

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

**NOTICE  
 OF  
 CONTRACT NO. 071B3200012**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Northrop Grumman Systems Corporation 15010 Conference Center Drive Chantilly, VA 20151	Evan Goldstein	<a href="mailto:Evan.goldstein@ngc.com">Evan.goldstein@ngc.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(571) 313-2503	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:				
BUYER:	DTMB	Mark Lawrence	(517) 241-1640	<a href="mailto:Lawrencem1@michigan.gov">Lawrencem1@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: Descriptive Contract Title (Not always the same language as provided in MAIN)			
<b>MCOLES Information and Tracking Network</b>			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	October 4, 2012	October 3, 2017	
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			<b>\$2,487,511.50</b>

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**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #07112200173. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

**Notice of Contract #: 071B3200012**

FOR THE CONTRACTOR:	FOR THE STATE:
<b>Northrop Grumman Systems Corporation</b>	
Firm Name	Signature
Authorized Agent Signature	<b>Greg Faremouth, IT Division Director</b>
Authorized Agent (Print or Type)	Name/Title
Date	<b>DTMB Procurement</b>
	Enter Name of Agency
	Date



**STATE OF MICHIGAN**  
**Department of Technology, Management and Budget**  
**Procurement**

**MCOLES Information and Tracking Network**

Buyer Name: Mark Lawrence  
Telephone Number: 517 241-1640  
E-Mail Address: lawrencem1@michigan.gov



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## **Article 1 – Statement of Work (SOW)**

### **1.000 Project Identification**

#### **1.001 PROJECT REQUEST**

The State of Michigan (State), through the Michigan Department of Technology, Management & Budget (MDTMB or DTMB), has issued this Contract for IT services for the MCOLES Information and Tracking Network (MITN). MCOLES is the Michigan Commission on Law Enforcement Standards. The services needed are application maintenance and support, and a reserve bank of hours for future enhancements and/or legislative mandates. Payment will be on a time and materials basis.

#### **1.002 BACKGROUND**

The Michigan Commission on Law Enforcement Standards (MCOLES), formerly the Michigan Law Enforcement Officers Training Council (MLEOTC), was created by the State of Michigan Public Act 203 of 1965. It established mandatory selection, training, employment and licensing standards for Michigan law enforcement officers. The MCOLES is also responsible for tracking employment transactions, training and license statuses for all law enforcement officers in Michigan.

MITN is a single, integrated system. This web-enabled system allows the entire law enforcement community direct, secure access to critical licensing and training information for any MCOLES licensed law enforcement officer (past or present). MITN is used by all law enforcement agencies in the state of Michigan.

Client/server access to the database enables the MCOLES staff to immediately verify and respond to requests for enrollment, standards verification, and licensing activations. Twenty-one MCOLES approved basic training academies also utilize MITN to track the delivery of the mandated basic training curriculum and the recognition of prior training and experience program.

Finally, this system is the means by which in-service training and instructor certifications are tracked for officers.

The headquarters of MCOLES is in Lansing, Michigan.

The web site of MCOLES is: <http://www.michigan.gov/mcoles>

### **1.100 Scope of Work and Deliverables**

#### **1.101 IN SCOPE**

This project consists of the following scope:

- Knowledge Transfer/Transition
- Documentation
- Maintenance and Support
- Reserve bank of hours for future enhancements and/or legislative mandates

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

#### **1.102 OUT OF SCOPE**

This project has the following out of scope:

- Hardware

#### **1.103 ENVIRONMENT**

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



Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. All services and products provided must comply with all applicable State IT policies and standards.

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

<http://www.michigan.gov/dmb/0,1607,7-150-56355-107739--,00.html>

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

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

**Enterprise IT Security Policy and Procedures:**

[http://www.michigan.gov/documents/dmb/1310\\_183772\\_7.pdf](http://www.michigan.gov/documents/dmb/1310_183772_7.pdf)

[http://www.michigan.gov/documents/dmb/1310.02\\_183775\\_7.pdf](http://www.michigan.gov/documents/dmb/1310.02_183775_7.pdf)

[http://www.michigan.gov/documents/dmb/1325\\_193160\\_7.pdf](http://www.michigan.gov/documents/dmb/1325_193160_7.pdf)

[http://www.michigan.gov/documents/dmb/1335\\_193161\\_7.pdf](http://www.michigan.gov/documents/dmb/1335_193161_7.pdf)

[http://www.michigan.gov/documents/dmb/1340\\_193162\\_7.pdf](http://www.michigan.gov/documents/dmb/1340_193162_7.pdf)

[http://www.michigan.gov/documents/dmb/1350.10\\_184594\\_7.pdf](http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf)

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

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

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

**IT Strategic Plan:**

<http://www.michigan.gov/itstrategicplan>

**IT eMichigan Web Development Standard Tools:**

[http://www.michigan.gov/documents/som/Look\\_and\\_Feel\\_Standards\\_302051\\_7.pdf](http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf)

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

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

**Agency Specific Technical Environment**

The technical environment of the MITN system is ever changing with technology. The current configuration of the MITN system is described in the MITN Maintenance and Support Plan.

**Hardware Listing**

**MITN Servers** - All servers are maintained by MDTMB. When issues arise that may impact the performance of the application or database the Contractor will be asked to consult to prevent negative outcomes.



## Operating Systems

All servers are maintained by MDTMB. When issues arise that may impact the performance of the application or database the Contractor will be asked to consult to prevent negative outcomes.

## Desktop Workstations

All desktops are maintained by MDTMB. When issues arise that may impact the performance of the application or database the Contractor will be asked to consult to prevent negative outcomes.

## Software Listing

All MITN databases related to the applications are maintained by the Contractor. When issues arise that may impact the performance of the servers MDTMB will be asked to consult to prevent negative outcomes.

- The system accesses imaged documents using a MITN viewer component that was developed using Visual Basic.
- Document imaging is conducted by the MCOLES using FileNet Image Manager. The documents are housed on the Storage Area Network (SAN) and accessed through either the FileNet client or the MITN viewer. **Discussions are underway between MCOLES and MDTMB regarding updating the imaging software.** The Visual Basic viewer component will require updating or a direct integration with MITN developed. The tool used to view documents is dependent upon a staff member's responsibility and need to access.

## Developer Tools Listing

The list of software and tools used for the operation and maintenance of MITN is identified and maintained in the MITN Maintenance and Support Plan.

## Adherence to Standards

All standards for MITN programming are included in Attachment 12.

## Database

- The MITN database is an Oracle10g database. The FileNet database is an Oracle 10g database.

## Network

- MCOLES staff accesses the MITN application (client server and web) via the state's Lansing Area Network (LAN) when in the office and accesses the web application via the internet when in the field. End users access MITN using the internet via the web server housed in the state's DMZ. The Contractor accesses the MITN application and servers via the Contractor VPN.

## Firewall

- There are three firewalls:
  1. MDTMB DMZ firewall allowing access to the web application on the web server.
  2. Data must then pass through the MDTMB DMZ firewall into the
  3. MSP firewall before passing through to the database servers and the SAN.
- Firewalls 1 and 2 are maintained by MDTMB. Firewall 3 is maintained by MSP.
- MCOLES has received approval to move the databases from MSP Zone 3 to Zone 2 to take advantage of an enterprise version of the document imaging and retrieval service.

## Locations

- All MITN servers and the FileNet server are housed in the server farm at the Lake Superior Hosting Center in the secondary complex. All are located in the Michigan State Police segment and all are maintained by MDTMB.

## Current Workload Profile

- The MCOLES maintains a database of issues identified by staff and end users of problems and inefficiencies to be addressed. At any given time there could be 30 to 40 of these issues pending.



### Disaster Recovery Requirements and Priorities

- The Contractor will have to be able to respond immediately during Regular Support Hours as defined in 1.104.C with the appropriate number and type of staff to address any application or security problem.

### Browser

- The web system will be maintained to the current state standard for Internet Explorer.

### Classes of users

- MITN is accessed by a broad range of MCOLES constituents across the public safety community.
- The users' skills range from totally computer literate to barely able to log on.
- Some users will only access the system once a year for the annual registration while others will make daily or weekly entries.
- Our user groups consist of:
  - Internal users
    - MITN team
    - MCOLES staff
  - Authorized external users
    - training and testing site staff
    - law enforcement agency staff
    - in-service training providers
    - law enforcement officers
  - Contractor's MITN team

## 1.104 WORK AND DELIVERABLES

### **I. Services To Be Provided.**

Services to be provided are outlined as specified below.

#### **A. Knowledge Transfer/Transition**

Knowledge Transfer / Transition – The Contractor will maintain the MCOLES Information and Tracking Network (MITN) system and supporting documentation in such a manner that the operations of the system can be easily and promptly transferred to the MCOLES staff and MDTMB or another contractor upon contract termination.

#### **B. Documentation**

Documentation is the written/electronic documentation that provides a clear trail of all enhancements and updates to the MITN system.

- a. The Contractor will provide written/electronic documentation of **changes completed in response to problems identified by the MCOLES on Testing Investigative Reports (TIR) and System Change Requests (SCR)**.
- b. The Contractor will also document all **changes in the source code** allowing for the MCOLES and MDTMB database administrators (DBAs) to view and understand changes.
- c. The Contractor will provide documentation in State-approved electronic format of **upgrades/modifications of the applications** that affect end-user functionality (i.e. updates to the data element dictionary, the entity relationship diagrams, and the database schema, etc.).
- d. The Contractor will provide documentation **updates for all appropriate manuals (see e. i.-vii)** as additional capabilities or improvements are made to the system. This may include:
  - i. System-wide documentation and specifications as defined in Attachment 10 – Software Upgrade Work Flow
  - ii. Baseline End-User training manuals to be used as a basis for “User Manuals” and online help
  - iii. Installation procedures
  - iv. Configuration documents sufficient for configuration maintenance purposes
  - v. Specification documentation
  - vi. Production migration (where applicable)
  - vii. Data conversion (where applicable)



- e. The Contractor will update and submit the MITN Maintenance and Support Plan within thirty (30) days of the execution of the Contract to the MCOLES project manager(s) for approval.

### Acceptance Criteria

High-level acceptance criteria are listed in Section 1.501.

### C. Maintenance and Support

Maintenance and Support deals with the support of the existing MITN system during the contract period.

The contractor will provide support during Regular Support Hours, defined as 7AM through 10PM Eastern time, Monday - Friday.

In providing maintenance and support, the Contractor shall follow Attachment 9 – Procedures for Testing and Quality Assurance.

In Providing Maintenance, the Contractor shall follow Attachment 10, Software Upgrade Work flow.

- a. **System Support** - MITN is an existing system. The requirements for maintenance and support relate to fixing data and meeting mandates placed on the MCOLES by the MDTMB (e.g. upgrades of existing software, changing to new state mandated software/hardware causing redesign of existing functionality).
  - i. All system support must be coordinated through the MCOLES
  - ii. All system maintenance requiring the shutting down of MITN must be conducted after 5 pm Eastern time or on weekends with the prior consent of the MCOLES
  - iii. MITN will be online 24/7
  - iv. The Contractor will provide support to address any non-security related problems with the system during Regular Support Hours as defined in 1.104.C.
  - v. The Contractor will provide thorough, ongoing technical system support.
  - vi. The Contractor will provide proactive system maintenance to ensure efficient processing and prevent loss of processing time and data.
  - vii. The Contractor will provide online technical system documentation.
  - viii. The Contractor will provide telephone technical support during Regular Support Hours as defined in 1.104.C.
  - ix. The Contractor will provide email technical system support with a maximum 24-hour turnaround on questions during Regular Support Hours as defined in 1.104.C.
  - x. The Contractor will provide on-site technical support upon the State's request.
  - xi. The Contractor will provide an escalation process for technical support.
  - xii. The Contractor shall provide the MCOLES system administrators with telephone access to the technical lead or technical support engineers for assistance in resolving system problems, with immediate response during Regular Support Hours as defined in 1.104.C.
  - xiii. The Contractor shall respond to the telephone requests for maintenance service, within two (2) hours, for calls made at any time during the hours noted above.
  - xiv. The Contractor, with the State's approval, may provide remedial maintenance off-site via telephone or secure connection to the system.
  - xv. The Contractor's maintenance program will commence immediately upon contract initiation.
  - xvi. All maintenance will be performed by qualified personnel who are trained in use of the identified tool and are thoroughly familiar with the system.



- xvii. Any recommended change to the functionality or database schema must be approved by the MCOLES PRIOR to any changes being committed for testing.
  - xviii. The Contractor will provide backup maintenance resources.
  - xix. The Contractor will provide disaster recovery assistance.
  - xx. The Contractor will provide for escalation of maintenance issues to ensure critical issues are resolved.
  - xxi. The Contractor will provide remote diagnostic capabilities.
  - xxii. The Contractor will provide one point of contact to report system malfunction whether malfunction is due to software or is of unknown origin. The Contractor will then be responsible for providing the appropriate remedy.
  - xxiii. For the first year and all subsequent Contract years, the Contractor will provide the following services for the system, commencing upon initiation of this contract:
    - 1. Error Correction. Upon notice by the State of a problem with the system (that can be verified), the Contractor shall use reasonable efforts to correct or provide a working solution for the problem.
    - 2. The Contractor shall notify the State of any material errors or defects in the product known, or made known to the Contractor from any source during the Contract term that could cause the production of inaccurate or otherwise materially incorrect, results.
    - 3. The Contractor shall initiate actions, as may be commercially necessary or proper to effect corrections of any such errors or defects.
- b. **Software Application Support** – Contractor is responsible for software application support for MITN. Application support is the technical support/maintenance and upgrades work done to MITN and constitutes the bulk of the application support effort. The distinction between support/maintenance and software upgrades is as follows:
- i. Software **support/maintenance** includes, but is not limited to, the following tasks and activities:
    - 1. Operational Support: Contractor staff will assist MCOLES system administrators with the day-to-day operation of the application. Other efforts that could fall under this category of work could include ‘knowledge transfer’ activities for MITN staff, for example providing MDTMB DBAs consultation about possible changes to the MITN environment being considered by MCOLES.
    - 2. Interface Support: Assistance in this area would include analysis of transaction modifications, testing of transactions created by interface applications in MITN, or participation in design sessions for contributing agencies (e.g. prosecutors, 911 operators, reserve officers, etc.), or to explain the transaction processing as currently designed.
    - 3. Address/Resolve Components of Existing Functionality: This category of support will be utilized to fix the functionality of existing modules due to changes in MCOLES business mandates, rules or policies. Examples of work for this category of support/maintenance could include adding additional fields to screens, relaxing or tightening of edits for modules, and updates to code supporting system functionality. It could also include improvement of the automated business process flows being supported in the baseline to meet the actual production business flows that are evolving with the MITN implementation.
    - 4. Change Control Management and Support: During support/maintenance, MCOLES will perform all tasks related to tracking problems (their priority and resolution), preparing materials for change control meetings, as well as planning, scheduling, and conducting change control meetings.



5. Problem Resolution Investigation and Support: This category of support is utilized for resolving problems in MITN. These activities include discussion, analysis, *and* production of written recommendations.
6. Data Issue Resolution: Under the support/maintenance contract, the Contractor will provide support to correct data issues that arise from incorrect use of the system as well as data corrupted by problems with the system and data hung in web acceptance.
  - ii. Software upgrades are simply any requests for changes in system functionality dictated by changes in business practices or changes mandated by legislative or administrative rule changes. Examples are upgrades to existing screens, interfaces, reports and back-end procedures. Activities involved with software upgrades include discussion and analysis, as well as production of written recommendations, and estimates to perform the work being requested (when applicable).
  - iii. All software maintenance and changes will be logged into the MITN Issue Tracking Database system by the MCOLES, for assignment of a work priority and resolution and final acceptance tracking purposes.
- c. **Software Maintenance Work Flow** – Contractor will provide management and control of the MITN software maintenance and upgrade activities necessary for the Contractor's application support staff to adequately carry out work assignments approved by MCOLES.

The Contractor shall provide and maintain a development site as defined in Attachment 1 – Technical/General System Requirements.

The Contractor will follow the procedures for handling user reported problems as outlined in Attachment 8 – Procedures for User Reported Problems.

#### Acceptance Criteria

High-level acceptance criteria are listed in Section 1.501.

#### D. Reserve bank of hours for future enhancements and/or legislative mandates

Reserve bank of hours for future enhancements and/or legislative mandates – allows for MCOLES and MDTMB to purchase additional services throughout the contract.

Services must be dependent upon mutually agreed upon statement(s) of work between the Contractor and the State of Michigan. Once agreed to, the Contractor must not be obliged or authorized to commence any work to implement a statement of work until authorized via a purchase order issued against this contract.

System enhancements/scope modifications include changes to the system that are necessary to meet:

- a. New State policy requirements.
- b. New Federal regulations.
- c. New technology requested by the State.
- d. Accommodate new or updated interfaces requested by the State
- e. Business requirements necessitated by legislative mandates.

#### Reporting tools

- The Contractor will have to work with the MCOLES to develop reports needed by the MCOLES for reporting to the legislature, the public and the law enforcement community.

#### Interfaces

- Existing reading and writing test results interface must be maintained by the Contractor in order to continue the complete and accurate flow of information.

The Contractor will be responsible for working with other Contractors or end users to provide information for the creation or upgrade of interfaces that are needed based on changes in requirements. These interfaces



include, but are not limited to in-service training results via e-learning applications. ***Existing interfaces would fall under Maintenance and Support; new interfaces, if any, would be future enhancements.***

Future enhancements must follow:

Attachment 10 Software Upgrade Work flow

Attachment 11 Application Design

Attachment 12 Application Development

Attachment 13 Warranties

In providing enhancements, the Contractor shall follow Attachment 9 – Procedures for Testing and Quality Assurance.

The Contractor must be able to respond with costs and timelines to all requests to modify the software to meet future needed functionality.

### **Acceptance Criteria**

Specific acceptance criteria will be defined in future Statements of Work.

## **II. Requirements**

### **A. Technical/General System Requirements**

The Contractor shall meet the requirements of Attachment 1. – Technical/General System Requirements

### **B. Functional Requirements**

The Contractor shall meet the requirements of Attachment 2 – Functional Requirements

#### **1.200 Roles and Responsibilities**

#### **1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

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

If key Contractor staff changes during the life of the Contract, the Contractor shall provide resumes for staff, including subcontractors, who will be assigned to the Contract. The competence of the personnel the Contractor proposes for this project will be measured by the candidate's education and experience with particular reference to experience on similar projects as described in this Statement of Work. The Contractor commits that staff identified in its proposal will actually perform the assigned work.

For Contractor responsibilities, see Attachment 4 – Responsibilities Matrix

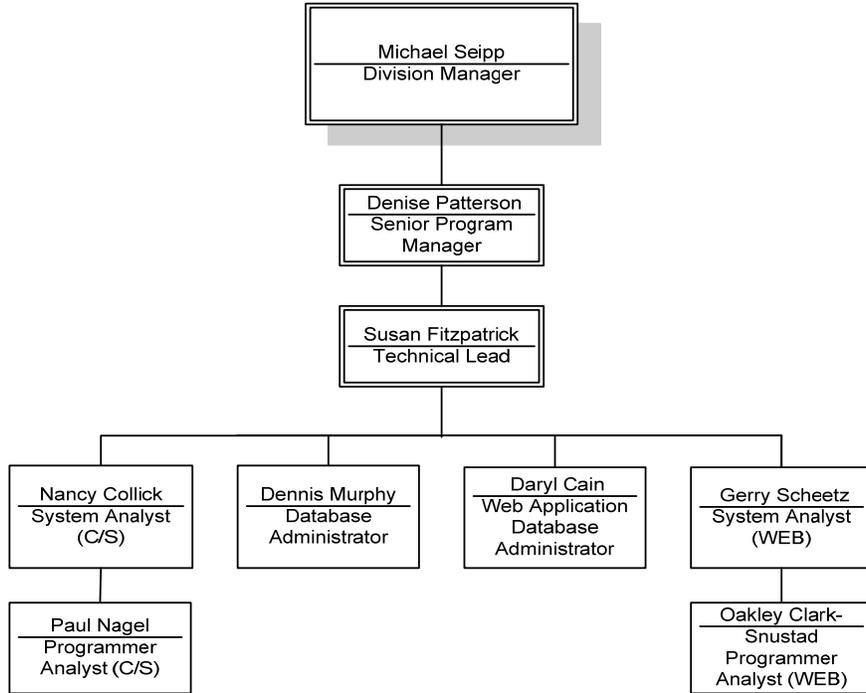
For Subcontractors, see section 4.015 Staffing.

The Contractor will identify a Single Point of Contact (SPOC). The duties of the SPOC shall include, but not be limited to:

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

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

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



*Exhibit 1 - Northrop Grumman Application Support Team Organization*

Northrop Grumman uses a matrix organizational structure, meaning that an individual may have a direct line manager who supervises them from a personnel management perspective, but the individual may perform work for other managers within the organization. *In the case of Mr. Scheetz and Mr. Clark-Snustad, they both report to Jenni Sullivan, who reports to Dennis Espeland, who reports to Michael Seipp.* For purposes of the MITN contract, the Technical Lead, Susan Fitzpatrick, will assign MITN work to them and they will report directly to her for all MITN assignments.

For the MITN project, the Technical Lead has the authority to assign work to the support team members. However, since some of the team members are only assigned to the project on a part-time basis, the following table defines the reporting structure and chain of command for each person assigned to the MITN Application support team:

Name	Full or Part	Employment	Supervisor this Person Reports to	Supervisor Reports to	Work Location	Time Zone
	Time NG Employee	Status: P = Permanent				
Susan Fitzpatrick	Full	P	Denise Patterson	Michael Seipp	Helena, MT	MST
Nancy Collick	Full	P	Annette McReynolds	Denise Patterson	Helena, MT	MST
Paul Nagel	Full	P	Juli Mattfeldt	Denise Patterson	Helena, MT	MST
Dennis Murphy	Full	P	Sue Deyo	Michael Seipp	Helena, MT	MST
Daryl Cain	Full	P	Sue Deyo	Michael Seipp	Helena, MT	MST
Daryl Cain	Full	P	Sue Deyo	Michael Seipp	Helena, MT	MST
Gerry Scheetz	Full	P	Jenni Sullivan	Dennis Espeland	Helena, MT	MST
Oakley Clark-Snustad	Full	P	Jenni Sullivan	Dennis Espeland	Helena, MT	MST

*Exhibit 2 - Northrop Grumman reporting structure and chain of command for staff assigned to the MITN Application support team*



See Section 2.062 Contractor Key Personnel

The State has identified the following as key personnel for this project:

**1. Project Manager**

The MCOLES will NOT pay an hourly rate for an administrative position of project manager.

**Denise Patterson is the Project Manager.** She is responsible for overseeing and managing the MITN contract. She works with the MCOLES Deputy Director to resolve any issue that may escalate to their level.

- 2. Technical Lead** is responsible for all software changes, either maintenance or upgrades, made to MITN. **The Technical Lead will serve as the SPOC for the Contractor with the MITN Specialist.** The Technical Lead serves as the single point of contact for the Contractor, and interacts directly with the MITN Specialist. The Technical Lead develops or reviews estimates of work and proposed schedules to assist MCOLES with setting priorities for systems and programming requests, and directs and coordinates the technical resources in the completion of such work requests. The Technical Lead is responsible for reviewing and assigning problem reports and enhancements ensuring the timely, complete and correct development, testing, documentation and implementation of system changes, version control and configuration management.

The Technical Lead will interact with the designated personnel from the State and will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's Technical Lead responsibilities include, at a minimum:

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

**Susan Fitzpatrick is the Technical Lead.** She is responsible for all software changes, either maintenance or future enhancements, made to the MITN application. She serves as the single point of contact for Northrop Grumman, and interacts directly with the MITN Specialist and MITN Project Manager. Susan develops and reviews estimates of work and proposed schedules to assist MCOLES with setting priorities for systems and programming requests, and directs and coordinates the technical resources in the completion of such work requests. She is responsible for reviewing and assigning problem reports and enhancements and ensuring the timely, complete and correct development, testing, documentation and implementation of system changes, version control and configuration management.

- 4. Systems Analyst – Client Server** is responsible for performing analysis, design, programming, documentation, and testing activities as assigned, managing a prioritized workload of problem reports and upgrades, maintaining program documentation, reporting on task status, and providing on-call support. It is assumed that the least costly but qualified staff person will be assigned to a task.

**Nancy Collick is the System Analyst for the Client/Server application.** She is responsible for performing analysis, design, programming, testing and documentation activities as assigned; managing a prioritized workload of problem reports and enhancements; and reporting on task status.



5. **Programmer Analyst – Client Server** is responsible for performing analysis, design, programming, documentation, and testing activities as assigned, managing a prioritized workload of problem reports and upgrades, maintaining program documentation, reporting on task status, and providing on-call support. It is assumed that the least costly but qualified staff person will be assigned to a task.

**Paul Nagel is the Programmer Analyst for the MITN Client/Server application.** He is responsible for coding, testing and documentation activities as assigned; managing a prioritized workload of problem reports and enhancements; and reporting on task status.

6. **Database Administrator** is responsible for maintaining the production database. All application support related to the Oracle databases and MITN functioning including web related components of the production database are included. The Database Administrator will also be responsible for maintaining the Quality Assurance database located in Lansing (MCOLESMITNDV). The Database Administrator is responsible for day-to-day coordination of the MITN database activities with the MITN Specialist, including the migration of changes for testing and production. The Database Administrator will also have a primary role in planning and implementation of any future enhancements to the MITN databases.

**Dennis Murphy is the Database Administrator.** He is responsible for maintaining the production database. All application support related to Oracle databases and MITN functioning including web-related components of the production database are included. He is responsible for maintaining the quality assurance database located in Lansing (MCOLESMITNDV). Dennis is responsible for day-to-day coordination of MITN database activities with MITN application staff, including the migration of changes for testing and production. Dennis also is involved in discussions regarding the planning and implementation of future enhancements to the MITN databases.

7. **Web Application – Database Administrator** is responsible for maintaining the MITN web components and web server. The Web Application – Database Administrator assists with resolving server or other network-related problems and may be involved in discussions regarding the impacts of upcoming changes.

Daryl Cain is the Database Administrator for the Web Application. He is responsible for maintaining the MITN web components and web server. Daryl assists with resolving server or other network-related problems and may be involved in discussions regarding the impacts of upcoming changes.

6. **Systems Analyst – Web** is responsible for performing analysis, design, programming, documentation, and testing activities as assigned, managing a prioritized workload of problem reports and upgrades, maintaining program documentation, reporting on task status, and providing on-call support. It is assumed that the least costly but qualified staff person will be assigned to a task.

**Gerry Scheetz is the Systems Analyst for the web application.** Gerry is responsible for performing analysis, design, programming, testing and documentation activities as assigned; managing a prioritized workload of problem reports and enhancements; and reporting on task status.

7. **Programmer Analyst – Web** is responsible for performing analysis, design, programming, documentation, and testing activities as assigned, managing a prioritized workload of problem reports and upgrades, maintaining program documentation, reporting on task status, and providing on-call support. It is assumed that the least costly but qualified staff person will be assigned to a task.

**Oakley Clark-Snustad is the Programmer Analyst for the web application.** Oakley is responsible coding, testing and documentation activities as assigned; managing a prioritized workload of problem reports and enhancements; and reporting on task status

8. **Systems Tester** is responsible for ensuring the quality of software solutions by identifying appropriate and robust testing scenarios, developing test plans, and conducting testing. The Systems Tester may have some involvement during the entire lifecycle of a project in order to ensure a depth of understanding of MCOLES business needs and project requirements. The Systems Tester will perform testing activities as assigned, managing a prioritized workload of problem reports and enhancements, maintaining program documentation, and reporting on task status.



The Systems Tester is responsible for ensuring the quality of software solutions by identifying appropriate and robust testing scenarios, developing test plans, and conducting testing. The Systems Tester performs testing activities as assigned, managing a prioritized workload of problem reports and enhancements, maintaining program documentation, and reporting on task status. The systems tester is not a key position, and as such, no resume is presented for this position.

The Contractor must notify, in writing (email, fax or letter), the MITN Specialist when key staff will be unavailable for any extended period of time. The Contractor must also identify staff that will serve as backup for the absent key staff.

### **Contractor Staff Identification & Change Procedures**

All staff must be originally identified via the following process. This includes anyone who may serve in a backup role. Whenever a request for a contract change and approval of new staff is needed it must include:

- Letter – requesting approval of new staff and delineating chain of command for individual, experience and status as described above.
- Resume – following the templates included in Attachment 3 detailing:
  - MITN experience;
  - Area of focus, i.e., web reports, c/s, etc.;
  - Amount of training/orientation to MITN;
    - Conducted by who currently on staff;
  - Reason for the staff changes.
- Signed fingerprint card and information sheet must be submitted to the MCOLES for processing. (This must be done immediately (within 48 hours of notice of award) upon award of contract in order to facilitate the approval of access rights to MITN and the contractor VPN.)
- Documentation of the exact type of access to the MITN servers the individual will need for the creation of user accounts. This should include:
  - which servers, i.e. web, test, production
  - which folders,
  - what functions will be performed, i.e., moving files, fixing data
  - what worker role on which server ( i.e., developer, test, production, etc.)

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

## **B. Work Requirements**

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

The work is to be performed, completed, and managed for the following environments:

- a. A development site for coding and testing of application changes and upgrades. This must be provided by the Contractor at the Contractor site for development, testing and quality control prior to distributing the component to the state Quality Assurance site for UAT.
- b. Initial implementation for the purposes of user acceptance testing (UAT) will be on the MITN Quality Assurance server housed by MDTMB at the Lake Superior Hosting Center in the secondary complex.
- c. Final implementation of the production software will be on the MITN production site also housed by DTMB.

### **2. Hours of Operation:**

- a. Normal State working hours are 8:00 a.m. to 5:00 p.m. Eastern Time, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.
- b. The Contractor will provide support to address any non-security related problems with the system during the Regular Support Hours as defined in 1.104.C.



- c. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
- d. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.
- e. Response procedures for issues that are categorized as System Down are defined in Attachment 8.

**3. Additional Security and Background Check Requirements:**

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

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

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

**1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**

For State staff responsibilities, see Attachment 4 – Responsibilities Matrix.

The State will **NOT** provide the following resources for the Contractor’s use on this project:

- Work space
- Minimal clerical support
- Desk
- Telephone
- PC workstation
- Printer
- Access to copiers and fax machine

The State project team will consist of:

- Executive Subject Matter Experts (SME’s),
- MITN Project Manager,
- MITN Specialist,
- MDTMB project manager

**Executive Subject Matter Experts**

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

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

The Executive Subject Matter Experts, identified below as the MITN Team, will consist of specific members of the MCOLES as identified below. The MDTMB will be responsible for the State’s infrastructure and will work together with the MCOLES and the Contractor in maintaining the MITN infrastructure and responding to security, hardware and software issues that are server related and outside the scope of the Contractor’s responsibilities.



**MITN Project Manager** – The manager of the Licensing and Administrative Services Section of the MCOLES will serve as the project manager for MITN. All development efforts for the MCOLES organization funnels through the Licensing and Administrative Services Section and the section manager is responsible for ensuring that all development is consistent with existing system operations and that all proposed system development is consistent with the laws, administrative rules, policies and procedures of the MCOLES. It is the responsibility of the MITN Project Manager to inform the Executive Director and/or Deputy Director of the MCOLES of any MITN or MDTMB related issues and to obtain input from the MCOLES management team on recommendations and funding. The project manager is also responsible for the approval of contract expenditures and ensuring the completion of all the daily paperwork required by MDTMB to continue the project.

In addition, the MCOLES Project Manager will also be responsible for ensuring the following services are provided:

- State facilities, as needed
- Coordination of State resources necessary for the project
- Coordination between various external Contractors
- Communication between different State departments/divisions (IT-Networking, Integrated Services, Administration, Personnel Department, Accounting, Administration etc.)
- Milestone acceptance sign-off
- Resolution of project issues
- Escalation of outstanding/high priority issues
- Approval and utilization of change control procedures
- Regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Documentation and archiving of all important project decisions
- Assignment of MCOLES resources for project meetings, training and special project related assignments

**MITN Specialist** – The MITN Specialist is responsible for ensuring on a day-to-day basis that all changes, fixes, and development done on the MITN system are consistent with the direction provided by the MCOLES Commission through its strategic plan initiatives and its rules, policies and procedures.

The MITN Specialist is also responsible for developing appropriate training materials for both internal and external MITN users. The MITN Specialist will also coordinate user participation with the MITN effort, establish priorities, resolve issues, and work with the Contractor's Technical Lead on day-to-day application development and maintenance support activities. The MITN Specialist is the intermediary for gathering information and decisions from the MITN Project Manager on policy and procedural matters affecting MITN. The MITN Specialist guides the evolution of the system by controlling system changes. This is done through reviewing and documenting requested changes, interacting with the Contractor's Technical Lead, bringing issues to the MITN Project Manager and coordinating user testing of changes to MITN.

The MITN Specialist will oversee the line staff involved in the day-to-day operation of MITN and provide them training and guidance. The MITN Specialist will work directly with the Section Manager of the Licensing and Administrative Services Section in the establishment of security agreements, and policies and procedures for the operation of MITN.

The MCOLES Management Team will represent the sections and will provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis and will be led in discussion and decision making by the Project Manager. The MCOLES Management Team will be empowered to:

- Approve of changes to the project schedule
- Authorization for modifications to the scope, resources, and budget of the project
- Maintenance of senior management commitment to the project
- Final arbitration on proposed changes that significantly affect the business interests of the MCOLES.



- Resolve project issues in a timely manner
- Review project plan, status, and issues
- Resolve deviations from the project plan
- Provide acceptance sign-off for large or controversial changes or upgrades
- Utilize change control procedures
- Ensure timely availability of State resources

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

- Level 1 – MITN Specialist
- Level 2 – MITN Project Manager
- Level 3 – MCOLES Senior Management

In addition, the following State personnel/resources may be required at stages of the project. The Contractor will make every effort to provide the State with advance notice of when these services may be required.

- MDTMB Systems Analyst
- MDTMB Application Administrator
- User Implementation Coordinator
- MDTMB Network Administrator
- MDTMB Database Administrator
- Remote access to test database environment

Name	Agency/Division	Title	Phone/e-mail
Hermina Kramp	MSP/MCOLES	Deputy Director	(517)322-5621 / kramp@michigan.gov
David A. Lee	MSP/MCOLES	MITN Project Manager	(517)322-5826 / leeda@michigan.gov
Holly Baer	MSP/MCOLES	MITN Specialist	(517)322-1519 / baerh@michigan.gov

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

**MDTMB will provide a Project Manager** who will be responsible for the State’s infrastructure and coordinate with the Contractor in determining the system configuration.

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

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

MDTMB is also responsible for the following services:

- MITN Servers
- Server Operating Systems
- Desktop Workstations



Name	Agency/Division	Title
David Roach	MDTMB	MDTMB Project Manager
David A. Lee	MSP/MCOLES	MITN Project Manager

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

Name	Agency/Division	Title
tbd	MDTMB	Contract Administrator

**1.203 OTHER ROLES AND RESPONSIBILITIES**

**Other Contractors** - The State has and/or may contract with other entities to perform technical services or provide other equipment and software to work with the items provided under this contract. The Contractor agrees to work with these other entities and provide them necessary technical information and required support to accomplish the efforts required by the contract with the State.

**1.300 Project Plan**

**1.301 PROJECT PLAN MANAGEMENT**

**Preliminary Project Plan**

See Attachment 7 – Preliminary Project Plan

**Orientation Meeting**

Upon ten (10) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

The Project Manager and Technical Lead will attend the Orientation Meeting in person, in Lansing.

**Performance Review Meetings**

The State will require the Contractor to attend meetings **semi-annually**, at a minimum, to review the Contractor’s performance under the Contract. The meetings will be held in Lansing, Michigan, on dates as mutually agreed to by the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

**Project Control**

1. The Contractor will carry out this project under the direction and control of MDTMB and MCOLES.
2. Within twenty (20) working days of the execution of the Contract, the Contractor will submit to the MCOLES project manager(s) for final approval of the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work, and must include the following:
  - The Contractor’s project organizational structure.
  - The Contractor’s staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
  - The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
  - The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
3. The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
  - a. Contractor will use MS Project.
  - b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.



### **1.302 REPORTS**

Reporting formats must be submitted to the MCOLES Project Manager for approval within ten (10) business days after the effective date of the contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract.

Reports shall include the following:

- System Change Request (SCR) – per identified issue
- Testing Investigative Request (TIR) – per identified issue

### **1.400 Project Management**

#### **1.401 ISSUE MANAGEMENT**

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

The MITN Specialist receives notifications of potential issues. The issue may be conveyed verbally, by electronic mail, fax or mail. The MITN Team evaluates the problem and determines whether it is a potential software problem, a program policy problem, or a user training issue. A potential software problem is reported on a Testing Investigative Report (TIR) or System Change Request (SCR) and tracked in the MCOLES Issue Tracking Database with a priority designation and is referred to the Contractor's Technical Lead. The MITN Specialist is responsible for maintaining the tracking of issues in the existing MITN Issue Tracking Database.

The initial TIR or SCR must include the following:

- Description of issue
- Issue identification date
- Person identifying the issue
- Priority for issue resolution set by the MITN Team

Upon resolution of the issue, the TIR or SCR will be amended by the Contractor to include

- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

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

Level 1 – Business leads

Level 2 – Project Managers

Level 3 – Executive Subject Matter Experts (SME's)

#### **1.402 RISK MANAGEMENT**

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

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

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

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



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

**1.403 CHANGE MANAGEMENT**

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

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

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

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

The Contractor will use a variety of control mechanisms to manage change during an enhancement that are built into the contractor’s project management methodology. These mechanisms include:

- Meeting minutes for each design session conducted
- Requirements Traceability Matrix (RTM)
- Decision/Information Requests (DIR) as needed
- Project Change Requests (PCR) as needed
- Issue Resolution Report (IRR) as needed
- services development and acceptance procedures
- services documentation including various design and planning documents

**1.500 Acceptance**

**1.501 CRITERIA**

The approval process is defined in more detail in the terms and conditions, specifically sections 2.253, 2.254 and 2.255. In addition to these sections the following apply:

**documents** must:

- Be reviewed and approved by staff (unless there are issues) within ten (10) business days (as identified in the Project Schedule). During the review, deliverables will be subject to no more than two (2) review cycles (unless something previously communicated was left out): one review and one subsequent review of any necessary changes required by the first review. The second review will be limited to only those changes and not intended to introduce new feedback.
- Be in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
  - Provide a heading indicating system and document name (e.g. User Manual) on each page
  - Provide page number and “of pages” on each page.
  - Provide an “as of” date.
  - Indicate final and not draft status



- If required by SUITE will leverage the SUITE template or leverage a template that serves the same purpose and contains similar information but if and only if with prior approval of the DTMB Project Manager.
- Reflect correction of feedback provided by the State regarding but not limited to level of detail and clarifications.
- Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the DTMB Project Manager
- Not illustrate “real” data. Names, identification codes, etc. must be fictitious to ensure confidentiality of sensitive information.

**“Construction activity”** must:

- Include updated documentation of the modules, pages, reports, etc.
- Indicate in the requirements traceability matrix (RTM) that all requirements were addressed through the SUITE templates including design, development, and testing
- Reflect successful installation in no less than the test, UAT, QA and Production environments
- And operates in said environment including security (authentication and authorization)

**Testing** must:

- Indicate all test cases have been successfully executed in system test, performance test, load test, User Acceptance Test
- And all defects, unless waived in writing by the State, are corrected

**Training** must:

- Indicate all persons so identified to receive training, have in fact completed the training
- Reflect that all training material, per feedback from those trained and the State Project Managers, has been updated

**Warranty** period must:

- Indicate passage of the timeframe
- Resolution of all issues raised during the period, unless waived in writing by the State DTMB Project Manager. This is the 90 day period after software changes have been implemented into the Production environment.

### **1.502 FINAL ACCEPTANCE**

The following requirements for final acceptance apply:

- That all services defined in Article 1 and per the acceptance criteria defined in section 1.501 have been completed and written approval provided.

### **1.600 Compensation and Payment**

#### **1.601 COMPENSATION AND PAYMENT**

##### **Method of Payment**

Pricing is shown on Attachment 5 - Costs Table(s)..

Documentation, and Maintenance and Support, will be paid at a rate price based on **time and materials** for work performed on TIRs or SCRs authorized by the MITN Team, invoiced on a monthly basis. The hourly rates are in Attachment 5 – Cost Tables, Tables 2 & 3, Maintenance /Support.

Future Enhancements will be charged at the hourly rates in Attachment 5 – Cost Tables, Tables 4 & 5, Reserve Bank of Hours for Future Enhancements.

##### **Travel**

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

**Invoicing**

The Contractor shall record the time spent on services covered by this SOW on a daily basis. Following the end of every monthly invoice period, the Contractor shall issue an invoice for all Time and Materials time worked on this SOW during the invoice period just ended.

Contractor will submit properly itemized invoices to

DTMB – Financial Services  
Accounts Payable  
P.O. Box 30026  
Lansing, MI 48909  
or  
[DTMB-Accounts-Payable@michigan.gov](mailto:DTMB-Accounts-Payable@michigan.gov)

. Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number;
- TIRs or SCRs associated with the invoice;
- Contractor name, address, phone number, and Federal Tax Identification Number; and
- Total invoice price.

The State shall pay invoices within 45 days after receipt of invoice.

Contractor administrators' or financial personnel's time preparing invoices will not be reimbursed.

**Out-of-Pocket Expenses**

*Contractor out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates.*

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

**1.602 HOLDBACK**

RESERVED.



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

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

#### **2.001 CONTRACT TERM**

This Contract is for a period of five (5) years beginning October 4, 2012 through October 3, 2017. All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in Section 2.150 of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

#### **2.002 OPTIONS TO RENEW**

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

#### **2.003 LEGAL EFFECT**

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

Except as otherwise agreed in writing by the parties, the State shall not be liable for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract or Change Order has been approved by the State Administrative Board (if required), signed by all the parties and a Purchase Order against the Contract has been issued.

#### **2.004 ATTACHMENTS & EXHIBITS**

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

#### **2.005 ORDERING**

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

#### **2.006 ORDER OF PRECEDENCE**

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

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

#### **2.007 HEADINGS**

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



## **2.008 FORM, FUNCTION & UTILITY**

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

## **2.009 REFORMATION AND SEVERABILITY**

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

### **2.010 Consents and Approvals**

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

## **2.011 NO WAIVER OF DEFAULT**

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

## **2.012 SURVIVAL**

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

### **2.020 Contract Administration**

## **2.021 ISSUING OFFICE**

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

Mark Lawrence, Buyer  
Procurement  
Department of Technology, Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
Email lawrencem1@michigan.gov  
Phone 517 241-1640

## **2.022 CONTRACT COMPLIANCE INSPECTOR**

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

[CCI name & title] TBD  
Department  
(Address)  
Email  
Phone  
Fax



### **2.023 PROJECT MANAGER**

The following individual will oversee the project:

David A. Lee, Section Manager  
Licensing and Administrative Services  
Michigan Commission on Law Enforcement Standards (MCOLES)  
106 West Allegan Street, Suite 600  
P.O. Box 30633  
Lansing, Mi. 48909  
[leeda@michigan.gov](mailto:leeda@michigan.gov)  
Phone: (517) 322-5826  
Fax: (517) 316-0824

### **2.024 CHANGE REQUESTS**

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

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

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

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

(1) **Change Request at State Request**

If the State requires Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

(2) **Contractor Recommendation for Change Requests:**

Contractor shall be entitled to propose a Change to the State, on its own initiative, should Contractor believe the proposed Change would benefit the Contract.

(3) **Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal shall include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor**



- provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
- (4) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
  - (5) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Procurement.
  - (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

### **2.025 NOTICES**

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

State:

State of Michigan

Procurement

Attention:

PO Box 30026

530 West Allegan

Lansing, Michigan 48909

Contractor:

Name: Northrop Grumman

Address: 15101 Conference Center Drive, Chantilly, Va. 20150

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

### **2.026 BINDING COMMITMENTS**

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

### **2.027 RELATIONSHIP OF THE PARTIES**

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

### **2.028 COVENANT OF GOOD FAITH**

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



## **2.029 ASSIGNMENTS**

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

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

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

## **2.030 General Provisions**

### **2.031 MEDIA RELEASES**

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

### **2.032 CONTRACT DISTRIBUTION**

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

### **2.033 PERMITS**

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

### **2.034 WEBSITE INCORPORATION**

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

### **2.035 FUTURE BIDDING PRECLUSION**

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

### **2.036 FREEDOM OF INFORMATION**

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



## **2.037 DISASTER RECOVERY**

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

### **2.040 Financial Provisions**

#### **2.041 FIXED PRICES FOR SERVICES/DELIVERABLES**

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

#### **2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES**

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

#### **2.043 SERVICES/DELIVERABLES COVERED**

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

#### **2.044 INVOICING AND PAYMENT – IN GENERAL**

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.600**.
- (c) Correct invoices shall be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d1) All invoices should reflect actual work done. Specific details of invoices and payments shall be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Procurement, Department of Management & Budget. This activity shall occur only upon the specific written direction from DTMB-Procurement.

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

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

**2.045 PRO-RATION**

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

**2.046 ANTITRUST ASSIGNMENT**

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

**2.047 FINAL PAYMENT**

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

**2.048 ELECTRONIC PAYMENT REQUIREMENT**

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

**2.050 Taxes****2.051 EMPLOYMENT TAXES**

Contractor shall collect and pay all applicable federal, state, and local employment taxes, including the taxes.

**2.052 SALES AND USE TAXES**

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

**2.060 Contract Management****2.061 CONTRACTOR PERSONNEL QUALIFICATIONS**

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

**2.062 CONTRACTOR KEY PERSONNEL**

(a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.



- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State shall provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

### **2.063 RE-ASSIGNMENT OF PERSONNEL AT THE STATE'S REQUEST**

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

### **2.064 CONTRACTOR PERSONNEL LOCATION**

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

### **2.065 CONTRACTOR IDENTIFICATION**

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

### **2.066 COOPERATION WITH THIRD PARTIES**

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably



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

### **2.067 CONTRACT MANAGEMENT RESPONSIBILITIES**

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

The Contractor shall provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor shall act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

### **2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES**

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

### **2.070 Subcontracting by Contractor**

#### **2.071 CONTRACTOR FULL RESPONSIBILITY**

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

#### **2.072 STATE CONSENT TO DELEGATION**

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

#### **2.073 SUBCONTRACTOR BOUND TO CONTRACT**

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and



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

#### **2.074 FLOW DOWN**

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

#### **2.075 COMPETITIVE SELECTION**

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

#### **2.080 State Responsibilities**

#### **2.081 EQUIPMENT**

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

#### **2.082 FACILITIES**

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

#### **2.090 Security**

#### **2.091 BACKGROUND CHECKS**

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

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



## **2.092 SECURITY BREACH NOTIFICATION**

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

## **2.093 PCI DATA SECURITY STANDARD**

(a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

(b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.

(c) The Contractor must properly dispose of cardholder data, in compliance with DTMB policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.

(d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.

## **2.100 Confidentiality**

### **2.101 CONFIDENTIALITY**

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

### **2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION**

The State and Contractor shall 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 shall (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 shall limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to



maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

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

### **2.103 EXCLUSIONS**

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

### **2.104 NO IMPLIED RIGHTS**

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

### **2.105 RESPECTIVE OBLIGATIONS**

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

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

### **2.111 INSPECTION OF WORK PERFORMED**

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

### **2.112 EXAMINATION OF RECORDS**

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

### **2.113 RETENTION OF RECORDS**

Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services,



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

#### **2.114 AUDIT RESOLUTION**

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

#### **2.115 ERRORS**

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

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

#### **2.120 Warranties**

##### **2.121 WARRANTIES AND REPRESENTATIONS**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.



- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other Bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Procurement.

#### **2.122 WARRANTY OF MERCHANTABILITY**

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

#### **2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE**

#### **CONTRACTOR HEREBY EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES NOT SPECIFICALLY AFFIRMED IN THIS CONTRACT, INCLUDING THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. 2.124 WARRANTY OF TITLE**

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

#### **2.125 EQUIPMENT WARRANTY**

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



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

Within 90 business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

#### **2.126 EQUIPMENT TO BE NEW**

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

#### **2.127 PROHIBITED PRODUCTS**

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

#### **2.128 CONSEQUENCES FOR BREACH**

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

#### **2.130 Insurance**

##### **2.131 LIABILITY INSURANCE**

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



- 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
- 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

### **2.132 SUBCONTRACTOR INSURANCE COVERAGE**

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

### **2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS**

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

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



## **2.140 Indemnification**

### **2.141 GENERAL INDEMNIFICATION**

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

### **2.142 CODE INDEMNIFICATION**

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

### **2.143 EMPLOYEE INDEMNIFICATION**

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

### **2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION**

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

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

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



### **2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS**

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

### **2.146 INDEMNIFICATION PROCEDURES**

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

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

### **2.150 Termination/Cancellation**

#### **2.151 NOTICE AND RIGHT TO CURE**

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

**2.152 TERMINATION FOR CAUSE**

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

**2.153 TERMINATION FOR CONVENIENCE**

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

**2.154 TERMINATION FOR NON-APPROPRIATION**

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



performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section shall not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

### **2.155 TERMINATION FOR CRIMINAL CONVICTION**

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

### **2.156 TERMINATION FOR APPROVALS RESCINDED**

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

### **2.157 RIGHTS AND OBLIGATIONS UPON TERMINATION**

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

### **2.158 RESERVATION OF RIGHTS**

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

#### **2.160 Termination by Contractor**

### **2.161 TERMINATION BY CONTRACTOR**

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less



than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

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

### **2.170 Transition Responsibilities**

#### **2.171 CONTRACTOR TRANSITION RESPONSIBILITIES**

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 90 days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

#### **2.172 CONTRACTOR PERSONNEL TRANSITION**

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

#### **2.173 CONTRACTOR INFORMATION TRANSITION**

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

#### **2.174 CONTRACTOR SOFTWARE TRANSITION**

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

#### **2.175 TRANSITION PAYMENTS**

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

#### **2.176 STATE TRANSITION RESPONSIBILITIES**

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to reconcile all accounts between the State and the Contractor, complete any



pending post-project reviews and perform any others obligations upon which the State and the Contractor agree.

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

### **2.180 Stop Work**

#### **2.181 STOP WORK ORDERS**

The State may, at any time, by written Stop Work Order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order must be identified as a Stop Work Order and must indicate that it is issued under this **Section**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the Stop Work Order as provided in **Section 2.182**.

#### **2.182 CANCELLATION OR EXPIRATION OF STOP WORK ORDER**

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

#### **2.183 ALLOWANCE OF CONTRACTOR COSTS**

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

### **2.190 Dispute Resolution**

#### **2.191 IN GENERAL**

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

#### **2.192 INFORMAL DISPUTE RESOLUTION**

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

- (1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall



discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

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

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

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

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

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

### **2.193 INJUNCTIVE RELIEF**

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

### **2.194 CONTINUED PERFORMANCE**

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

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

### **2.201 NONDISCRIMINATION**

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

### **2.202 UNFAIR LABOR PRACTICES**

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



### **2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**

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

### **2.204 PREVAILING WAGE**

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

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

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

### **2.210 Governing Law**

#### **2.211 GOVERNING LAW**

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

#### **2.212 COMPLIANCE WITH LAWS**

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

#### **2.213 JURISDICTION**

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

### **2.220 Limitation of Liability**

#### **2.221 LIMITATION OF LIABILITY**

Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered



by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

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

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

### **2.230 Disclosure Responsibilities**

#### **2.231 DISCLOSURE OF LITIGATION**

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

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

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



### **2.232 CALL CENTER DISCLOSURE**

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

### **2.233 BANKRUPTCY**

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

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

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

### **2.240 Performance**

#### **2.241 TIME OF PERFORMANCE**

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

#### **2.242 SERVICE LEVEL AGREEMENT (SLA)**

- (a) SLAs will be completed with the following operational considerations:
  - (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
  - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
  - (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
  - (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
    - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.



- (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

### **2.243 LIQUIDATED DAMAGES**

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.152**, the State is entitled to collect liquidated damages for the material term or condition up to a maximum allowable imposition of \$1,000 for daily remedy in addition to \$5,000 per incident. In no event shall total liquidated damages exceed \$50,000 in totum for the Contract.

Any dispute regarding which terms and/or conditions are to be considered "material" for the purposes of fixing liquidated damages shall be subject to Dispute Resolution per clause 2.190

#### **Unauthorized Removal of any Key Personnel**

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

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

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

### **2.244 EXCUSABLE FAILURE**

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of



any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

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

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

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

## **2.250 Approval of Deliverables**

### **2.251 DELIVERY OF DELIVERABLES**

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

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

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



### **2.252 CONTRACTOR SYSTEM TESTING**

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

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

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

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

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

### **2.253 APPROVAL OF DELIVERABLES, IN GENERAL**

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

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

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

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will



be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

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

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

#### **2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES**

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

#### **2.255 PROCESS FOR APPROVAL OF CUSTOM SOFTWARE DELIVERABLES**

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

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



Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

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

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

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

### **2.256 FINAL ACCEPTANCE**

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

### **2.260 Ownership**

#### **2.261 OWNERSHIP OF WORK PRODUCT BY STATE**

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

#### **2.262 VESTING OF RIGHTS**

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

#### **2.263 RIGHTS IN DATA**

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise



disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

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

#### **2.264 OWNERSHIP OF MATERIALS**

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

#### **2.270 State Standards**

#### **2.271 EXISTING TECHNOLOGY STANDARDS**

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

#### **2.272 ACCEPTABLE USE POLICY**

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

#### **2.273 SYSTEMS CHANGES**

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

#### **2.280 Extended Purchasing**

#### **2.281 MIDEAL (MICHIGAN DELIVERY EXTENDED AGREEMENTS LOCALLY**

*RESERVED.*

#### **2.282 STATE EMPLOYEE PURCHASES**

The State allows State employees to purchase from this Contract. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the State employee is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and Deliverables at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor shall send its invoices to and pay the State employee on a direct and individual basis.



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

### **2.283 COOPERATIVE PURCHASING**

- (a) This Contract may be extended to additional States or governmental jurisdictions upon mutual written agreement between the State of Michigan and the Contractor. Political subdivisions and other authorized entities within each participating State or governmental jurisdiction may also participate in this Contract if such State allows participation by such entities.
- (b) All MiDEAL processes, invoicing relationships, reporting and MiDEAL Service Fee also apply to cooperative purchasing participants.
- (c) The State of Michigan reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

### **2.290 Environmental Provision**

#### **2.291 ENVIRONMENTAL PROVISION**

**Energy Efficiency Purchasing Policy:** The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified 'Energy Star' products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

**Environmental Purchasing Policy:** The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

**Hazardous Materials:** For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials the as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

- (a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State shall advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any



laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.

- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor shall resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

**Labeling:** Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit [http://www.michigan.gov/deq/0,1607,7-135-3310\\_4108-173523--,00.html](http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html)

**Refrigeration and Air Conditioning:** The Contractor shall comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

**Environmental Performance:** Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

### **2.300 Deliverables**

#### **2.301 SOFTWARE**

A list of the items of software the State is required to purchase for executing the Contract is attached. The list includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). The attachment also identifies certain items of software to be provided by the State.

#### **2.302 HARDWARE**

A list of the items of hardware the State is required to purchase for executing the Contract is attached. The list includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). The attachment also identifies certain items of hardware to be provided by the State.

### **2.310 Software Warranties**

#### **2.311 PERFORMANCE WARRANTY**

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



### **2.312 NO SURREPTITIOUS CODE WARRANTY**

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

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

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

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

### **2.313 CALENDAR WARRANTY**

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

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

### **2.314 THIRD-PARTY SOFTWARE WARRANTY**

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

### **2.315 PHYSICAL MEDIA WARRANTY**

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



## **2.320 Software Licensing**

### **2.321 CROSS-LICENSE, DELIVERABLES ONLY, LICENSE TO CONTRACTOR**

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

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

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

### **2.323 LICENSE BACK TO THE STATE**

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

### **2.324 LICENSE RETAINED BY CONTRACTOR**

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

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

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

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

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

### **2.325 PRE-EXISTING MATERIALS FOR CUSTOM SOFTWARE DELIVERABLES**

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



to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

### **2.330 Source Code Escrow**

#### **2.331 DEFINITION**

“Source Code Escrow Package” shall mean:

- (a) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
- (b) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
- (c) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

#### **2.332 DELIVERY OF SOURCE CODE INTO ESCROW**

Contractor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within (30) thirty days of the execution of this Contract.

#### **2.333 DELIVERY OF NEW SOURCE CODE INTO ESCROW**

If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.

#### **2.334 VERIFICATION**

The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.

#### **2.335 ESCROW FEES**

The Contractor will pay all fees and expenses charged by the Escrow Agent.

#### **2.336 RELEASE EVENTS**

The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:

- (a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
- (b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
- (c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

#### **2.337 RELEASE EVENT PROCEDURES**

If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in this **Section**, then:

- (a) The State shall comply with all procedures in the Escrow Contract;
- (b) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
- (c) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.

**2.338 LICENSE**

Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

**2.339 DERIVATIVE WORKS**

Any Derivative Works to the source code released from escrow that are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.



**Glossary**

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



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



## ATTACHMENT 1 – TECHNICAL/GENERAL SYSTEM REQUIREMENTS

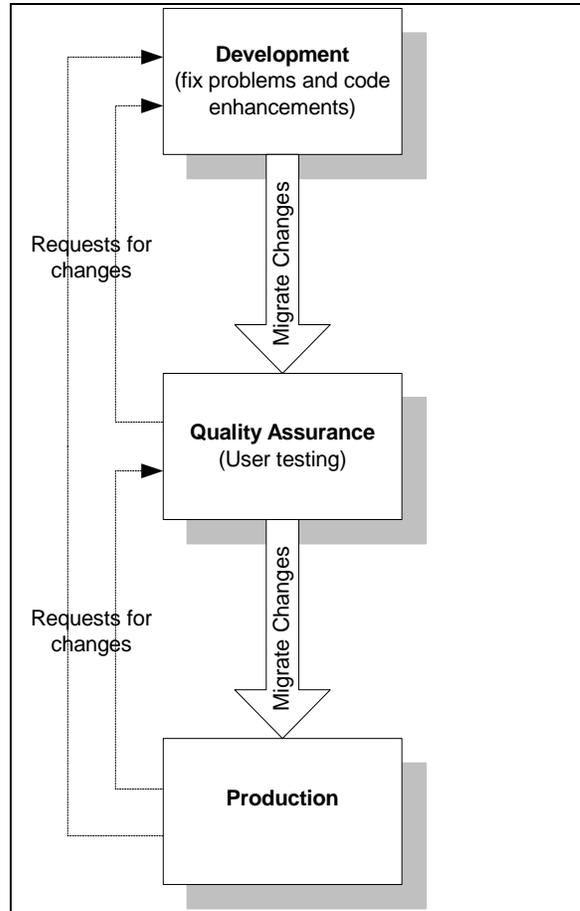
### a. Technical Requirements

- i. **Technical Environment** - The MITN production and quality assurance environments exist on MCOLES Oracle servers supported by MDTMB on behalf of the MCOLES. A separate development environment will exist on a Contractor server. The Oracle database instances for these environments are as follows:

- Production – MPRD.MSP
- Quality Assurance –MITNDV.MSP.STATE.MI.US
- Development – contractor’s server

Each area consists of the MITN database structure and a separate subdirectory structure that comprises the associated library of source code components (including Oracle Forms, Reports, Libraries, and Menus).

1. Contractor shall maintain the **Development** area on Contractor equipment, to consist of several separate databases that mirror the production area in data definition, but contain small amounts of scrambled data.
  - A. This area will be used by the Contractor’s development staff to code upgrades, fix modules, and conduct unit testing.
- ii. The **Quality Assurance** (QA) area provides a higher-level testing area that can be used by the Contractor’s application support staff via the Contractor VPN and the MCOLES staff for testing upgraded or new program modules, as well as for conducting field training for end users. This area is maintained by MCOLES and MDTMB on MCOLES equipment.
  1. The Contractor will assist the MCOLES in migrating changes from development to QA. The QA area is protected from the ongoing changes that continually take place in the development area. Program modules will be more thoroughly tested in the QA area before final migration to the production environment.
  2. Contractor will provide the support of this area in accordance with a routine maintenance plan
- iii. Contractor is responsible for all application-related maintenance. The Contractor is also responsible for operating system and server configuration on servers where MITN services are the only residents. MDTMB is responsible for maintenance of the servers and operating systems, as well as operating system and server configuration on servers where services other than MITN reside.
- iv. The day-to-day business of the MCOLES takes place in the **Production** area which is maintained by MCOLES and MDTMB on MCOLES equipment and is supported by the Contractor under this agreement. The MCOLES also carries out the operations tasks associated with the production application. Contractor will provide support in accordance with a routine maintenance plan.



MITN Development, Testing, and Production Environments

- b. **General System Requirements** - Contractor shall provide services meeting the following requirements, and to ensure the system continues to meet the following requirements:
- i. The system provides auditing of all transactions including the user ID, the date and time, and the computer from which the data was accessed or modified.
  - ii. The system ensures that confidential information is protected, both when stored and as it transits the network.
  - iii. The system enables efficient licensee management and controls to reduce the manual effort required.
  - iv. The system allows workers assigned to an agency, officer, training site, training Contractor or investigation to have appropriate access to data without making copies of file material or manually transferring data onto forms.
  - v. The system efficiently integrates training, testing, investigation, standards screening and Contractor reporting information.
  - vi. The system provides the ability to select from a repository of predefined letters and notices and either merge address information from the system or enter address information into the letter. The system is able to record in the case record what letters or notifications were sent and the date they were sent.
  - vii. The system provides for the support of system interfaces and integration necessary for the coordination of services and for the elimination of paperwork and duplication of data collection and data entry.
  - viii. The system creates and maintains an information base that links an individual with all transactions related to law enforcement training and licensing from entry into the system through retirement to any post-retirement requirements, including those that may be linked in the future.



- ix. The system provides for the careful and full protection of all clients' rights to privacy and confidentiality through effective internal and external security controls that meet or exceed all legal requirements and official regulations on the subject.
- x. The system provides a query and report structure that satisfies eight basic levels:
  - 1. MCOLES internal administrators and managers
  - 2. Regional training delivery site administrators and managers
  - 3. In-service training Contractors, administrators and managers
  - 4. Legislator requests
  - 5. Field representative requests
  - 6. Agency requests
  - 7. Clerical staff
  - 8. Licensing workers
- xi. The system automatically produces routine and official reports required by the Commission, Governor or legislature, as well as by state or federal statutes and regulations.
- xii. The system contains on-line edits and warnings designed to identify and avoid data inconsistencies.
- xiii. The system provides immediate, searchable and relevant on-line automated access to user guides or web sites containing needed information, e.g. MCOLES web site containing policies and procedures.
- xiv. The system provides automated flow in logical progression of data and windows to enhance worker orientation and familiarization of the system.
- xv. The system is able to export form letters to word processing applications.
- xvi. The system operates uniformly as a single system throughout the state. All pertinent functionality in the system is made available to all MCOLES employees and end users based on their individual responsibilities and needs.
- xvii. The system standardizes forms.
- xviii. The system uses consistent methods to enter, update, and retrieve data. Users who understand one function of the system and feel comfortable navigating through it will feel comfortable navigating through all functions.
- xix. The system has a logical navigation order for each web screen to aid end users.
- xx. The system supports data entry processes by a series of edits, which provide integrity, validation, and consistency of format throughout the system.
  - 1. The system is capable of "freezing" any entered data according to established business rules.
- xxi. The system provides the capability to confirm or undo changes, as well as prompt the user, when required, that data have not been properly entered.
- xxii. The system maintains a centralized, computerized training registry with an automatic search capability.
- xxiii. The system has a help file system that contains keyword search capabilities (an index) and a full glossary of all terms and contents with hyperlinks.
- xxiv. The system allows full functional access by the end users, 24-hours-a-day, 7-days-per-week basis, taking into consideration approved system maintenance windows and backup requirements.
- xxv. The system allows export of reports to spreadsheet and database applications.
- xxvi. The system refreshes screen functionality automatically.
- xxvii. The system works within the existing agency and State technical environment.
- xxviii. The system is designed to eliminate data redundancy as much as possible and to prevent unnecessary movement through fields during data entry.
- xxix. The system includes a data control and security component that prevents editing of all narrative text once it is considered finalized and saved in the system.
- xxx. The system has the ability to capture, categorize, and associate scanned documents with a case or person.
- xxxi. The system provides the ability to exchange selected records and data elements with other applications according to specifications provided by the State, including, but not limited to, applications maintained by:
  - 1. Federal, state, local, tribal and specialty law enforcement agencies.
  - 2. Federal, state, local, tribal and specialty law enforcement officers.



3. Michigan Judicial Institute.
  4. Michigan Department of Corrections.
  5. Michigan Attorney General
  6. MCOLES-approved basic training delivery sites
  7. MCOLES-approved in-service training providers
  8. Prosecutors
  9. MCOLES-approved testing facilities
  10. Michigan State University Virtual University and/or other MCOLES-approved online training providers
- xxxii. The system shall provide the ability to record, store, and display error messages received or produced as part of the transaction log.
- xxxiii. Hardware and software licenses conform to the State IT or agency-specific standards approved by MDIT.
- xxxiv. All products (source code) and services produced for this Contract become the property of the State.



## **Attachment 2 - Functional Requirements**

- a. Since MITN is an existing system operating in a production mode, any work to be performed by Contractor:
  - i. MUST conform to the existing database schema,
  - ii. MUST use the same or compatible tools, and
  - iii. MUST conform to the existing design and requirement specifications.
  - iv. The system MUST continue to provide services during any change or upgrade development or maintenance.
- b. There will be an implementation plan for the rewrite of MITN necessitated by the upgrade to Oracle 11g (WebLogic) for security purposes.



**Attachment 3 - Resume Templates**

The contractor shall complete templates for key personnel

<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>PROJECT MANAGER</b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to project:</b>	

**Contractor:** List the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.

The experience requirements detailed in the RFP are restated as follows:

<b>Required Skills</b>	<b>Contractor's Response</b>
<i>MITN experience</i>	<p><b>Does resource have this required skill:</b> Yes <input type="checkbox"/> or No <input type="checkbox"/></p> <p><b>Description of skills and experience:</b> <i>Example: 10 yrs. exp with (vendor name) implementing multimillion-dollar, statewide implementations of intelligence management and analysis systems</i></p> <p><b>Name of project(s) and year(s) experience was obtained:</b>  <i>Example: Michigan Infinity Project – 1995 to 1998</i>  <i>Ohio Intelligence Center Project – 1998 to present</i></p>
<i>area of focus</i>	<p><b>Does resource have this required skill:</b> Yes <input type="checkbox"/> or No <input type="checkbox"/></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>



List client references for work performed to meet the requirements stated above, and all projects the proposed resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the contractor and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date: <i>date started on project</i>	End Date: <i>date rolled off project</i>
Client/Project: <i>Client, with contact information (i.e.: address, phone #s, and email address), and project name</i>	
Employer: <i>identify employer at the time of experience</i>	
Title/Percentage of time: <i>title of role on project and percentage of time spent on project</i>	
Description: <i>brief description of responsibilities for the project. Include software version</i>	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Master in Engineering</i>	Year Completed: 1998
Program	<i>Major(s) area of study: Computer Science</i>	
University	<i>(include address) Example: MSU – East Lansing, Michigan</i>	

Additional Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Bachelors' in Business Administration</i>	Year Completed: 1994
Program	<i>Major(s) area of study: Example: Management</i>	<i>Minor area of study: Example: Economics</i>
University	<i>(include address) Example: Central MI University, Mt. Pleasant, MI</i>	

**TRAINING** – Provide any relevant technical or professional training related to the role resource will be providing on this project.

Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	



<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>TECHNICAL LEAD</b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to project:</b>	

**Contractor:** List the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.

The experience requirements are restated as follows:

<b>Required Skills</b>	<b>Contractor's Response</b>
<i>MITN experience</i>	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b> <i>Example: 10 yrs. exp with (vendor name) implementing multimillion-dollar, statewide implementations of intelligence management and analysis systems</i></p> <p><b>Name of project(s) and year(s) experience was obtained:</b>  <i>Example: Michigan Infinity Project – 1995 to 1998</i>  <i>Ohio Intelligence Center Project – 1998 to present</i></p>
<i>area of focus</i>	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>



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Employer: <i>identify employer at the time of experience</i>	
Title/Percentage of time: <i>title of role on project and percentage of time spent on project</i>	
Description: <i>brief description of responsibilities for the project. Include software version</i>	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Master in Engineering</i>	Year Completed: 1998
Program	<i>Major(s) area of study: Computer Science</i>	
University	<i>(include address) Example: MSU – East Lansing, Michigan</i>	

Additional Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Bachelors' in Business Administration</i>	Year Completed: 1994
Program	<i>Major(s) area of study: Example: Management</i>	<i>Minor area of study: Example: Economics</i>
University	<i>(include address) Example: Central MI University, Mt. Pleasant, MI</i>	

**TRAINING** – Provide any relevant technical or professional training related to the role resource will be providing on this project.

Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	



<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>SYSTEMS ANALYST – CLIENT SERVER</b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to project:</b>	

**Contractor:** List the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.

The experience requirements are restated as follows:

<b>Required Skills</b>	<b>Contractor's Response</b>
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<i>area of focus</i>	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>



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Title/Percentage of time: <i>title of role on project and percentage of time spent on project</i>	
Description: <i>brief description of responsibilities for the project. Include software version</i>	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
Description:	

Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
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**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Master in Engineering</i>	Year Completed: <i>1998</i>
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Additional Education		
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Program	<i>Major(s) area of study: Example: Management</i>	<i>Minor area of study: Example: Economics</i>
University	<i>(include address) Example: Central MI University, Mt. Pleasant, MI</i>	

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Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	



<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b><i>DATABASE ADMINISTRATOR</i></b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to project:</b>	

**Contractor:** List the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.

The experience requirements are restated as follows:

<b>Required Skills</b>	<b>Contractor's Response</b>
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<i>area of focus</i>	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>



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Employer: <i>identify employer at the time of experience</i>	
Title/Percentage of time: <i>title of role on project and percentage of time spent on project</i>	
Description: <i>brief description of responsibilities for the project. Include software version</i>	

Start Date:	End Date:
Client/Project:	
Employer:	
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Start Date:	End Date:
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Employer:	
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**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Master in Engineering</i>	Year Completed: 1998
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Additional Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Bachelors' in Business Administration</i>	Year Completed: 1994
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University	<i>(include address) Example: Central MI University, Mt. Pleasant, MI</i>	

**TRAINING** – Provide any relevant technical or professional training related to the role resource will be providing on this project.

Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	



<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>SYSTEMS ANALYST - WEB</b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to project:</b>	

**Contractor:** List the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Provide the name of the project(s) and the year(s) the experience was obtained.

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<i>area of focus</i>	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>



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Start Date:	End Date:
Client/Project:	
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Start Date:	End Date:
Client/Project:	
Employer:	
Title/Percentage of time:	
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**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Master in Engineering</i>	Year Completed: 1998
Program	<i>Major(s) area of study: Computer Science</i>	
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Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	



<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>PROGRAMMER ANALYST – CLIENT SERVER</b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to project:</b>	

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**EDUCATION**

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Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	



<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>WEB APPLICATION – DATABASE ADMINISTRATOR</b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
<b>Percentage of time resource will be allocated to project:</b>	

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<i>area of focus</i>	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>



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**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Master in Engineering</i>	Year Completed: 1998
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Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	



<b>Proposed Resource Name:</b>	
<b>Proposed Classification:</b>	<b>PROGRAMMER ANALYST - WEB</b>
<b>Key Personnel:</b>	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
<b>If resource is associated with a subcontractor provide name of company:</b>	
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<i>area of focus</i>	<p><b>Does resource have this required skill: Yes <input type="checkbox"/> or No <input type="checkbox"/></b></p> <p><b>Description of skills and experience:</b></p> <p><b>Name of project(s) and year(s) experience was obtained:</b></p>



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Start Date:	End Date:
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Employer:	
Title/Percentage of time:	
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**EDUCATION**

Education		
Degree (i.e. PhD, Master's, Bachelors)	<i>Example: Master in Engineering</i>	Year Completed: 1998
Program	<i>Major(s) area of study: Computer Science</i>	
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Technical or Professional Training	
Course Name	
Topic	<i>(include credit hours if applicable)</i>
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	



**Attachment 4 – Responsibilities Matrix**

The level of responsibility of each party is indicated as R- Responsible, A- Approves, I- Provides Input, or N- Notified. If there is no responsibility for a party for a particular task, the cell is blank.

Item	Task Description	MITN Support Team					
		Michigan				Northrop Grumman	
		MCOLES	DTMB	MS P	State	DBA	Tech Lead
1	Maintain all servers		R				
2	Maintain all desktops		R				
3	Maintain all MITN databases related to the application					R	
4	Adhere to the development and maintenance standards						R
5	Maintain Firewalls 1 and 2		R				
6	Maintain Firewall 3			R			
7	Maintain MITN Issue Tracking Database	R					
8	Provide application knowledge transfer					R	R
9	Identify problems on TIR and SCR	R					
10	Provide written / electronic documentation of changes completed in response to TIR and SCR						R
11	Document all changes in source code						R
12	Provide documentation in State-approved electronic format of upgrades/modifications of the applications						R
13	Provide documentation updates for all appropriate manuals						R
14	Provide maintenance and support related to fixing data and meeting mandates					R	R
15	Coordinate System Support	R					
16	Provide support to address non-security related problems between 7 am and 10 pm ET.					R	R
17	Provide technical system support (telephone, email and an escalation process)					R	R
18	Provide proactive system maintenance					R	R
19	Provide online technical system documentation					R	R
20	Provide on-site technical support upon request				A	R	R



Item	Maintenance Support for MITN System	MITN Support Team					
	Task Description	Michigan				Northrop Grumman	
		MCOL ES	DTM B	MS P	State	DB A	Tech Lead
21	Provide backup maintenance resources					R	R
22	Provide disaster recovery assistance					R	R
23	Provide remote diagnostic capabilities					R	R
24	Provide one point of contact for reporting system malfunction					R	R
25	Implement Oracle 10g forms and reports upgrade					R	R
26	Responsible for software application support, including technical support/maintenance and upgrade work to MITN					R	R
27	Provide Operational Support						R
28	Provide Interface support						R
29	Address/Resolve components of existing functionality						R
30	Provide Change Control Management and Support						R
31	Provide Problem Resolution Investigation and Support						R
32	Provide Data Issue Resolution						R
33	Log all software maintenance and changes into the MITN Issue Tracking Database system	R					
34	Provide management and control of the MITN software maintenance and enhancement activities to perform approved work assignments	A					R
35	Provide and maintain a development site for coding and testing of application changes and upgrades					R	R
36	Purchase additional services				R		
37	Create Statement of Works (SOW) documents for services	R					
38	Agree upon statements of work for services	R					R
39	Provide services for system enhancements/scope modifications					R	R
40	Develop reports needed for reporting legislature, the public and law enforcement community	R					R



Item	Maintenance Support for MITN System	MITN Support Team					
	Task Description	Michigan				Northrop Grumman	
		MCOL ES	DTM B	MS P	Stat e	DB A	Tec h Lea d
41	Maintain existing interfaces						R
42	Respond with costs and timelines to all requests to modify the software to meet future needed functionality						R
43	Provide resumes for qualified staff assigned to contract						R
44	Commit to identified staff performing assigned work						R
45	Submit a letter of commitment for Key Personnel						R
46	Provide and maintain, an organizational chart						R
47	Provide help desk functions for end users	R					
48	Notify in writing when key staff will be unavailable for extended period of time.						R
49	Identify and approve new staff members for MITN and backup	A					I
50	Submit staff to background check by the MSP						R
51	Manage all defined Contractor responsibilities in this Scope of Services.						R
52	Develop the project plan and schedule, and update as needed						R
53	Coordinate and oversee the day-to-day project activities of the project team						R
54	Assess and report project feedback and status						R
55	Escalate project issues, project risks, and other concerns	R	R				R
56	Review all project services and provide feedback						R
57	Proactively propose/suggest options and alternatives for consideration						R
58	Utilize change control procedures	R	R				R
59	Prepare project documents and materials						R
60	Manage and report on the project's budget						R



Item	Task Description	MITN Support Team					
		Michigan				Northrop Grumman	
		MCOLES	DTMB	MS P	State	DBA	Tech Lead
61	Resolve project issues in a timely manner	R	R				
62	Review project plan, status, and issues	R					
63	Resolve deviations from project plan	R					
64	Provide acceptance sign-off	R	R				
65	Ensure timely availability of State resources	R					
66	Make key implementation decisions	R					
67	Provide State facilities, as needed	R	R				
68	Coordination of State resources necessary for the project	R	R				
69	Coordination between various external Contractors	R	R				
70	Communication between different State departments/divisions	R	R				
71	Regular and ongoing review of the project to confirm that it meets original objectives and requirements	R	R				
72	Documentation and archiving of all important project decisions	R	R				
73	Assignment of MCOLES resources for project meetings, training and special project related assignments	R	R				
74	Approve of changes to the project schedule	R					
75	Authorization for modifications to the scope, resources, and budget of the project	R					
76	Maintenance of senior management commitment to the project	R					
77	Final arbitration on proposed changes that significantly affect the business interests of the MCOLES.	R					
78	Ensure timely availability of State resources	R					
79	Responsible for the State's infrastructure		R				



Item	Task Description	MITN Support Team					
		Michigan				Northrop Grumman	
		MCOLES	DTMB	MS P	State	DBA	Tech Lead
80	Review and sign-off of timesheets and invoices		R				
81	Develop and deliver a project plan						R
82	Submit report formats for SCR and TIR	A					R
83	Develop and deliver risk management plan	A					R
84	Prioritize risks	I					I
85	Support MCOLES Oracle servers		R				
86	Maintain <b>Development</b> environment					R	
87	Maintain <b>Quality Assurance</b> environment	R	R				
88	Assist MCOLES in migrating changes from <b>Development to QA</b>					R	R
89	Support the <b>Quality Assurance</b> area in accordance with the routine maintenance plan					R	
90	Responsible for all application-related maintenance, operating system and server configuration where MITN services are the only residents					R	
91	Responsible for maintenance of the servers and operating system, and operating system and server configuration where services other than MITN reside		R				
92	Maintain <b>Production</b> environment	R	R				
93	Support the <b>Production</b> application					R	R
94	Provide support in accordance with the routine maintenance plan						R
95	Perform the Software maintenance activities for user reported problems	R					R
96	Perform quality assurance activities on the MITN application prior to production migration	R					R



Item	Task Description	MITN Support Team					
		Michigan				Northrop Grumman	
		MCOL ES	DTM B	MS P	Stat e	DB A	Tec h Lea d
97	Review and prioritize all changes and upgrades	R					
98	Perform the support activities for the software upgrade work flow	R					R
99	Conduct JAD sessions						R
100	Retains all control over the timing of development and the priority given varying components	R					
101	Retains the right to change priorities for development for cancel development based on budgetary constraints and legislative changes	R					
102	Provide a methodology to estimate the cost for individual components based on number of hours of work						R
103	Provide a methodology for identification and notification when 3rd party software upgrades are required					R	R
104	Responsible for purchase of 3rd party software				R		
105	Provide warranty for the system.					I	I
106	Create / Update Responsibility Matrix						R



**Attachment 5 - Cost Tables**

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

<b>Item</b>	<b>Project Cost(s)</b>	<b>Total year 1-5</b>
<b>A</b>	Transition (to the new contractor, at the start of the contract)	N/A
<b>B</b>	Maintenance and Support Give breakdown in Table 2	\$ 668,198.50
<b>C</b>	Reserve Bank of hours for Future Enhancements	\$ 1,819,313.00
	Total Project Cost	\$ 2,487,511.50



**Cost Table 2 - Maintenance/Support, For the Contract Base Years 1 - 5**

Cost Component	Estimated Hours for one year	Hourly Rate Y1	Hourly Rate Y2	Hourly Rate Y3	Hourly Rate Y4	Hourly Rate Y5	Annual Average Extended Price Note 1
1. Technical Lead	300	\$ 136.25	\$ 142.02	\$ 148.64	\$ 155.13	\$ 160.13	\$ 222,651.00
2. Systems Analyst – Client Server	50	\$ 125.45	\$ 131.55	\$ 138.32	\$ 144.91	\$ 149.94	\$ 34,508.50
3. Programmer Analyst – Client Server	50	\$ 115.19	\$ 120.34	\$ 126.23	\$ 132.00	\$ 136.47	\$ 31,511.50
4. Database Administrator	200	\$ 154.62	\$ 161.65	\$ 169.72	\$ 177.57	\$ 183.66	\$ 169,444.00
5. Web Application - Database Administrator	200	\$ 136.70	\$ 142.81	\$ 149.86	\$ 156.69	\$ 162.02	\$ 149,616.00
6. Systems Analyst – Web	50	\$ 136.28	\$ 142.44	\$ 149.55	\$ 156.43	\$ 161.79	\$ 37,324.50
7. Programmer Analyst – Web	50	\$ 84.64	\$ 88.40	\$ 92.71	\$ 96.92	\$ 100.19	\$ 23,143.00
8. System Tester	0	\$ 74.32	\$ 77.54	\$ 81.26	\$ 84.92	\$ 87.74	
Total for one year	900 Annual	\$ 122,217.00	\$ 127,634.50	\$ 133,848.50	\$ 139,904.00	\$ 144,594.50	
Total for five years	4500 Five year total	\$ 668,198.50					

Notes:

- Actual funding for maintenance/support will occur on a yearly basis.
- Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed.
- There is no guarantee that maintenance/support will be required. “Estimated Hours” and “Extended Price” are non-binding and will be used at the State’s discretion to determine best value to the State.



**Cost Table 3 - Maintenance/Support, For the Contract Option Years 1 & 2**

<b>Cost Component</b>	<b>Estimated Hours for one year</b>	<b>Hourly Rate OY1</b>	<b>Hourly Rate OY2</b>	<b>Annual Average Extended Price Note 2</b>
1. Technical Lead	300	\$ 164.93	\$ 169.88	\$ 100,443.00
2. Systems Analyst – Client Server	50	\$ 154.44	\$ 159.07	\$ 15,675.50
3. Programmer Analyst – Client Server	50	\$ 140.56	\$ 144.78	\$ 14,267.00
4. Database Administrator	200	\$ 189.17	\$ 194.85	\$ 76,804.00
5. Web Application – Database Administrator	200	\$ 166.88	\$ 171.89	\$ 67,754.00
6. Systems Analyst – Web	50	\$ 166.64	\$ 171.64	\$ 16,914.00
7. Programmer Analyst – Web	50	\$ 103.20	\$ 106.30	\$ 10,475.00
8. System Tester	0	\$ 90.37	\$ 93.08	
Total for one year	900	\$ 148,931.00	\$ 153,401.50	
Total for two years	1800	\$ 302,332.50		

Notes:

1. Actual funding for maintenance/support will occur on a yearly basis.
2. Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed.
3. There is no guarantee that maintenance/support will be required. “Estimated Hours” and “Extended Price” are non-binding and will be used at the State’s discretion to determine best value to the State.



**Cost Table 4 - Reserve Bank of Hours for Future enhancements,  
for the contract base year 1 - 5**

Cost Component	Estimated Hours for one year	Hourly Rate Y1	Hourly Rate Y2	Hourly Rate Y3	Hourly Rate Y4	Hourly Rate Y5	Annual Average Extended Price Note 1
1. Technical Lead	1,500	\$ 136.25	\$ 142.02	\$ 148.64	\$ 155.13	\$ 160.13	\$ 222,651.00
2. Systems Analyst – Client Server	200	\$ 125.45	\$ 131.55	\$ 138.32	\$ 144.91	\$ 149.94	\$ 27,606.80
3. Programmer Analyst – Client Server	200	\$ 115.19	\$ 120.34	\$ 126.23	\$ 132.00	\$ 136.47	\$ 25,209.20
4. Database Administrator	100	\$ 154.62	\$ 161.65	\$ 169.72	\$ 177.57	\$ 183.66	\$ 16,944.40
5. Web Application – Database Administrator	100	\$ 136.70	\$ 142.81	\$ 149.86	\$ 156.69	\$ 162.02	\$ 14,961.60
6. Systems Analyst – Web	200	\$ 136.28	\$ 142.44	\$ 149.55	\$ 156.43	\$ 161.79	\$ 29,859.60
7. Programmer Analyst – Web	200	\$ 84.64	\$ 88.40	\$ 92.71	\$ 96.92	\$ 100.19	\$ 18,514.40
8. System Testers	100	\$ 74.32	\$ 77.54	\$ 81.26	\$ 84.92	\$ 87.74	\$ 8,115.60
Total for one year	2,600	\$ 333,251.00	\$ 347,776.00	\$ 364,406.00	\$ 380,665.00	\$ 393,215.00	
Total for five years	13,000	\$ 1,819,313.00					

Notes:

1. The State intends to establish funding for reserved bank of hours for the contract. Actual funding for enhancements will occur on a yearly basis.
2. Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed.
3. There is no guarantee that future enhancements will be required. “Estimated Hours” and “Extended Price” are non-binding and will be used at the State’s discretion to determine best value to the State.
4. The parties agree that the Services to be rendered by Contractor using the future enhancements/rate card on this Contract will be defined and described in detail in separate Statements of Work. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a purchase order issued against this Contract.



<b>Cost Component</b>	<b>Estimated Hours for one year</b>	<b>Hourly Rate OY1</b>	<b>Hourly Rate OY2</b>	<b>Annual Average Extended Price Note 2</b>
1. Technical Lead	1,500	\$ 164.93	\$ 169.88	\$ 502,215.00
2. Systems Analyst – Client Server	200	\$ 154.44	\$ 159.07	\$ 62,702.00
3. Programmer Analyst – Client Server	200	\$ 140.56	\$ 144.78	\$ 57,068.00
4. Database Administrator	100	\$ 189.17	\$ 194.85	\$ 38,402.00
5. Web Application – Database Administrator	100	\$ 166.88	\$ 171.89	\$ 33,877.00
6. Systems Analyst – Web	200	\$ 166.64	\$ 171.64	\$ 67,656.00
7. Programmer Analyst – Web	200	\$ 103.20	\$ 106.30	\$ 41,900.00
8. System Testers	100	\$ 90.37	\$ 93.08	\$ 18,345.00
Total for one year	2,600	\$ 405,005.00	\$ 417,160.00	
Total for two years	5,200	\$ 822,165.00		

Note 1: Extended Price uses average rate for the 5 year period.

Note 2: Extended Price uses average rate for the 2 year period.



Notes:

1. The State intends to establish funding for reserved bank of hours for the contract. Actual funding for enhancements will occur on a yearly basis.
2. Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed.
3. There is no guarantee that future enhancements will be required. "Estimated Hours" and "Extended Price" are non-binding and will be used at the State's discretion to determine best value to the State.
4. The parties agree that the Services to be rendered by Contractor using the future enhancements/rate card on this Contract will be defined and described in detail in separate Statements of Work. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a purchase order issued against this Contract.
5. Northrop Grumman assumes that 1560 hours of the Reserve Bank of Hours will be awarded to Northrop Grumman annually. These hours are in addition to the estimated base hours listed in the RFP. If these additional reserve hours are not awarded during the course of a year, Northrop Grumman reserves the right to renegotiate the requirement for annual travel to Michigan.



**Attachment 6 – Transition Plan**

RESERVED.



**Attachment 7 - Preliminary Project Plan**

Task Name	Start	Finish
<b>☐ MCOLES Information and Tracking Network Project</b>	<b>Tue 7/3/12</b>	<b>Mon 7/31/17</b>
1 Contract Awarded	Tue 7/3/12	Tue 7/3/12
2 Start (Contract Start Date) MCOLES Information and Tracking Network Project	Wed 8/1/12	Wed 8/1/12
<b>☐ 3 Initiation Phase</b>	<b>Tue 7/3/12</b>	<b>Thu 10/25/12</b>
3.1 Start Initiation Phase	Tue 7/3/12	Tue 7/3/12
3.2 Fingerprint cards for Staff	Fri 7/6/12	Fri 7/6/12
3.3 Certificate of Insurance	Wed 7/18/12	Wed 7/18/12
3.4 State Admin Board Approval	Tue 7/24/12	Tue 7/24/12
<b>☒ 3.5 Knowledge Transfer</b>	<b>Thu 8/2/12</b>	<b>Wed 9/5/12</b>
3.6 Orientation Meeting	Thu 8/16/12	Thu 8/16/12
3.7 Deliver Issue Report Forms	Wed 8/15/12	Wed 8/15/12
3.8 Deliver Transition Plan	Thu 8/16/12	Thu 8/16/12
3.9 Deliver Project Management Plan	Wed 8/29/12	Wed 8/29/12
3.10 Deliver Risk Management Plan	Wed 8/29/12	Wed 8/29/12
3.11 Deliver Communication and Education Plan	Thu 10/4/12	Thu 10/4/12
3.12 Deliver Routine Maintenance Plan	Thu 10/25/12	Thu 10/25/12
3.13 Finish Initiation Phase	Thu 10/4/12	Thu 10/4/12
<b>☐ 4 Routine Maintenance</b>	<b>Wed 8/1/12</b>	<b>Mon 7/31/17</b>
4.1 Start Routine Management	Wed 9/26/12	Wed 9/26/12
4.2 Perform Software Application Support	Thu 9/27/12	Mon 7/31/17
4.3 Maintain Test Environment(s)	Thu 9/27/12	Mon 7/31/17
4.4 Provide Baseline End User Training Manuals	Thu 9/27/12	Mon 7/31/17
<b>☒ 4.5 Provide Semi-Monthly Project Plans</b>	<b>Mon 10/1/12</b>	<b>Mon 7/17/17</b>
4.6 Provide Incident Reporting	Thu 9/27/12	Mon 7/31/17
<b>☒ 4.7 Provide Bi-Weekly Risk Management Plan Updates</b>	<b>Wed 9/19/12</b>	<b>Wed 7/19/17</b>
<b>☒ 4.8 Conduct Semi-Annual Review Meetings</b>	<b>Wed 1/16/13</b>	<b>Mon 3/20/17</b>
4.9 Provide System Documentation	Thu 9/27/12	Fri 9/26/14
4.10 Support Change Control	Thu 9/27/12	Fri 9/26/14
4.11 Support Prioritization of Work	Thu 9/27/12	Fri 9/26/14
4.12 Support UAT	Wed 8/1/12	Mon 7/31/17
<b>☒ 4.13 Provide Invoicing and Billing</b>	<b>Wed 9/26/12</b>	<b>Wed 7/26/17</b>
4.14 Deliver End of Contract Transition Plan	Thu 6/1/17	Thu 6/1/17
4.15 Finish Routine Management	Mon 7/31/17	Mon 7/31/17
5 Contract Close Out	Mon 7/31/17	Mon 7/31/17



## Attachment 8 – Procedures for User Reported Problems

The contractor shall follow a project methodology to complete work for the MITN system through the TIR or SCR process.

Based on current work load, a TIR or SCR may not be prioritized until later. Northrop Grumman agrees to only work on approved, prioritized TIRs or SCRs, and to provide information to assist MCOLES with prioritization.

To ensure that MCOLES receives updates regarding high priority situations in a timely fashion, the MITN Specialist and MITN Project Manager are both included when sending email.

The general process is described as follows with extra steps added when additional analysis and design is required:

1. Problems are reported to the MTN Specialist. The MITN Specialist reviews the problems. For all potential software problems, a TIR or SCR is created and logged in the MCOLES Issue Tracking Database with an assigned priority.

The appropriate response is provided according to the priority level. For all System Down situations when the problem cannot be resolved immediately, The contractor shall create a detailed action plan for resolving the problem within 24 hours of being notified of the problem.

- i. A potential software problem is reported on a Testing Investigative Report (TIR) or System Change Request (SCR) and tracked in the **MCOLES Issue Tracking Database** with a priority designation and is referred to the Contractor's Technical Lead. The priority designations are:
  - **System Down** – requires an immediate response by the Contractor. This will include the response of a DBA where a system malfunction has occurred necessitating a recovery of data. This category will require the Contractor to specifically define a method for contacting a technical support person even during a Contractor's off hours (i.e. if Contractor is on Pacific time and the MCOLES needs assistance at 8 am Eastern time). **All System Down problems shall be resolved, or a plan of action to resolve them shall be completed within 24 hours from the time the problem was first reported to Contractor.**
  - **Critical** – Used when a problem arises that MCOLES has no other ability to work around. Critical TIRs or SCRs will take precedence over all other prioritized TIRs or SCRs at the direction of MCOLES. Critical issues include those affecting one specific agency that, if it occurred to multiple agencies of the same type, would otherwise be classified as System Down.
  - **High** – Issues that address ongoing functionality and must be fixed to allow MCOLES and their constituency to properly operate the system. These will be prioritized by the MCOLES in conjunction with the Contractor's technical lead.
  - **Medium** – Issues that are of a less critical nature and impact. These can be addressed in conjunction with a higher priority issue if the opportunity presents itself after higher priorities are completed after consultation with the MCOLES about inclusion of this work. These can also be completed simultaneously to a higher priority item if appropriate after consultation with the MCOLES.
  - **Low** – Non-functioning components but other acceptable means of addressing the problem exist. These will not be addressed until MCOLES designates their priority.
2. The MITN Specialist sends the TIR or SCR to the Northrop Grumman Technical Lead who reviews it. The Northrop Grumman Technical Lead works with the MITN Specialist on all problem requests reported on a TIR or SCR.



3. The Northrop Grumman Technical Lead analyzes the complexity of the TIR or SCR and determines whether additional analysis and design is required. The TIR/SCR is assigned to the Northrop Grumman support staff member.
4. The Northrop Grumman support staff resolves the problem. For program changes, the code is modified, tested and documented.

*For TIRs or SCRs requiring additional analysis and design:*

5. The Northrop Grumman Technical Lead or Northrop Grumman support staff member begins analyzing and gathering information for the Functional Design Document.

The Northrop Grumman staff member gathers all requirements from the MITN Specialist and/or the MCOLES staff member assigned to the project. The Northrop Grumman staff member may hold a Joint Application Design (JAD) session to gather requirements with the appropriate MCOLES staff, and/or write DIRs to gather and/or clarify requirements, and/or speak directly to the MITN Specialist.

6. Once the Northrop Grumman staff member has the requirements clearly defined, the Functional Design document is written. The document is written in business terms to ensure that the MITN Specialist and Northrop Grumman support staff have a common understanding of the requirements for the enhancement. The document lists the requirements of the request as well as describing what changes are to be made to the MITN system.
7. Upon completion of the document and the internal quality assurance review, the document is submitted to the MITN Specialist and/or MITN Project Manager for approval of the requirements. MITN staff typically has between five (5) to ten (10) business days to review and approve, or request modifications to the document. The length of time depends on the urgency of the project.
8. Once the documentation is approved by MCOLES, Northrop Grumman staff discusses the technical design with the Northrop Grumman support team to determine the best technical approach and may write a Technical Design Document for use by the Northrop Grumman support team. If created, the Technical Design Document is reviewed to ensure all technical components are included and adequately addressed, and the design can accurately implement the requirements outlined in the document.

*For all TIRs and SCRs:*

9. Northrop Grumman staff code and unit test the changes in the documented TIR or SCR.
10. When the coding and unit testing are completed, code walkthroughs are conducted to ensure the coding is correct, the system documentation standards are met, and the requirements are met.

*For TIRs or SCRs requiring additional analysis and design*

11. Once walkthroughs are completed, system testing is performed, as necessary. Northrop Grumman staff performing the system test may write a test plan, based on the requirements in the Technical Design document that documents the tests to be completed and compares expected results and actual results. This ensures that the changes are thoroughly tested and all requirements are met.

*For all TIRs and SCRs:*

12. The Northrop Grumman Technical Lead notifies the MITN Specialist of the completed changes, and migrates the changes to the MITN Quality Assurance environment for user acceptance testing (UAT).
13. The MCOLES staff reviews and tests the software changes.
14. Once testing is complete, a quality assurance review is performed to ensure the requirements and standards are met and the appropriate documentation is updated.



15. The Northrop Grumman Technical Lead receives MCOLES approval for software changes. With MCOLES approval, the changes are ready for production.
16. The Northrop Grumman Technical Lead schedules the changes for migration to the MITN Production Environment.
17. The MITN Specialist reviews the changes in production and notifies the requestor of the changes.
18. Once all documentation including system documentation is updated and completed by Northrop Grumman, the MITN Specialist closes the problem report.



### Attachment 9 – Procedures for Testing and Quality Assurance

- d. **Testing and Quality Assurance** - The Contractor's quality assurance procedures are designed to ensure that the functionality of newly developed changes and upgrades are complete and accurate, and that the changes are implemented in the production environment in a systematic and controlled manner.
- i. Contractor's Quality Assurance
1. The Contractor's Technical Lead, all of the Contractor's staff, and ultimately the MITN Specialist perform quality assurance activities on the MITN application prior to production migration.
    - A. The Technical Lead provides an overall quality assurance check of technical and functional correctness and adherence to documentation standards.
  2. Changes to MITN are subjected to an integrated series of tests to verify the accuracy of maintenance and change work.
    - A. Depending on the extent of the software change, the following types of testing are performed: unit testing, function/system testing, and MCOLES acceptance testing.
  3. Responsibility for unit testing program changes rests primarily with the Contractor's staff making the change.
    - A. The test results should reflect the correct execution of every major path in a program, the correct results from every calculation, and the correct flow of control within the online application or batch job stream.
    - B. Test results must be provided for the program changes.
  4. The Contractor's staff member will also function test and system test the module to ensure the new or corrected functionality works with other modules. These test results must be provided for the program changes to be migrated to the MITN Quality Assurance environment for user testing and then for migration to the production environment.
  5. Depending on the complexity and critical nature of certain modules and/or changes, the Contractor's Technical lead may provide an overall quality assurance to check the accuracy of the business functions.
  6. The Contractor's quality assurance process ensures that:
    - A. The change appropriately addresses the problem reported or upgrade requested.
    - B. The change does not introduce new functional or technical problems into MITN.
    - C. The change meets the software and documentation standards defined for MITN.
    - D. The change does not result in unnecessary added computer costs, batch processing time, or degraded online response time.
    - E. The change is accomplished in accordance with the approved coding standards.
    - F. Rigorous testing is conducted on all new code.
    - G. Programs are migrated into the Quality Assurance environment and, when approved, into the production environment.
    - H. Program performance and resource utilization reviews are implemented and plans are developed for performance problem programs.
  7. All MITN programs will follow the standards defined in the *MITN Updated System Requirements*. Standards for naming elements, cross-referencing paragraphs and indentation of paragraphs for readability are enforced.
  8. The creation of numerous data elements in an application can easily lead to chaos in determining the meaning of data. Shared, reusable data elements will be used, where possible, to reduce redundancy. The enforcement of consistently-named data element abbreviations keeps the look of the code consistent to all Contractor staff and allows training to become easier. These element names will ensure quick recognition of code by the Contractor's staff.
  9. Program walkthroughs will be conducted for technical and functional completeness and resource efficiency.
    - A. Rigorous testing will be performed on new modules.



- B. Changed code for a program fix or upgrade will be evaluated for its placement in the system and for the introduced complexity. The affected logic paths and new test conditions will need to be identified for testing.
  - C. Documentation regarding affected logic paths and new test conditions will be provided to the MITN Specialist.
10. Before a module can be migrated to the Quality Assurance area, the Contractor's staff must notify the MITN Specialist to also guide testing in the Quality Assurance area.
- ii. MCOLES Quality Assurance
1. In addition to the internal quality assurance performed by the Contractor's staff, system changes are subject to MCOLES quality assurance. The purpose of this quality assurance is to verify that the software changes function correctly from a business point of view.
  2. Depending on the extent of a given change, the MITN Specialist may take one of the following quality assurance actions:
    - A. Review the submitted test documentation performed by the Contractor's staff member responsible for the changes.
    - B. Test the upgraded and/or changed module(s).
    - C. Assemble an MCOLES acceptance testing team to test the changes.
  3. Depending on the results of the review and testing of the system changes, the MITN Specialist will approve or reject the changes. Accepted changes will be migrated to the production environment on the next scheduled production migration. Rejected changes will be returned with comments to the Technical Lead who will forward the problem to the responsible staff member.



### **Attachment 10 – Software Upgrade Work Flow**

Before work begins on any software the upgrades, the MITN Specialist reviews and prioritizes the changes and upgrades requested for the MITN system. The MITN Specialist controls the process to ensure the MCOLES priorities are met and the system integrity is maintained. The following steps are followed for the software upgrades:

- i. The Contractor Technical Lead receives the request from the MITN Specialist and reviews the request.
- ii. If requested, The Contractor provides a detailed analysis of the impact of the requested change.
- iii. The impact analysis may include some or all of the following:
  - A functional and technical description of the impact on MITN system module components.
  - A detailed estimate for analysis, development, testing, and quality assurance.
  - Implementation and conversion plans.
  - Identify updates to the appropriate manuals.
  - Ramifications of proceeding with the changes.
  - Other relevant information.
- iv. Upon approval of the request and impact analysis, the The Contractor Technical Lead assigns the request to the Contractor support team member(s).
- v. The Contractor Team Member completes the upgrades for the request, which includes coding, testing, and documenting the software changes.
- vi. The Contractor Technical Lead migrates the software changes to the MITN quality assurance environment.
- vii. MCOLES staff reviews and tests the software changes.
- viii. The Contractor Technical Lead walks through the software changes.
- ix. The Contractor Technical Lead prepares the software changes for migration.
- x. The software changes are migrated to the production environment.
- xi. The MITN Specialist notifies the requester the software changes are completed and are in production.

During the software upgrade process The Contractor documents the software upgrades. We document all changes reflecting new procedure/process capabilities and options in MITN. Module fixes are documented in the module change comment block located in the top of the source code.

All changes are reflected in the MITN system Documentation and updated copies are sent to the MITN Specialist as changes occur in the software. The Contractor maintains system documentation for the life of each MITN module. System documentation for each module may include:

- Module Overview
- Detailed Functional Specifications
- Special Navigation Specifications
- Database Triggers
- Database Views
- Detailed Data Specifications

System documentation is also maintained for the life of the database, which includes table and column definitions, and the data schema diagram.



### **Attachment 11 – Application Design**

#### **D. Application Design**

- a. Contractor will conduct Joint Application Design (JAD) sessions for all of the below listed items when the MCOLES is ready to move forward.
  - i. Upgrade the web acceptance component of the system to allow for better review, approval and denial of incoming information.
  - ii. Upgrade the system, where necessary, to interface with upgraded document imaging and retrieval software.
  - iii. Make changes to the eligibility status timing routine that determines conditions for law enforcement licensure per State statutes and administrative rules.
  - iv. Incorporation of remaining Michigan Justice Training Fund data to eliminate interfacing.

### **Attachment 12 – Application Development**

#### **E. Application Development**

- a. Adherence to Standards – Contractor shall adhere to all standards for MITN programming as detailed in the *MITN Updated System Requirements Document*. This document contains development and maintenance standards for:
  - i. The database, tables, and data elements
  - ii. The graphical user interface
  - iii. PL/SQL coding standards
  - iv. Documenting changes
  - v. Naming conventionsFor each MITN application area, there are separate subdirectory structures that comprise the associated library of source code components (including Oracle Forms, Reports, Libraries, and Menus).
- b. The MCOLES retains all control over the timing of development and the priority given varying components.
- c. The MCOLES must have the right to change priorities for development or cancel development based on budgetary constraints and legislative changes.
- d. Contractor will provide a methodology to estimate the cost for individual components based on the number of hours of work so that financially sound decisions to proceed could be made by the MCOLES.
- e. Time used to create an estimate of work is not chargeable.
- f. Modification to Meet New Requirements
  - i. During the Contract period, if changes occur in federal or state systems standards or legislative changes are passed that require changes or upgrades to the software or components, such changes will be accepted through procedures outlined in this SOW.
  - ii. The Contractor shall perform the following at no additional cost:
    0. Apply Contractor-opted modifications to all previously-installed systems at no cost to the State when a system is covered by an existing maintenance agreement.
  - iii. Contractor shall notify entities if 3rd Party software upgrades are required. The purchase of any upgrades of 3rd Party software will be the responsibility of the State.



### Attachment 13 – Warranties

#### g. **Warranties**

- i. The Contractor shall provide a warranty provision for the products and services resulting from this Contract commencing on the first day following formal written acceptance by the State.
- ii. The Contractor shall warranty any new development necessitated by business requirement changes or legislative changes causing a re-write of existing code.
- iii. The Contractor will warranty any new code necessitated by the upgrade to Oracle 11g (WebLogic), or similar fixes.
- iv. The minimum warranty period is 90 days.
- v. During the warranty period, Contractor must correct any element of the system which fails to perform in accordance with the requirements of this Contract and/or published specifications.
- vi. Corrective action by the Contractor may include, but is not limited to, redesigning, repairing or replacing the nonconforming element.
- vii. The Contractor must warrant the functioning of the system against design flaws that are detected after UAT and implementation that could not be detected in the Quality Assurance environment due to the limited amount of access and load.
- viii. The warranty shall provide that all software is free from imperfections in design and free from any and all defects and is able to perform continuously and satisfactorily under normal operating conditions.
- ix. Imperfections and defects include the insertion of Unauthorized Code as defined in section 2.312 No Surreptitious Code Warranty.
- x. The 90 day warranty following acceptance must include all parts and labor. Coverage and response time for remedial maintenance requests during the warranty period must be as defined in the remedial maintenance requirements of this section.
- xi. The Contractor shall assign all applicable third party warranties for deliverables to the State.