at the State locations. This information is then uploaded and verified in the XRMSM System. This process to be completed in approximately 30 days.

Step 6: Implementation: Following the completion of system tailoring and vendor contracting, Acro will initiate rapid implementation of the State VMS Program, including:

- Systems training for the State and vendor personnel.
- Systems file building/conversion – Note: Acro anticipates that all XRMSM System files will be entered by Acro personnel and verified by the State and Acro management.
- Systems and services go-live.

Step 6 will be completed in approximately 15 days.

Step 7: On-Going Operations and Support: Once the implementation team has successfully launched the XRMSM Solution at the State, the program enters the steady state operations phase. During this phase, Acro’s account representative(s) takes over day-to-day support and interaction with the State and participating vendors. This team shall meet or exceed the agreed upon program service levels agreements. The tasks performed by this team include but are not limited to:

- Serve as the primary point of contact for all issues regarding the VMS program.
- Provide training and assistance to first-time system users.
- Interact with hiring managers regarding procurement needs.
- Facilitate vendor submittals (quality and quantity) to meet State’s needs.
- Ensure that the required screening, background checks and drug tests are conducted.
- Keep the hiring managers apprised of job requisition status, candidate interviews, start and end dates and budgetary information as needed.
- Facilitate contacts and meetings between the State users and vendors, as needed, for milestone-based work.
- Assist the State management regarding program reporting.
- Measure vendor performance and initiate appropriate corrective actions.
- Ensure that timesheets are entered on schedule by workers or vendors, approvals obtained and invoices submitted in a timely manner.
- Ensure that payments from the client are disbursed to vendors promptly.

The total VMS program implementation timeframe (Step 1 through Step 6) is expected to be approximately 60 days.

The following table describes the proposed implementation schedule for the VMS and the key responsibilities of Acro and the State during this process:



19. Deliverables/Events	20. Responsibility	21. Duration
Contract signing	<ul style="list-style-type: none"> State (Prime), Acro 	<ul style="list-style-type: none"> Day 0 (D)
Project Launch	<ul style="list-style-type: none"> State (Prime), Acro 	<ul style="list-style-type: none"> D + 2 days
Project Plan Ratification	<ul style="list-style-type: none"> Acro(Prime), State 	<ul style="list-style-type: none"> D + 15 days
Definition of XRM SM customization and configuration requirements	<ul style="list-style-type: none"> Acro(Prime), State 	<ul style="list-style-type: none"> D + 20 days
XRM SM System Tailoring	<ul style="list-style-type: none"> Acro(Prime), State 	<ul style="list-style-type: none"> D + 40 days
Incumbent Contract Worker and Vendor Transition	<ul style="list-style-type: none"> Acro(Prime), State 	<ul style="list-style-type: none"> D + 50 days
Data Collection, Verification and Load	<ul style="list-style-type: none"> Acro(Prime), State 	<ul style="list-style-type: none"> D + 50 days
Acro Support Team Selection and Ramp-up	<ul style="list-style-type: none"> Acro 	<ul style="list-style-type: none"> D + 45 days
User, vendor and employee training	<ul style="list-style-type: none"> Acro 	<ul style="list-style-type: none"> D + 50 days
Acceptance and launch of VMS/MSP	<ul style="list-style-type: none"> State (Prime), Acro 	<ul style="list-style-type: none"> D + 60 days
On-going Staffing and User Support	<ul style="list-style-type: none"> Acro 	<ul style="list-style-type: none"> Duration of the contract
Warranty and Maintenance support	<ul style="list-style-type: none"> Acro 	<ul style="list-style-type: none"> Duration of the contract

5. Acro will provide complete assistance to the State in the communication plan to all effected agencies. The Contractor will routinely work with departments, divisions, agencies and other units within a client that may not have procured services using a VMS model and are expert at managing change. The key to managing change effectively is timely and pertinent communication. The Contractor will keep every stakeholder informed of what is going to happen, when it will happen, how it happen, who is doing it, the impact it will on them, and who to contact if they have any questions or need additional information. Acro will develop and present for State's review and approval a communication plan that provides the above information at specified timelines.

Acro will create, distribute and present State approved communication materials to build awareness and acceptance, provide information, address concerns, discuss compliance requirements, and deliver training on all aspects of the new program. Acro's communications team will utilize multiple methods including on-site agency meetings, presentations and training sessions, hosting webinars, teleconferences, and sending and responding to email communications. A separate but parallel communication process is utilized for external stakeholders including vendors and contingent workers.

The process consists of the following steps:

Step 1: Introductory communications about the new VMS program to all internal stakeholders including hiring managers, approvers, HR, Procurement, IT, Security, Facilities and others as needed.

Step 2: Agency by agency in-person presentations and internal stakeholder focus groups to provide input into the configuration and customization process.

Step 3: Regular communication updates regarding implementation progress, timelines and announcing upcoming events.

Step 4: On-site and/or web-based training covering all aspects of the new program including XRMSM System



	<p>training, program policies and processes and compliance requirements.</p> <p>Step 5: The distribution of access credentials and Acro support team information.</p> <p>Step 6: Internal stakeholders are ready at go-live to start using the XRMSM System and participate in the new VMS program.</p> <p>After go-live, Acro's program management team will provide training to new users/stakeholders on an as needed basis via web-based and/or teleconference.</p> <p>To ensure an early positive response and widespread acceptance of the program, Acro will contact State hiring managers at several points throughout the requisition process including review and discussion regarding requisition creation and approvals, candidate submission, interview scheduling, candidate selection and on-boarding processes. Customer satisfaction will be routinely measured through surveys of State managers at frequencies agreed upon with the State.</p>
6.	<p>Acro's implementation team members will personally deliver a training session (typically 2 hours) to State personnel on-site at State specified location(s). One or more sessions will be scheduled for each agency to allow maximum participation. Training sessions will be scheduled during the implementation phase. User manuals and on-line training materials will be available for this initial training and will be available on-line for any new users and/or additional training as needed. Acro will also accommodate additional on-site classes should they be required over time during the contract term.</p>
7.	<p>During the implementation phase, Acro will work with the State to understand all aspects of the State's required billing processes. These requirements will be incorporated into the workflow and configuration of the XRMSM System as well as Acro's accounting processes.</p>
8.	<p>Acro makes the on-boarding process for vendors as simple and straight forward as possible. In the VMS programs Acro administers, consistently on-board over 95% of all client approved incumbent vendors.</p> <p>Acro's vendor on-boarding process for new and existing vendors includes the following steps:</p> <p>22. Initial Contact: Acro will contact the vendor and provide them with a packet of on-boarding information and forms specific to the program including but not limited to the following:</p> <p>Welcome/Introductory Letter</p> <p>Instructions and deadlines for completion of on-boarding documentation including:</p> <ul style="list-style-type: none"> • Vendor Data Sheet - provides business information about the vendor including staffing capabilities and business classifications (such as Large, Minority Owned, Small Business, etc.). • W-9 Tax Form - Allows Acro to set up the vendor to receive payments from Acro. • Electronic Funds Transfer Form- Provides information so that a vendor can receive payments via EFT. • Vendor Information Request Letter - Provides information regarding the vendor's business status. • Subcontract Service Agreement - Agreement to be signed by the vendor that includes all flow down requirements. • Sample Insurance Certificate – Provides a model for the vendor to follow to ensure all client and Acro insurance requirements are met. • Vendor Contact Information - Provides vendor point of contact information and specifies vendor facility clearance level. • Other Client-Specified Documentation - Any and all other client required or specified documents are



also included in the on-boarding packet.

Vendors submit on-boarding documentation to Acro for review. During this step Acro works with and negotiates through any issues raised by the vendor regarding the program and subcontract agreement, certificates of insurance and other matters as appropriate to ensure the vendor is fully compliant with all on-boarding requirements. All material individual vendor requests for changes to the subcontract will be reviewed with State and approved before any changes are made.

Contract execution. After subcontract negotiations and all documentation has been properly completed and submitted to Acro, the subcontract agreement is executed. PO's and/or engagement agreements if needed are then issued for all existing contract workers in place at program launch.

Vendor Training. Acro will schedule and conduct a vendor training sessions to cover system training and educate the vendor in the program rules, standard operating procedures, and all other necessary program information they need to effectively transition into the new program. After the training is complete, vendors are given a comprehensive user guide for assisting them with the use of Acro's XRMSM System and the VMS process along with program contact information.

On-going Support. Acro will monitor the subcontractor's performance and provide assistance as needed to help the subcontractor establish best practices, develop efficient processes and support their success within the program.



DEFINITIONS

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
MDIT	Michigan Department of Information Technology
DTMB	Michigan Department of Technology Management & Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services
Services	Any function performed for the benefit of the State.



Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Vendor Managed System	A Web-Based Application that performs as an instrument to procure temporary staffing services.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.