

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

**CHANGE NOTICE NO. 4**  
 to  
**CONTRACT NO. 271B8200002**

Between

**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Michigan State University Morris Chair in State & Local Government Finance and Policy 208 Agriculture Hall East Lansing, MI 48824-1039	Dr. Mark Skidmore	miskidmor@anr.msu.edu
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	(517) 353-9172	5984

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	Treasury	Suzanne Schafer	517-373-3227	517-373-3227
CONTRACT ADMINISTRATOR	Treasury	Julie Collins	517-636-6817	Collinsj17@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> Form F-65 Annual Local Unit Fiscal Report Services (Data Collection/Reporting and Hosting)			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2008	December 31, 2010	Contract effective until either party cancels (Per CN#3)	Until either the State or Contractor cancels per section II-25
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	

\$15,000.00	\$45,000.00	\$60,000.00
<b>Effective immediately this Contract is hereby AMENDED as follows:</b> <ol style="list-style-type: none"><li>1. Increase Contract by \$45,000.00 for additional enhancements and maintenance.</li><li>2. All pricing is valid through December 31, 2016.</li><li>3. Amend Contract per attached Statement of Work. Except as noted in the attached Statement of Work, all Requirements, Pricing and Terms and Conditions are to remain the same.</li></ol>		

## Article 1 – Statement of Work (SOW)

### 1.010 Project Identification

#### **1.011 Project Request**

This is an SOW to amend the contract to include an ongoing maintenance engagement to maintain and make continuous enhancements to the reporting services, data collection/reporting services and provide forecasting tools to promote transparency, operational efficiencies and performance management.

#### **1.012 Background**

The State of Michigan, Department of Treasury, Bureau of Local Government Services (State) provides services to units of local government within the State of Michigan. The Local Audit and Finance Division (LAFD), within the Bureau, collects and reports fiscal reports from local units of government annually. In 2007 the LAFD entered into a no cost contract with Michigan State University (MSU) to develop an internet based data collection/reporting application that is hosted on MSU servers. The purpose of the application is to collect annual fiscal reports submitted electronically by approximately 1,856 units of local governments.

In 2012, the State began requesting additional services and changes to the existing L-4069 website/portal that were necessary to enhance both the State and local unit of government reporting capabilities. These are ongoing and will be addressed on annual basis to determine what additional modifications are necessary. Ongoing maintenance for this portal will be necessary in future years to support the application and enhancements.

### 1.020 Scope of Work and Deliverables

#### **1.021 In Scope**

The Contractor must provide services on behalf of the State as follows:

1. Provide ongoing maintenance to the L-4069 website/portal and any applicable hardware or software associated with the L-4069 website/portal.
2. Provide continuous improvements to the L-4069 website/portal as directed by Treasury.

#### **1.022 Work and Deliverable**

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

Description of Work through 12/31/2016		Year of Completion
1.	Change to Municode as a unique identifier.	2015
2.	Change Fiscal Month End Function.	2015
3.	Fully Integrate Application.	2015
4.	Help Section Enhancements.	2015
5.	Edit/Add/Delete Local Unit Function.	2015
6.	Improve Upload Functionality.	2015
7.	Improve Formatting of Existing Reports- (Reverse Engineer data from database back to official Excel form).	2015
8.	Implement Budget Forecasting Tool.	2015

9.	Implement Updated Citizens Guide.	2015
10.	Create a more robust reporting system.	2015
11.	Enhance search/look up function of local units.	2015
12.	Enhance local unit history.	2015
13.	Additional subcategories for downloading data.	2015
14.	Ongoing daily, monthly and yearly maintenance.	Annual Maintenance
15.	Enhance security to address hacker issues.	Annual Maintenance
16.	Make continuous improvements to the server framework.	Annual Maintenance
17.	Implement an automated error submission for quicker identification of problems.	2015
18.	Develop templates to improve ease in which we load taxable values, equalized values, and population data.	2015
19.	Enhance querying capabilities to allow comparison reporting based on population and taxable value.	2015
20.	Convert data from one fiscal year to the next.	Annual Maintenance

1. In 2015, it is anticipated that the F65 form will undergo a major revision which will require significant changes to the system. The Contractor has included pricing for these anticipated changes:

Description of Work		Year of Completion
1.	Add additional data fields, as defined by Treasury, to convert the form from fund-based to government-wide based.	2016
2.	Revise the Pension/OPEB data collection fields, as defined by Treasury to address new GASB standards. Allow for the upload of data from third parties in multiple formats including but not limited to Excel, Access, CSV, XML, or HTML.	2016
3.	Revise all account types (over 500 types) to correspond with new Chart of Accounts. Add approximately 250 new account types.	2016
4.	Remove all data fields in which Treasury is collecting the data by other means. Develop functionality to import this data into the F65 database from various source documents in formats such Excel, Access, CSV, XML, or HTML.	2016
5.	Revise the way in which each form is uploaded and recorded, using just the Municode (unique identifier).	2016
6.	Minor improvements and enhancements, as defined by Treasury and agreed upon by the Contractor, to improve navigation through the system.	2016

There may be additional changes that will be identified and addressed during the performance of this Contract.

1. Technical aspects of the F65 web portal enhancements and functionality improvements will be subcontracted to Centrica. Centrica developed the system originally and has provided services through the entire history of the project. Contact information is provided below:

Satish Nampally, Director  
Centrica Informatics Inc  
[satish@centricasys.com](mailto:satish@centricasys.com)  
[www.centricasys.com](http://www.centricasys.com)  
Phone: 952-217-3327

1.040 Project Plan (See Section I-E of Contract)

1.050 Acceptance (See Section I-G of Contract)

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1.060 Proposal Pricing

**1.061 Proposal Pricing**

<u>Description</u>	<u>Price</u>
A. Year 1 (Through 12/31/2015)	\$30,000
B. Year 2 (Through 12/31/2016)	\$15,000
B. Total Amendment Pricing	\$ 45,000

Note: The State may budget an allotted amount for Functional, Reports and Tools Enhancements based on the Ease of Use and Contract Term Prices.

1. The State will not reimburse Contractor for travel or out-of-pocket expenses related to travel.
2. Invoicing and payment will occur no more than monthly based on a mutually agreed payment schedule.
3. All prices/rates will be firm for the duration of the Contract. No price changes will be permitted.

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
430 WEST ALLEGAN  
LANSING, MI 48922

January 10, 2013

CHANGE NOTICE NO. 3  
OF CONTRACT NO. 271B8200002  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR Michigan State University Morris Chair in State & Local Government Finance and Policy 208 Agriculture Hall East Lansing, MI 48824-1039  mskidmor@anr.msu.edu	TELEPHONE: (517) 353-9172 Dr. Mark Skidmore
	CONTRACTOR MAIL CODE 2*****984 (882)
	Contract Administrator: (517) 335-4760 Julie Collins
Contract Compliance Inspector: Carol Goslin (517) 373-3674	
Description: Form F-65 Annual Local Unit Fiscal Report Services (Data Collection/Reporting and Hosting)	
CONTRACT PERIOD: From: January 1, 2008	To: Until either the State or Contractor cancels per section II-25

**NATURE OF CHANGE (S):**

Effective immediately this contract is hereby AMENDED as follows:

1. Amend the contract term to extend until either the State or Contractor cancels per section II-25 of Contract (Cancellation)
2. Change Department of Treasury Contact Administrator from Tom Falik to Julie Collins.
3. Add services per Change Request 3 proposal received January 4, 2013.
4. Amend the contract value to include additional funds.

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

**AUTHORITY/REASON:**

Per Treasury request, Treasury Purchasing approval and Contractor agreement.

INCREASE: \$15,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$15,000.00

## Article 1 – Statement of Work (SOW)

### 1.010 Project Identification

#### 1.011 Project Request

This is an SOW to amend the Contract for additional Data Collection/Reporting and Hosting Services per section II-28 of Contract #271B8200002. The purpose of the engagement is to enhance the reporting services, continue the data collection/reporting services and provide forecasting tools to promote transparency, operational efficiencies and performance management.

All other terms/conditions of the Contract will remain unchanged.

#### 1.012 Background

The State of Michigan, Department of Treasury, Bureau of Local Government Services (State) provides services to units of local government within the State of Michigan. The Local Audit and Finance Division (LAFD), within the Bureau, collects and reports fiscal reports from local units of government annually. In 2007 the LAFD entered into a no cost contract with Michigan State University (MSU) to develop an internet based data collection/reporting application that is hosted on MSU servers. The purpose of the application is to collect annual fiscal reports submitted electronically by approximately 1,856 units of local governments.

### 1.020 Scope of Work and Deliverables

#### 1.021 In Scope

The Contractor must provide services on behalf of the State as follows:

1. Enhance the application to improve its ease of use for units of local government and LAFD
2. Develop a more robust reporting system to improve transparency of all local units
3. Provide tools such as budgeting tools to assist units of local governments in sound decision-making
4. Extend the Contract term until either Party cancels per section II-25 of Contract.

#### 1.022 Work and Deliverable

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

##### A. Ease of Use

1. The Contractor must provide enhancements to the functionality of the existing application. Enhancements will be mutually determined based on user input from both the units of local governments and LAFD.
2. Enhancements must include but are not limited to the following:
  - a. Update the application to use the LAFD "Municode" as the unique identifier
  - b. Provide functionality to allow LAFD to change the fiscal year end month.
  - c. Provide a fully integrated application in which a change in one module will carry through to all modules.
  - d. Provide the ability for LAFD to develop and update a Help Section without the need for application programmers.
  - e. Provide the ability for LAFD to add, delete, or edit local units and/or muncodes.
  - f. Improve existing reports including:
    - 1) Improve upload functionality to allow for special characters and/or eliminate numerous exceptions for uploading.
    - 2) Improve formatting of existing reports making them more user-friendly.

##### B. Local Unit Reports/Tools

1. The Contractor must provide interactive reports and tools as mutually determined based on input from units of local government, LAFD, the accounting profession, and other State agencies. Examples include budgeting, spending and business intelligence reports and tools to assist units of local governments in sound decision-making.
- 
2. Reports and tools must be developed to achieve one or more of the following goals:
    - a. Transparency: Provide financial and other data that is useful to the general population, so citizens may understand how their local unit of government is performing
    - b. Forecasting: Provide data in a format that a local unit of government may use to project future resources and needs
    - c. Trend Analysis/benchmarking: Provide data so that a local unit of government and others may assess the performance of the local unit over a period of years as well as compare its performance with other units of local units of government using defined criteria.
  3. The structure of the reports (e.g., Excel, PDF and application-based) will be determined after consultation between LAFD and Contractor.
- C. **Contract Term:** Extend the Contract term until either the State or Contractor cancels per section II-25 of Contract (Cancellation).

1.030 Roles and Responsibilities (See Section I-D of Contract)

1. Technical aspects of the F65 web portal enhancements and functionality improvements will be subcontracted to Centrica. Centrica developed the system originally and has provided services through the entire history of the project. Contact information is provided below:

Satish Nampally, Director  
 Centrica Informatics Inc  
[satish@centricasys.com](mailto:satish@centricasys.com)  
[www.centricasys.com](http://www.centricasys.com)  
 Phone: 952-217-3327

1.040 Project Plan (See Section I-E of Contract)

1.050 Acceptance (See Section I-G of Contract)

1.060 Proposal Pricing

1.061 , Proposal Pricing

Description	Price
A. Enhancements:	
1. Ease of Use (Section 1.022.A.2)  Update the application to provide the following functionalities: a) Use the LAFD "Municode" as the unique identifier; Allow LAFD to change	\$ 5000

the fiscal year end month; b) a fully integrated application in which a change in one module will carry through to all modules; c) develop and update a Help Section without the need for application programmers; d) add, delete, or edit local units and/or municodes.	
Estimated Time: 143 hours	
2.Functional, Reports and Tools Hourly Rate (Sections 1.022.A.1 and B)  Develop the following interactive reports with details to be determined collaboratively. (Estimated time for each activity in parentheses): a) transparency tool (100 hours); b) forecasting tool (86 hours); c) trend analysis/benchmarking tool (100 hours).	\$10000
B. Contract Term (Section 1.022.C)	\$ 0

Note: The State may budget an allotted amount for Functional, Reports and Tools Enhancements based on the Ease of Use and Contract Term Prices.

1. Contractor's out-of-pocket expenses are not separately reimbursable by the State or local unit of government unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See [www.michigan.gov/dtmb](http://www.michigan.gov/dtmb) for current rates.
2. Invoicing and payment will occur no more than monthly based on a mutually agreed payment schedule.
3. All prices/rates will be firm for the duration of the Contract. No price changes will be permitted.

1.070 Additional Requirements -- Deleted -- N/A

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
430 WEST ALLEGAN  
LANSING, MI 48922

CHANGE NOTICE 2  
TO  
CONTRACT NO. 271B8200002  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR <b>Michigan State University</b> <b>Morris Chair in State &amp; Local Government Finance and Policy</b> <b>208 Agriculture Hall</b> <b>East Lansing, MI 48824-1039</b>  <b>mskidmor@anr.msu.edu</b>	TELEPHONE: (517) 353-9172 <b>Dr. Mark Skidmore</b>
	CONTRACTOR MAIL CODE <b>2*****984 (882)</b>
	Contract Administrator: (517) 373-3185 <b>Thomas Falik</b>
Contract Compliance Inspector: Carol Goslin (517) 373-3674	
Description: <b>Form F-65 Annual Local Unit Fiscal Report Services (Data Collection/Reporting and Hosting)</b>	
CONTRACT PERIOD: From: January 1, 2008 To: December 31, 2012	

**NATURE OF CHANGE (S):**

Effective immediately this contract is hereby AMENDED as follows:

1. Renew one year through December 31, 2012 per section II-3
2. Change Contract Administrator's phone number to (517) 373-3185.

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

**AUTHORITY/REASON:**

Per Treasury and Contractor agreement.

**INCREASE: \$0.00**

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$0.00**

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
430 WEST ALLEGAN  
LANSING, MI 48922

January 26, 2011

CHANGE NOTICE 1  
TO  
CONTRACT NO. 271B8200002  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR <b>Michigan State University</b> Morris Chair in State & Local Government Finance and Policy 208 Agriculture Hall East Lansing, MI 48824-1039  <b>mskidmor@anr.msu.edu</b>	TELEPHONE: (517) 353-9172 Dr. <b>Dr. Mark Skidmore</b>
	CONTRACTOR MAIL CODE <b>2*****984 (882)</b>
	Contract Administrator: (517)636-0745 <b>Thomas Falik</b>
Contract Compliance Inspector: Carol Goslin (517) 373-3674	
Description: <b>Form F-65 Annual Local Unit Fiscal Report Services (Data Collection/Reporting and Hosting)</b>	
CONTRACT PERIOD: From: January 1, 2008 To: December 31, 2011	

**NATURE OF CHANGE (S):**

Effective immediately this contract is hereby AMENDED as follows:

1. Renewed one year through December 31, 2011 per section II-3
2. Change Contract Administrator's phone number to (517) 636-0745.

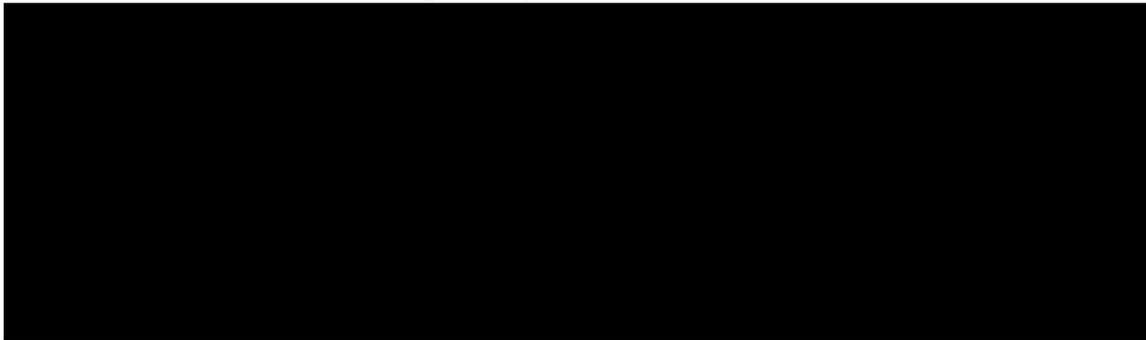
All other terms, conditions, specifications and pricing remain unchanged.

**AUTHORITY/REASON:**

Per Treasury and Contractor agreement.

INCREASE: \$0.00

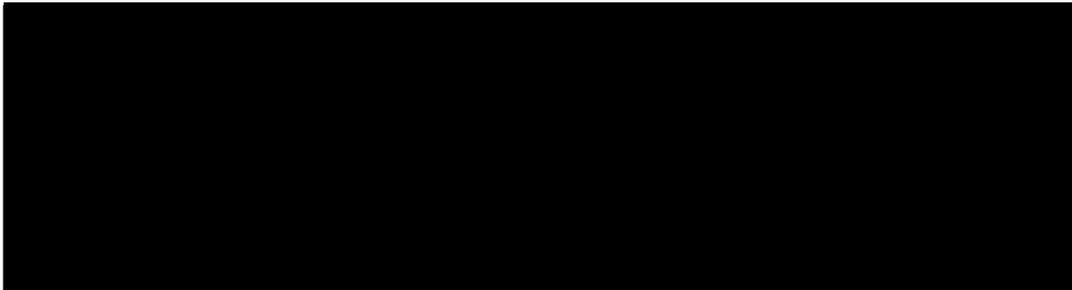
TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$0.00



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
430 WEST ALLEGAN  
LANSING, MI 48922

CONTRACT NO. 271B8200002  
between  
THE DEPARTMENT OF TREASURY  
and

NAME & ADDRESS OF PARTNER <b>Michigan State University</b> <b>Morris Chair in State &amp; Local Government Finance and Policy</b> <b>208 Agriculture Hall</b> <b>East Lansing, MI 48824-1039</b>  <b>mskidmor@anr.msu.edu</b>	TELEPHONE (517) 353-9172 <b>Dr. Mark Skidmore</b>
	VENDOR NUMBER/MAIL CODE <b>2386005984 (882)</b>
	CONTRACT ADMINISTRATOR: <b>Thomas Falik</b> <b>(517) 373-8699</b>
Contract Compliance Inspector: Carol Goslin (517) 373-3674	
Description: <b>Form F-65 Annual Local Unit Fiscal Report Services (Data Collection/Reporting and Hosting)</b>	
CONTRACT PERIOD: From: January 1, 2008 To: December 31, 2010	
MISCELLANEOUS INFORMATION: Contract Value: \$0.00	
The terms and conditions of this Contract are those of RFP No. 271Q702, this Contract Agreement, the Partner's quote dated 9/12/2007 and clarifications dated 11/6/2007, 11/9/2007 and 11/12/2007.	



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**SECTION I  
WORK STATEMENT**

**I-A BACKGROUND/PROBLEM STATEMENT**

The State of Michigan Department of Treasury, Bureau of Local Government Services provides services to units of local governments within the state of Michigan. The following divisions comprise the Bureau of Local Government Services:

1. Assessment and Certification
2. Local Audit and Finance
3. Property Services
4. Local Emergency Financial Assistance Board.

The Local Audit and Finance Division collects and reports fiscal reports from local units of government annually. Currently, this process includes local units of government completing a Microsoft Excel file and submitting it to the Department of Treasury. Approximately 1,860 local units of government submit data.

**I-B OBJECTIVES**

The purpose of the project is to collect annual fiscal reports from local units of government and report the data on an Internet site developed by a Data Collection/Reporting and Hosting Contractor(s). The Data Collection/Reporting Contractor would collect data from local units of government via an Internet application and post data to an Internet site hosted by the Hosting Contractor.

**I-C TASKS**

The following is a preliminary analysis of the major tasks involved for developing the end product of this project. The Contractor(s) is not, however, constrained from supplementing this listing with additional steps, sub tasks or elements deemed necessary to permit the development of alternative approaches or the application of proprietary analytical techniques. The services include, but are not limited to, the following:

1. Data Collection/Reporting Requirements
  - a. The Data Collection/Reporting Contractor will collect data submitted annually by local units of government via an Internet application [see Appendix A (Form F-65 Annual Local Unit Fiscal Report) for data currently collected and Appendix B for instructions to complete data collection form]. Data collection will occur approximately six (6) months after the local unit of governments' fiscal year (March, June, September and December).

Bidder Response to Task:

MSU will collect all data submitted as per the guidelines specified above.
--

Clarification Dated November 6, 2007:

Page 2, Section 2 (Management Summary), 6<sup>th</sup> paragraph: Please clarify if the 2<sup>nd</sup> web portal to collect and incorporate the SEV, TV, millages from the L-4069, revenue sharing and Act 51 payments will be on a website separate from the website being developed for the Department of Treasury. Treasury requires this website/portal to be separate from the website/portal for Form F-65 and not have the Treasury banner (look and feel).

MSU's Response:

The “L-4069” website/portal will not be connected in any way to the “F-65” website/portal, and it will not have the Treasury banner. Local officials will not have access to this site. We have decided to build it for our own data management purposes, but we hope that once the Treasury officials who manage the L-4069 form become aware of the website/portal they will find it attractive and may consider adopting it at a later point in time.

- i. The Internet application must provide edit checks for all specified data fields mutually determined with the State during implementation. Describe edit checks available in application.

**Bidder Response to Task:**

The application will contain input validation (edit checks) on fields mutually determined with the state to aid the user in completing data entry. Validation rules will be defined during implementation and will check calculations, data type (alpha/numeric), and completion of required fields. Validation rules will be defined based on input from the State of Michigan.

- ii. The Internet application must provide the capability for users to save the form and complete at a later date.

**Bidder Response to Task:**

Users will have the ability to save data, add new data and edit existing data up until a final submission date (to be determined) is reached.

- iii. The Data Collection/Reporting Contractor must provide all data and reports to the users via an Internet browser, Microsoft Internet Explorer version 6.0 or later. No additional software or hardware will be required for the customer.

**Bidder Response to Task:**

The reporting function of the application may be viewed using the above noted browsers or downloaded to Excel for further analysis by customers.

- iv. Describe Bidder’s proposed Internet application and provide a sample Internet page. The description must include the software configuration.

**Bidder Response to Task:**

The web pages will have the look and feel of a State of Michigan site; however, it will be hosted on a MSU web server within the MSU domain and will have a URL other than Michigan.gov.

- a) Identify architecture and hardware configuration needed to determine hosting requirements.

**Bidder Response to Task:**

This web application will be built using ASP.NET technology which will then be accessible by Microsoft Internet Explorer 6.0 or a later version. MS SQL Server 2000 will be used for data housing. In the course of further requirements definition and technical analysis, other technologies may be incorporated.

- b) Describe the frequency of application upgrades and give the date of the last major upgrade.

**Bidder Response to Task:**

This is a new application and as such has no upgrade history. There are no plans to upgrade at this time. We will however, respond to F-65 form changes in a timely manner. As was done previously with our current F-65 project with Treasury, changes promulgated by Treasury will be reflected in the forms.

- c) Describe the changes in the last major upgrade and give an estimated date of the next major upgrade and what changes are expected at that time.

**Bidder Response to Task:**

New application. Upgrades will occur as necessitated by changes in the F-65 form.

- d) The State has adopted the following tools for its Portal Technology development efforts:
- Vignette Content Management and personalization Tool
  - Inktomi Search Engine
  - E-Pay Payment Processing Module
  - Websphere Commerce Suite for e-Store applications.

Unless otherwise stated, Data Collection/Reporting Contractor must use the Portal Technology Tools to implement web content management and deployment efforts. Tools used for web-based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be coordinated with Department of Information Technology, Enterprise Application Services Office, e-Michigan Web Development team.

If Bidder(s) is compelled to use alternate tools, please state the justification.

**Bidder Response to Task:**

This project does not require e-payment or e-store functionality. No significant content management facilities are anticipated to be required. Minor abilities will be provided by the application. Since the application will be hosted offsite, due to software and integration costs Vignette will not be used as a content management tool. The site will be searchable by popular search engines. The site is limited in scope and will not have a built in search engine. Because the site will be hosted off-site, it will not be integrated with the search engine capabilities of the State of Michigan website.

Clarification Dated November 6, 2007:

Pages 5-6, section 1.a.iv.d (Portal Technology):

- a. Clarify what is meant by “No significant content management facilities are anticipated to be required.”

**MSU’s Response:**

The “content” of the site will consist of links to the data entry system for the local government officials and links to the reports for Treasury personnel, local officials and the public. Other predetermined text areas on the site will be editable through an administrative interface. The requirements of the site do not demand more complex features of other content management systems such as the ability of add additional menus, text areas, graphics, etc.

- b. The “content” of the site will consist of links to the data entry system for the municipalities and links to the reports for the municipalities and public. Other predetermined text areas on

the site will be editable through an administrative interface. The requirements of the site do not demand the more complex features of a typical content management system such as the ability to add additional menus, text areas, graphics, etc. Will MSU's tools for portal technology be compatible with Vignette Content Management and personalization tool, and Inktomi Search Engine) at time of contract termination?

MSU's Response:

Other Treasury sites that are built with the Vignette Content Management system will be able to link into sections of the portal. The site will be searchable through Inktomi and other search engines. The site will not be developed with the Vignette Content Management tool and will not include a search engine.

Our intent is to develop web portals that can easily be integrated into the Treasury system. To aid in this process, we plan to consult Treasury IT specialists so that the system is designed with integration in mind.

- e) Data Collection/Reporting Contractor must comply with "Look and Feel Standards for e-Government Applications" at [http://www.michigan.gov/documents/Look\\_and\\_Feel\\_Standards\\_2006\\_v3\\_166408\\_7.pdf](http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf).

Bidder Response to Task:

The web portals will comply with the above mentioned standards.

- v. The Data Collection/Reporting Contractor will post the data collected to an Internet site hosted by the Hosting Contractor.

Bidder Response to Task:

MSU will make every effort to assure timely and accurate uploading of the data.

- a) Describe application options to post data directly to Internet upon submission versus posting data after an authorized user has approved the data submission (i.e. workflow).

Bidder Response to Task:

Data entered by authorized municipality accounts will be posted directly to the "Internet" and will be available for future editing. That data will not be viewable by public/read-only users until it has been approved and released by an authorized administrator. The role of the authorized administrator responsible for the approval and release of data will be further defined during the project.

- vi. Local unit of government users must be allowed to submit amended data/forms. Describe application functionality to allow amended data submissions and the change control process (i.e. change control numbers).

Bidder Response to Task:

Log-on IDs and passwords will allow for amendments to be made by authorized user, and the database will be amended automatically. Note, however, that at some established date following the end of the local units fiscal year end, further amendments will not be allowed via the web portal.

- vii. The Data Collection/Reporting Contractor must provide the ability for users to download all data via Microsoft Excel and other software formats as applicable. Describe formats bidder can provide for download.

**Bidder Response to Task:**

All data will be available in a format that can be imported into Excel or Access. Subsets of the data will be available in other formats such as Adobe Acrobat and Excel. The subsets, available as query responses, will be defined in conjunction with Treasury. Responses that return large subsets or the entire dataset will be retrievable only in an importable delimited file format. Extremely large subsets may be made available only in a common compressed (“zipped”) format or offline via CD. The decision regarding format will be made in conjunction with Treasury, MSU Technical Support Staff and subcontractors with decision factors including usability, site performance and load.

- viii. The application should allow for ad hoc querying/reporting and comparison functionality of summary data totals. Describe the bidder’s capability to provide this functionality.

**Bidder Response to Task:**

Querying and reporting functionality will be developed in conjunction with the Treasury. Simple summary data totals will be included in the available reports/queries. The site will not provide for significant, customizable data analysis. As indicated earlier, users will have access to the entire dataset and will be able to download and import the data into other tools to complete such analysis.

Clarification Dated November 6, 2007:

Page 7, section 1.a.viii (Ad Hoc Querying/Reporting): “Simple summary data totals will be included in the available reports/queries.” Clarify what is considered significant, customizable data analysis. Treasury would like the site to provide simple query and report capabilities for the local units, so that they might be able to compare their “city” for example to other cities; additionally, Treasury would like the ability to do in-depth query capabilities as well as obtain somewhat standard annual report requirements (such as a report showing those units who filed, when they filed, who filed timely, who did not file).

**MSU’s Response:**

We anticipate developing the following: 1) simple queries that allow local units to make basic comparisons with other similar communities; 2) develop standard annual report summaries generated from the database; and 3) additional query capabilities which will allow access to data to those who wish to pull larger amounts of data. We anticipate that the system will allow a user to query and download data based on the type of local unit, community size, and time period. The system will allow the downloading of many revenue and expenditure categories. We note, however, that users wishing to access the entire database will likely have to request a CD (large amounts of data may be too large to download in a reasonable amount of time). We will provide a electronic copy of the data in Access format at no cost to the requester.

- ix. The Internet-based application must be secure and accommodate at least four thousand (4,000) users with 100 concurrent users at any given time.

**Bidder Response to Task:**

The system will accommodate 4,000 local government users with 100 concurrent users at any given time. Regarding the data access site, load issues and server capabilities will determine the number of users who will be able to access data concurrently.

Clarification Dated November 6, 2007:

Page 7, section 1.a.ix (Users): What are the load issues and server capabilities for the proposed system (e.g. limitations)?

MSU's Response:

We plan to purchase new hardware to house this server. Other systems may also run on it, but we would avoid anything that would impede the Treasury system.

Clarification Dated November 9, 2007:

MSU's Response:

The server capabilities will meet the needs specified in the RFP: We will purchase a server that will adequately meet the number of users specified.

- a) Each user must have a unique log-on ID and password (access control).

Bidder Response to Task:

Each authorized user will be issued a unique log-on ID and password. No log-on is required to access the data, however. The access portal will be open to the public.

- b) Access control must include role-based user access (i.e. read-only, data entry, summary reporting access, detailed data reporting access, etc.). Describe bidder's access control functionality.

Bidder Response to Task:

Appropriate levels of access will be developed. Treasury officials and database administrators will be given general access. Local officiate will be given data entry access for their unit of government only. And the public will be given read-only access to local government financial data.

Clarification Dated November 6, 2007:

Page 7, section 1.a.ix.b (Users, Access Control): Treasury anticipates providing user administration (e.g. user setup, user deletion, modifications, etc.). Clarify what is meant by "general access" in the statement "Treasury officials and database administrators will be given general access."

MSU's Response:

Treasury officials will have complete and full access to the system.

- x. The application must provide audit trail functionality for all system/form changes and updates.

Bidder Response to Task:

The system will provide an audit trail for all data changes, system changes and form changes.

- a) Audit trail reports must be available to authorized users via the Internet.

Bidder Response to Task:

The audit trail will allow authorized users to view changes that have been made, the date/time those changes were made and the userid associated with the change.

- b.. The Data Collection/Reporting Contractor will provide telephone support from 8:00 a.m. to 5:00 p.m. on business days and will respond to concerns within two (2) business days.

**Bidder Response to Task:**

MSU will provide telephone and e-mail support from 8:00 a.m. to 5:00 p.m. on business days and will respond within 2 business days where possible.

- c. The application response time for the end-user should not be excessively long. Data must populate within ten (10) seconds, and reports must populate within one (1) minute. Describe normal process times of bidder's proposed application.

**Bidder Response to Task:**

The design of the application and reporting process will optimize the user experience. Design will be guided to provide good performance for end users. The rendering of data in 10 seconds and reports within one (1) minute will be considered a guideline in development.

- d. Form F-65 (Appendix A) will be updated by the Data Collection/Reporting Contractor annually (approximately November/December of each contract year). Old forms must be made available for data submission by local units of government.

**Bidder Response to Task:**

Relatively simple changes to the F-65 will be incorporated into the data input web-portal. However, substantial changes must be negotiated with Treasury. Every effort will be made to accommodate changes in a cost effective manner.

Clarification Dated November 6, 2007:

Page 8, section 1.d (Old Forms): Will the current form and prior year form be available on the Internet for submission at any given time, beginning with 2008 (Treasury has units who file late and need to know the form would still be available for them).

**MSU's Response:**

As defined in the original proposal, it is assumed that Treasury will be able to set a date for when the submission of prior year local government data via the web portal will no longer be available. Treasury will need to define the process for determining inclusion or removal of the prior year form. Once defined, the system will be designed to support both prior year and current year data submission in accordance with Treasury policy.

- e. All application upgrades will be provided at no additional cost during the term of the Contract.

**Bidder Response to Task:**

Minor modifications to the form will be incorporated at no additional cost. Future developments that require substantial upgrades and database modification would be proposed and priced under a separate agreement.

- f. Any modifications to the application must be transparent to users and not require any updates on users' computers.

**Bidder Response to Task:**

All modifications will be made in a manner to be as transparent and user friendly as possible. Updates required by the state which will result in computer updates will be the responsibility of the state.

- g. The Data Collection/Reporting Contractor is responsible for training up to five (5) State users and providing training documentation. The Contractor must be willing to be available for one (1) on-site training session each year for users not to exceed one business day (only needed for major application changes).

**Bidder Response to Task:**

MSU will provide training and assistance to 5 state users for 1 business day each year.

Clarification Dated November 6, 2007:

Page 8-9, section 1.g (Training): Will MSU provide training documentation to State users?

**MSU's Response:**

MSU will provide training documentation to State users.

- i. Describe bidder's ability to provide Internet-based training tools (i.e. WebEx, computer-based training modules, etc.).

**Bidder Response to Task:**

MSU is capable of providing help files and Internet-based training.

- h. Describe the training process for new employees and/or subcontractor employees assigned to this Contract (new or transferred).

**Bidder Response to Task:**

MSU will provide training for new employees and/or subcontractors assigned to the project, as required.

- i. If subcontractors are utilized, describe risk mitigation efforts bidder has implemented to minimize issues of conversion/transition.

**Bidder Response to Task:**

Appropriate measures will be taken to mitigate risk from the subcontractors. MSU and Solinterra follow basic project management techniques as identified by the Project Management Institute and other experts to help identify, analyze, monitor and control project risks.

- i. The Data Collection/Reporting Contractor will be responsible for working with the State, local units of government and other contractors (e.g. Hosting Contractor, Department of Information Technology, information technology systems contractors, etc.) to assist in problem resolutions including but not limited to, establishing new communications channels, downtime, testing, etc.

**Bidder Response to Task:**

MSU agrees to make every reasonable effort to assist in problem resolution.

- j. In the event of Contract expiration or termination, all data must be provided to the Department of Treasury within five (5) business days of request in a mutually agreeable

format. Describe formats available to the State.

Bidder Response to Task:

In the event of Contract expiration, all data will be provided in a mutually agreeable format.

2. Hosting Requirements

a. The Hosting Contractor must provide all data and reports to the users via an Internet browser, Microsoft Internet Explorer version 6.0 or later. No additional software or hardware will be required for the customer. This service will operate 24 hours a day, 7 days a week, but will be available 99% of the time between 8:00 a.m. and 5:00 p.m. eastern standard time on business days. Any interruptions in service over 30 minutes must be reported to the Contract Compliance Inspector with the following:

- i. Length of interruption
- ii. Reason for interruption
- iii. Resolution and estimated time to resolve.

Bidder Response to Task:

- Data and reports available through application developed in the Data Collection/Reporting Requirements section.
- Service operates 24/7 with 99% availability between 8 a.m. to 5 p.m. ET on business days.
- We will report service interruptions over 30 minutes to the Contract Compliance Inspector.

b. The system response time for the end-user should not be excessively long. Data must populate within ten (10) seconds, and reports must populate within one (1) minute. Describe normal process times of bidder’s proposed system.

Bidder Response to Task:

We do not have similar systems, but the response times for our other complex systems meet these requirements.

c. All system upgrades will be provided at no additional cost during the term of the Contract.

Bidder Response to Task:

There will be no additional costs during the term of the contract.

d. Any modifications to the reporting system need to be transparent to users and not require any updates on users’ computers.

Bidder Response to Task:

There is no reporting system other than what is developed in the Data Collection/Reporting Requirements section.

e. The Hosting Contractor is responsible for backing up the data at least once per week, if not daily. The Hosting Contractor must provide a disaster recovery plan and the system must

be available no more than 5 business days after a disaster. Describe bidder's disaster recovery/business continuity plan.

**Bidder Response to Task:**

- System is backed up daily.
- Weekly backups are stored in a remote location.
- Aside from the remote possibility of an extreme catastrophic event, the system should be available within 5 business days after a disaster.
- The recovery plan includes restoring from backups, as well as making arrangements to run the server from a different location on another server, if necessary.

Clarification Dated November 6, 2007:

Page 10, section 2.e (Data Back-Up):

- a. Where is the remote location for weekly back-ups?

**MSU's Response:**

Remote backups will be stored in Agriculture Hall, approximately ½ mile from the Natural Resources Building where the server will be located. Locations may change in the future in the event of reconfigurations, office moves, etc. Likewise, in the event of a disaster at the Natural Resources building, the system would most likely be transferred to a system in Agriculture Hall.

- b. Where is the general location for backup servers?

**MSU's Response:**

Remote backups will be stored in Agriculture Hall, approximately ½ mile from the Natural Resources Building where the server will be located.

- f. Bidders must describe the architecture of their hardware configuration and infrastructure of the computer system.

**Bidder Response to Task:**

- All servers run Intel CPU's and Windows 2003 Server.
- The web server has 2GB of memory and 140GB of disk space.
- The database server runs Microsoft SQL Server 2000.
- The servers are behind MSU departmental firewalls.
- The MSU network runs an IDPS to protect against outside attacks.
- The MSU network runs at speeds of 100Mb to 1Gb internally.

Clarification Dated November 6, 2007:

Page 11, section 2.f, last bullet point (Network Architecture): The "MSU network runs at speeds of 100Mb to 1Gb internally." What is the speed externally?

**MSU's Response:**

The MSU network connects to the Internet at a speed of 1Gbits/second. Plans are in process to upgrade that to 10Gbits/second.

- i. Describe the frequency of system upgrades and give the date of the last major upgrade.

**Bidder Response to Task:**

We try to take our servers out of production after three years (generally the length of the warranty). The current web server is a little over one year old.

- ii. Describe the changes in the last major upgrade and give an estimated date of the next major upgrade and what changes are expected at that time.

**Bidder Response to Task:**

At latest, the server will be replaced in about two years. Other upgrades or new systems will be introduced as deemed necessary.

- g. The Data Collection/Reporting Contractor must provide the physical and logical system access controls and security necessary to ensure secure access for the functions described in this RFP. Physical and logical access controls for all facilities, equipment, and applicable systems must be addressed. The following national/international security standards and publications including, but not limited to, must be adhered to:
  - i. "National Standards: An Introduction to Computer Security", National Institute of Standards and Technology, Computer Resource Security Center (see <http://csrc.nist.gov/cc/index.html>)
  - ii. Interagency Guidelines Establishing Standards for Safeguarding Customer Information; Final Rule (12 CFR Part 30, et al).
  - iii. The following security control requirements must be addressed:
    - a) Management Controls
    - b) Operational Controls
    - c) Technical Controls.

**Bidder Response to Task:**

The servers are in a computer room, with access available only to specified technical staff. The servers are protected by a hardware firewall and antivirus software, and are regularly monitored by technical staff. Only necessary network services are active.

Clarification Dated November 6, 2007:

Page 11, section 2.g (System Security): Will MSU adhere to national/international security standards?

MSU's Response:

We attempt to adhere to good security practices and are looking for ways to improve upon these too. Are there required or desired standards to which we need to adhere to host this project?

Clarification Dated November 12, 2007:

MSU's Response:

We have now had a chance to review the documents in the links you forwarded. We are still having trouble assessing whether our standards fully comply with NIST "standards". Here is the challenge. First, we are not accredited by this group. This means that we must try to assess whether we comply with some set of standards. The NIST Handbook is a document (<http://csrc.nist.gov/publications/nistpubs/800-12/>) that provides 20 chapters of information regarding good security practices. In looking at this information, our IT staff indicates that MSU standards are generally consistent with those outlined in the document. However, 20 chapters is a lot of information to sift through if one is trying to identify areas of noncompliance. My guess is that

accreditation/certification would require months if not years to work out. Along those lines, it would require many hours to identify which specific practices we may not fully comply with. Further, this document does not outline a specific set of “standards”. In short, the answer to your question is no: We are not accredited by any external security standards organization. However, if you can help us by providing specific set of standards, we could evaluate whether we meet or can make adjustments to meet those standards. I will again emphasize that generally have good secure systems in place (management, established policies, access controls, regular updating of security practices, quality system architecture, contingencies for disasters, updating of antivirus safeguards, backups, safe locations, etc...)

- h. The Hosting Contractor must provide audit trail functionality for all system changes.

**Bidder Response to Task:**

Aside from the operating system logs and built in functions, and written record, we do not have audit trail functionality. The web portal will, however, contain audit trail functionality as described in the web portal development section.

- a) Audit trail reports must be available to authorized users via the Internet.

**Bidder Response to Task:**

See h. above

- i. The Hosting Contractor will provide a full service level agreement. Provide the proposed service level agreement with proposal.

**Bidder Response to Task:**

As this site serves the MSU Extension mission, we will treat it as we do our other internal sites. We do not have a service level agreement *per se*. Rather, we attempt to make sure that our systems are up and operating as much as possible. On occasion there may be a short gap in service, but such gaps are rare.

- j. The Hosting Contractor must notify the Contract Compliance Inspector seven (7) days in advance of any scheduled downtime. All system outages/shutdowns must be reported immediately to the Contract Compliance Inspector or designee. Within twenty-four (24) hours of problem resolution and restart, the Contractor must prepare and submit a report to the Contract Compliance Inspector or designee indicating elapsed downtime hours, start/end timeframes, reason for the outage, impact on the systems (lost data, etc.) for each occurrence and resolution to mitigate future occurrences.

**Bidder Response to Task:**

We will communicate with CCI or designee regarding outages in a timely manner.

- k. The Contractor will provide telephone support from 8:00 a.m. to 5:00 p.m. on business days and will respond to concerns within two (2) business days.

**Bidder Response to Task:**

We generally have staff available from 8 a.m. to 5 p.m. on business days for support for system hosting.

Clarification Dated November 6, 2007:

Page 12, section 2.k (Support): Clarify how this impacts providing telephone and e-mail support per response on page 8, section 1.b [i.e. will MSU respond to concerns within two (2) business days]?

MSU's Response:

With exception of extraordinary circumstances, MSU will respond to concerns within two (2) business days to concerns/questions.

1. The Hosting Contractor will be responsible for working with the State, local units of government and other contractors (e.g. Data Collection/Reporting Contractor, Department of Information Technology, information technology systems contractors, etc.) to assist in problem resolutions including but not limited to, establishing new communications channels, downtime, testing, etc.

Bidder Response to Task:

We will work with others involved to resolve any server-related problems.

- m. In the event of Contract expiration or termination, all system data must be provided to the Department of Treasury within five (5) business days of request in a mutually agreeable format. Describe formats available to the State.

Bidder Response to Task:

We are able to provide the information in a commonly available and used format.

## **I-D ROLES, AND RESPONSIBILITIES**

### **1. Contractor Staff**

Bidder(s) must provide the following staff:

- a. Account manager to act as a central point of contact for all contractual activities [both contractor(s)]
- b. Information Technology Web Developer (Data Collection/Reporting Contractor)
- c. Information Technology Network Specialist (Hosting Contractor).

Identify Contractor staff who will be involved, identify by name the individuals, and describe in detail their roles and responsibilities. Descriptions of roles should be functional and not just by title. Include an organization chart; additionally, the organization chart must also include all staff involved in supporting and marketing the proposed product/service.

Bidder Response to Task:

Project Manager: Mark Skidmore, Morris Chair and Professor, will serve as the primary contact, providing the required oversight and project management

Information Technology Web & Database Developer – John Chenoweth of Solinterra. Subcontractor Solinterra Business Solutions, LLC 1041 W. Highland St.; Whitewater, WI 53190 Dr. John Chenoweth, Partner Phone: 920-675-6735 E-mail: john.chenoweth@sbcglobal.net Ownership: Private Business

Eric Scorsone, MSU Extension Economist and Assistant Professor, will assist in various aspects of database development.

Nicole Bradshaw, Extension Specialist, will assist in data management and database development.

Web Server Manager – Phil Rieke, MSU IT Specialist, will assist in setting up and operating the server.

2. State Staff

- a. Contract Compliance Inspector to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by Treasury Purchasing.** The Contract Compliance Inspector for this Contract is Carol Goslin.
- b. Contract Administrator to serve as the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Treasury Purchasing is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contractor Administrator within Treasury Purchasing for this Contract is Tom Falik (see section III.2).
- c. Various State divisions to access data.

3. Other Staff

- a. Local Units of Government to enter and access data.
- b. Organizations to access data (i.e. Federal Census Bureau, schools, Michigan Municipal League, etc.).

**I-E PROJECT PLAN MANAGEMENT**

- 1. The Contractor will carry out this project under the direction and control of the Contract Compliance Inspector.

Bidder Response to Task:

We acknowledge that the Contract Compliance Inspector is the authorized representative for the State of Michigan. The Contract Compliance Inspector will not have the ability to adjust scope of the project. This is expected to be a \$0.00 contract and as such we will not adjust scope beyond our proposal.

- 2. Although there will be continuous liaison with the Contractor team, the Contract Compliance Inspector will meet monthly at minimum, or as requested by the Contract Compliance Inspector, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.

Bidder Response to Task:

Within reason we will meet as needed to address questions or concerns.

- 3. Provide a project plan with proposal. The plan must include the details noted in section I-G.4.

Bidder Response to Task:

We will retain a subcontractor to perform the technical aspects of the proposal and if the proposal is approved, we will provide a detailed plan and timeline.

4. Within five (5) working days of the award of the Contract, the Contractor will submit to the Contract Compliance Inspector for final approval a work plan. This final implementation plan must be in agreement as proposed by the bidder in section I-E.3 and accepted by the State for Contract, and must include the following:
  - a. The Contractor's project organizational structure.
  - b. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
  - c. The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.

**Bidder Response to Task:**

The details of project management will be negotiated in the contract.

Clarification Dated November 6, 2007:

Page 15, sections I-E.4 and 5 (Project Plan Management): "The details of project management will be negotiated in the contract." Which components of project management need to be negotiated?

**MSU's Response:**

The term "negotiated" was not well chosen. To clarify, the details of project management plan will be provided once a contract is awarded.

5. Provide the Contract Compliance Inspector a monthly status report of completed deliverables/tasks, work-in-process, etc.

**Bidder Response to Task:**

The details of project management will be negotiated in the contract.

Clarification Dated November 6, 2007:

Page 15, sections I-E.4 and 5 (Project Plan Management): "The details of project management will be negotiated in the contract." Which components of project management need to be negotiated?

**MSU's Response:**

The term "negotiated" was not well chosen. To clarify, the details of project management plan will be provided once a contract is awarded.

**I-F ISSUE/RISK/CHANGE MANAGEMENT**

1. Describe how issues will be addressed when they arise and how appropriate parties will be apprised of progress.

**Bidder Response to Task:**

MSU will communicate with the Compliance Office as problems arise, either by phone or e-mail and if necessary in person. Progress will be reported in the same manner.

2. Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of

mitigation strategies, and (4) monitoring of risk and mitigation strategy. Risk assessment review should be conducted on a regular basis. Please describe bidder's risk management process.

Bidder Response to Task:

We will take appropriate measures to mitigate risk to MSU and the State of Michigan.

3. If a proposed contract change is approved by the Contract Compliance Inspector, the Contract Compliance Inspector will submit a Contract Change Request to the Department of Treasury, Purchasing Division who will make recommendations to the Director of Administrative Services regarding ultimate approval/disapproval of change request. If Director of Administrative Services agrees with the proposed modification, and all required approvals are obtained, Treasury Purchasing will issue an addendum to the Contract, via a Contract Change Notice. **Vendors who provide products or services prior to the issuance of a Contract Change Notice by Treasury Purchasing, risk non-payment for the out-of-scope/pricing products and/or services.**

Bidder Response to Task:

MSU will submit proposed contract changes as required.

## **I-G ACCEPTANCE**

The following criteria will be used by the State to determine Acceptance of the Services and/or Deliverables provided under this SOW:

### 1. Performance and Reliability Evaluation (PARE)

The Performance and Reliability Evaluation will consist of three phases.

#### a. PHASE 1 – Specifications Compliance Review

- i. The first phase shall be comprised of a compliance review of the specifications for the Internet application/system listed in the Contract. This review will ensure all items are in compliance with the required specifications for the Contract. In the event Treasury determines that any component or feature of the system does not comply with the mandatory specifications of the Contract, Treasury reserves the right to cancel the contract.

#### b. PHASE 2 – Acceptance Test

- i. The Contract Compliance Inspector will evaluate the system's performance based on the reports produced. The Contract Compliance Inspector will determine that the system is fully operational when all of the requirements listed in the Contract are met. It will be the Contract Compliance Inspector's responsibility to determine that the system is fully operational.

#### c. PHASE 3 – Post Implementation

- i. The performance period for Phase 3 is a period of forty-five (45) consecutive calendar days. The performance period shall commence when the first data load is complete and the system is fully operational.

During the performance period for Phase 3 there shall be no more than three (3)

interruptions. During the performance period for Phase 3 there shall be no individual interruption that lasts longer than four (4) hours.

An interruption is defined as failure in the Contractor-supplied system or application, which results in work stoppage.

Work stoppages resulting from network downtime, Treasury-supplied equipment failure or Treasury-supplied software malfunctions shall not be included in the performance period.

d. Final Acceptance

Final Acceptance will be completed forty-five (45) days after Phase 3 of the PARE in section I-G.1. During Final Acceptance, there shall be no more than three (3) interruptions. During Final Acceptance there shall be no individual interruption that lasts longer than four (4) hours (see 1.G.1.c for definition of interruption). Upon completion of Final Acceptance, the Contract Compliance Inspector will provide written acceptance of the system.

**I-H PRICE PROPOSAL/CONTRACT PAYMENT**

All prices/rates will be firm for the duration of the Contract. No price changes will be permitted.

The cost for the services and deliverables associated with the obligations of this contract is \$0.00.

**SECTION II – TERMS AND CONDITIONS**

**1. GENERAL**

The Contract is for the State of Michigan, Department of Treasury, Bureau of Local Government Services, Local Audit & Finance Division. 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. The State will only pay for actual services performed.

**2. ISSUING OFFICE**

The Contract is issued by the Department of Treasury State of Michigan, hereinafter known as Treasury. The authority will be known as the State.

Treasury Purchasing is the sole point of contact in the State with regard to all procurement and contractual matters relating to the commodities and/or services described herein. Treasury Purchasing is the only office authorized to change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Treasury Purchasing will remain the **SOLE POINT OF CONTACT** throughout the procurement process. All communications covering this procurement must be addressed to:

Michigan Department of Treasury  
430 W Allegan St., 2<sup>nd</sup> Floor  
Lansing, MI 48922  
Thomas Falik  
517-373-8699  
falikt@michigan.gov.

**3. TERM OF CONTRACT**

This Contract is for a period of three (3) years commencing on the date that the last signature required to make the Contract enforceable is obtained. The Contract term is from January 1, 2008 through December 30, 2010 with the option for two (2) one-year renewals. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to 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.

**4. ENTIRE AGREEMENT**

This Contract consists of the State's Terms and Conditions, the Contractor's Proposal dated September 12, 2007 and clarifications dated November 6, 9 and 12, 2007. The State's Terms and Conditions consist of the General Contract Provisions and the Work Statement. This Contract constitutes the complete and exclusive agreement and understanding of the parties as it relates to this transaction. This Contract supersedes all proposals, or other prior agreements, and all other communications between the parties relating to this transaction. If there is a conflict between the State's Terms and Conditions and the Contractor's Proposal, the State's Terms and Conditions shall take precedence.

**5. REVISIONS, CONSENTS, AND APPROVALS**

This Contract shall not be modified by or interpreted by reference to any course of dealing or usage of trade and shall not be modified by any course of performance. No modifications of this Contract shall be effective unless in writing and signed by the State and the Contractor. Any breach or default by a party shall not be waived or released other than in writing signed by the other party.

**6. NO WAIVER OF DEFAULT**

The failure of a party to insist upon strict adherence to any term of this Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of this Contract.

**7. SEVERABILITY**

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

**8. HEADINGS**

Captions and headings used in this 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 this Contract.

**9. RELATIONSHIP OF THE PARTIES**

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

**10. GOVERNING LAW**

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

**11. COST LIABILITY**

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing this Contract. Total liability of the State is limited to the Terms and Conditions of this Contract.

**12. CONTRACTOR RESPONSIBILITIES**

The Contractor is responsible for the performance of all of its obligations under this Contract, whether the obligations are performed by the Contractor or a subcontractor. The State reserves the right to approve any subcontractor hired to perform the Contractor's obligations under this Contract, and the right to require the Contractor to replace any subcontractor deemed unacceptable by the State. The Contractor is exclusively responsible for adherence by subcontractors to all provisions of this Contract. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the Contract.

**13. NEWS RELEASES**

News releases pertaining to this Contract or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State.

**14. DISCLOSURE/CONFIDENTIALITY**

a. 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").

b. 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 shall 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 shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

c. Protection 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 in order 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) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such 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 such Confidential Information from unauthorized use or disclosure.

d. Exclusions

Notwithstanding the foregoing, the provisions of 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 such 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 such 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 such disclosure as reasonably requested by the furnishing party.

**e. No Implied Rights**

Nothing contained in this Section shall 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.

**f. Remedies**

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

**g. Security Breach Notification**

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

**h. Survival**

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

**i. Destruction of Confidential Information**

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

**15. ACCOUNTING RECORDS**

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to this Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time within the duration of this Contract and any extension thereof, and for three (3) years from the expiration date and final payment on this Contract or extension thereof.

**16. PERFORMANCE REVIEWS**

Treasury may review with the Contractor their performance under the Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contract.

Upon a finding of poor performance, which has been documented by Treasury, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Treasury, the Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

**17. AUDIT OF CONTRACT COMPLIANCE**

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at Contractor's location(s) to determine if the Contractor is complying with the requirements of this Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with the requirements of this Contract.

**18. SAFETY AND ACCIDENT PREVENTION**

In performing work under this Contract on State premises, the Contractor shall conform to any specific safety requirements contained in this Contract or as required by law or regulation. The Contractor shall take any additional precautions as the State may reasonably require for safety and accident prevention purposes. Any violation of such safety requirements, rules, laws or regulations shall be a material breach of this Contract and shall be grounds for cancellation of this Contract in accordance with the Cancellation provisions contained herein.

**19. RIGHT TO KNOW ACT (1986 PA 80) - SERVICES**

The "Right to Know Act" is intended to provide protection and information to employees who encounter hazardous substances in the workplace. To comply with this act, it is necessary that you fulfill the following:

Labels on all incoming containers of hazardous chemicals must (1) clearly state the identity of the contents, (2) display appropriate hazard warning(s), (3) include first aid information, and (4) list the name and address of the chemical manufacturer, importer, or other responsible party.

A service Contractor must comply with the requirements of 1986 PA 80 with respect to the labeling of hazardous chemicals and the provision of Material Safety Data Sheets before such materials are introduced into the workplaces of a contracted service agency. Otherwise, such

materials will not be allowed on the premises.

Material Safety Data Sheets related to hazardous chemicals must be presented to the appropriate State building supervisors prior to the introduction of such substances into buildings housing agencies of the State of Michigan. It is recommended that the format of OSHA Form 174 be used as a standard for Material Safety Data Sheets.

**20. WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at [www.state.mi.us/mdcs/Regindx](http://www.state.mi.us/mdcs/Regindx).

**21. TAXES**

- A. Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.
- B. Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.
- C. Contractors are expected to collect and pay all applicable federal, state, and local employment taxes for all persons involved in the resulting Contract. Also, the Contractor shall maintain appropriate payroll information on a system that can produce any reports that may be needed by the State.

**22. GENERAL INDEMNIFICATION**

Each party to this contract must seek its own legal representative and bear its own costs; including judgments, in any litigation that may arise from performance of this contract. It is specifically understood and agreed that neither party will indemnify the other party in such litigation.

**23. INSURANCE REQUIREMENTS**

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such 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 pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies

contain a waiver of subrogation by the insurance company.

All insurance coverages 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 shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State. See [http://www.mi.gov/cis/0,1607,7-154-10555\\_22535---,00.html](http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html).

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES OR BEFORE THE PURCHASE ORDER IS ISSUED BY THE STATE, THE CONTRACTOR MUST FURNISH TO THE TREASURY PURCHASING, CERTIFICATE(S) OF INSURANCE VERIFYING INSURANCE COVERAGE. THE CERTIFICATE MUST BE ON THE STANDARD "ACCORD" FORM. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for 10 days for non-payment of premium, having been given to Treasury Purchasing. Such NOTICE must include the CONTRACT NUMBER affected and be mailed to: State of Michigan, Department of Treasury, 430 West Allegan, Lansing, Michigan 48922.

The Contractor is required to provide the type and amount of insurance checked () below:

- 1. Commercial General Liability with the following minimum coverages:
  - \$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
  - \$500,000 Fire Damage Limit (any one fire)
  
- 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.
  
- 3. The Contractor will maintain a self-funded workers' compensation program that meets statutory requirements.
  
- 4. Employers liability insurance with the following minimum limits:
  - \$100,000 each accident
  - \$100,000 each employee by disease
  - \$500,000 aggregate disease

- 5. 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.

**24. NOTICE AND RIGHT TO CURE**

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature 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.

**25. CANCELLATION**

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents, and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under this Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor may be responsible for all costs incurred by the State in canceling this Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in this Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in this Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall 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 this Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make performance of the services under this Contract

no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel this Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.

3. Non-Appropriation. The State may cancel this Contract in the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to annual appropriation or availability of funds for this Contract. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity, the State may cancel this Contract.
5. Approvals Rescinded. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Article 11, Section 5 of the Michigan Constitution of 1963, and Chapter 7 of the Civil Service Rules, the State may cancel this Contract. Notwithstanding any other provision of this Contract to the contrary, the State Personnel Director is authorized to disapprove contractual disbursements for personal services if the Director determines that disbursements under this Contract violate Article 11, Section 5 of the Constitution or violate applicable Civil Service rules or regulations. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

**26. ASSIGNMENT**

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under this Contract without the prior written consent of the State Purchasing Director.

**27. DELEGATION**

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the State Purchasing Director has given written consent to the delegation.

**28. MODIFICATION OF CONTRACT**

The Department of Treasury reserves the right to modify this contract at any time during the contract term. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the proposed changes are subject to acceptance by the State. Changes may be increases or decreases. **IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.**

**29. NON-DISCRIMINATION CLAUSE**

In the performance of any Contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The bidder further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

**30. UNFAIR LABOR PRACTICES**

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, *et seq*, the State shall 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 pursuant to 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, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

**31. SURVIVOR**

Any provisions of this Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

**32. ELECTRONIC PAYMENT AVAILABILITY**

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