

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

CHANGE NOTICE NO. 4
 to
CONTRACT NO. 071B3200041
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Infor (Us), Inc 13560 Morris Road, Suite 4100 Alpharetta GA, 30004	Barry Fisk	Barry.Fisk@infor.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	847-224-5204	*****9219

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Dave Gabler	517-335-4097	gablerd@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517 284-7045	BarronJ1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Lawson Software Maintenance & Support			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2014	2 - 1 Year	December 31, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
n/a		n/a	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
n/a			

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	2 years, 11 months	<input type="checkbox"/>		November 30, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,880,072.22	\$5,498,091.84	\$8,378,164.06		

DESCRIPTION: Effective November 17, 2015, the parties agree to exercise an option of 2 years, 11 months pursuant to Section 5.7.6 of the Michigan Procurement Policy Manual to continue existing maintenance and subscriptions, which have continuing useful life. The parties also agree to pricing for maintenance and subscriptions through November 30, 2020, which the State may opt to purchase at its sole discretion at any time prior to November 30, 2018. At this time, the State opts to purchase the following:

- Maintenance shown in Table 1 for the period 12/1/15 – 11/30/18 at a cost of \$2,584,103.08;
- Extended Maintenance shown in Table 2 for the period 6/1/16 – 5/31/17 at a cost of \$153,725.62;
- Onboarding subscriptions shown in Table 3 for the period 12/1/15 – 11/30/16 at a cost of \$162,500.00; and
- Training services shown in Table 4 for the period 12/1/15 – 11/30/16 at a cost of \$8,100.00.

The contract is increased by \$5,498,091.84 to add funding for (a) the above-listed purchases totaling \$2,908,428.69 and (b) the remaining optional items listed in the cost tables below. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency and DTMB Procurement agreement.

TABLE 1 – MAINTENANCE PRICING
December 1, 2015 – November 30, 2020

SKU	SKU Description	Users	License Type	12/01/15 - 11/30/16	12/01/16 – 11/30/17	12/01/17 – 11/30/18	12/01/18- 11/30/19	12/01/19- 11/30/20	Total
BPP-ECA	Environment-Case	10	NU	9,337.52	9,617.65	9,906.17	10,203.36	10,509.46	49,574.16
BPP-LSF	Lawson System Foundation	12	CPUCORE	15,513.84	15,979.26	16,458.63	16,952.39	17,460.96	82,365.08
BPP-MSX-AE	MF Server Express - AE	1	CU	1,587.62	1,635.25	1,684.31	1,734.84	1,786.88	8,428.89
BPP-MSX-AE	MF Server Express App Runtime - AE	410	CU	15,479.28	15,943.66	16,421.97	16,914.63	17,422.07	82,181.60
BPP-PFI	ProcessFlow Integration	999	CPUCORE	28,025.82	28,866.59	29,732.59	30,624.57	31,543.31	148,792.88
BPP-XMLT	Design Studio	999	NU	9,560.92	9,847.75	10,143.18	10,447.48	10,760.90	50,760.22
HRM-HPS	Human Resource Process Suite	400	NU	361,358.88	372,199.65	383,365.64	394,866.60	406,712.60	1,918,503.37
HRM-LP	Absence Management	20	CU	13,648.40	14,057.85	14,479.59	14,913.98	15,361.39	72,461.21
HRM-SHR	Employee & Manager Service Cnt	6012	NU	492,255.57	507,023.24	522,233.93	537,900.95	554,037.98	2,613,451.67
LAU-SHC1	Showcase Credit-Lawson Product	1	EA	-306,066.29	-315,248.28	-324,705.73	-334,446.90	-344,480.31	-1,624,947.51
LAU-ZLGSS	Elite Support	1	EA	67,407.73	69,429.96	71,512.86	73,658.25	75,867.99	357,876.79
LLT-LADESK	Infor Learning Accelerator Desktop Edition	50	NU	494.79	509.63	524.92	540.67	556.89	2,626.91
LLT-LAPRO	Infor Learning Accelerator Producer	2	NU	7,520.06	7,745.66	7,978.03	8,217.37	8,463.89	39,925.02
S3F-AR	Accounts Receivable	10	CU	8,119.83	8,363.42	8,614.33	8,872.76	9,138.94	43,109.28
S3S-BL	Billing Module	10	CU	5,212.49	5,368.86	5,529.93	5,695.83	5,866.70	27,673.82
UPP-CRR	Crystal Reports XI	12	NU	1,005.37	1,035.53	1,066.60	1,098.59	1,131.55	5,337.65
UPP-LBI	Lawson Business Intelligence (Cpu)	3	CPUCORE	73,978.00	76,197.34	78,483.26	80,837.76	83,262.89	392,759.25
UPP-MOA	Microsoft Office Add Ins	999	NU	5,191.20	5,346.94	5,507.34	5,672.56	5,842.74	27,560.79
UPP-SMC	Smart Office	1	NU	2,714.98	2,796.43	2,880.32	2,966.73	3,055.73	14,414.20
UPP-LMUD	Mashup Designer	5	NU	23,689.80	24,400.49	25,132.51	25,886.48	26,663.08	125,772.37
TOTAL				836,035.81	861,116.88	886,950.39	913,558.90	940,965.67	4,438,627.65

TABLE 2 – EXTENDED MAINTENANCE PRICING
June 1, 2016 – May 31, 2018

SKU Description	06/01/16-05/31/17
Extended Maintenance	153,725.62

TABLE 3 – ONBOARDING SUBSCRIPTION PRICING
December 1, 2015 – November 30, 2020

SKU	SKU Description	Users	License Type	12/01/15 - 11/30/16	12/01/16 - 11/30/17	12/01/17 - 11/30/18	12/01/18- 11/30/19	12/01/19- 11/30/20	Total
HRS-S-LONB	Onboarding Subscription (US-English)	50000	US	155,586.21	160,253.80	165,061.41	170,013.25	175,113.65	826,028.32
HRS-S-LONBI	Onboarding Data Imports Subscription	1	ET	0.00	0.00	0.00	0.00	0.00	0.00
HRS-S-SSO	Single Sign On Subscription	1	ET	4,413.79	4,546.20	4,682.59	4,823.07	4,967.76	23,433.41
HRS-S-LONBP	Onboarding PDF Export Subscription	1	ET	2,500.00	2,575.00	2,652.25	2,731.82	2,813.77	13,272.84
TOTAL				162,500.00	167,375.00	172,396.25	177,568.14	182,895.18	862,734.57

TABLE 4 – EDUCATION SERVICES SUBSCRIPTION PRICING
December 1, 2015 – November 30, 2020

SKU	SKU Description	Users	License Type	12/01/15 - 11/30/16	12/01/16 - 11/30/17	12/01/17 - 11/30/18	12/01/18- 11/30/19	12/01/19- 11/30/20	Total
EDU-S-LSU-S3	Education Services - Learning Suite Lawson	20	NU	3,000.00	3,090.00	3,182.70	3,278.18	3,376.53	15,927.41
EDU-S-LSU-S3	Education Services - Learning Suite Lawson	20	NU	5,100.00	5,253.00	5,410.59	5,572.91	5,740.09	27,076.59
TOTAL				8,100.00	8,343.00	8,593.29	8,851.09	9,116.62	43,004.00

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

CHANGE NOTICE NO. 3
 to
CONTRACT NO. 071B3200041
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Infor (US), Inc. 13560 Morris Road, Suite 4100 Alpharetta, GA 30004	Barry Fisk	Barry.Fisk@infor.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	847-224-5204	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Dave Gabler	517-335-4097	gablerd@michigan.gov
BUYER	DTMB	Jarrod Barron	517 284-7045	BarronJ1@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Lawson Software Maintenance and Support			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
10/1/2010	9/30/2014	2, 1-year periods	9/30/2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3 months	12/31/2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0		\$2,880,072.22		

Effective September 22, 2015, the State exercises 3 months of the remaining 1 year option. After this change, 9 months remain on the State's last option year. The new contract end date is December 31, 2015, but the current Maintenance and subscription period expire November 30, 2015. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement and DTMB Procurement approval.

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

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B3200041
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Infor (US), Inc. 13560 Morris Road, Suite 4100 Alpharetta, GA 30004	Barry Fisk	Barry.Fisk@infor.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	847-224-5204	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Dave Gabler	517-335-4097	gablerd@michigan.gov
BUYER	DTMB	Barb Suska	517 284-7026	Suskab2@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Lawson Software Maintenance and Support			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
10/1/2010	9/30/2014	2, 1-year periods	9/30/2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	9/30/2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$811,685.25		\$2,880,072.22		
Effective September 30, 2014, this contract exercises the first option year and is increased by \$811,685.25. The new contract end date is September 30, 2015. New contract value is \$2,880,072.22. The new CCI is Dave Gabler, see above for contact information. Pricing is per attached vendor letter dated 7/15/14 and quote dated 5/21/14. All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement, DTMB Procurement approval, and the approval of the State Administrative Board on September 30, 2014.				



380 St. Peter Street
St. Paul, MN 55102
651-767-7000
infor.com

To: State of Michigan
Department of Technology, Management and Budget
Purchasing Operations
525 W. Allegan
Lansing, MI 48933

From: Infor (US), Inc.
380 St. Peter St.
St. Paul, MN 55102

RE: Option Year 1: Acceptance of Contract No. 071B3200041 and One Year
Support Renewal Quote Period

Date: 7/15/2014

Infor (US), Inc. (formerly Lawson Software, Inc.) understands and agrees to Contract No. 071B3200041 and to the term period 12/01/14 – 11/30/15 based on the One Year Support Renewal Quote given by Infor and dated May 21, 2014.

Infor (US), Inc. agrees to abide by all terms and conditions listed in this contract.

Sincerely,

A handwritten signature in black ink that reads "Patricia Elias". The signature is written in a cursive style with a large initial "P" and "E".

Patricia Elias
Associate General Counsel

One Year Support Renewal Quote

May 21, 2014

For Questions regarding this Quote,
 please contact:

Amy Cook, MBM Sr.
 Ph. 864-617-6476
 Email: amy.cook@infor.com

4636-L State Of Michigan

Site	SKU	SKU Description	Users	License Opt	Bill Amount	Start date	End date
SITE - 4	UPP-SMC	Smart Office	1	NU	\$22,999.81	12/1/2014	11/30/2015
SITE - 1	UPP-MOA	Microsoft Office Add Ins	999	NU	\$2,635.90	12/1/2014	11/30/2015
SITE - 6	UPP-LMUD	Mashup Designer	5	NU	\$5,040.00	12/1/2014	11/30/2015
SITE - 1	UPP-LBI	Lawson Business Intelligence (Cpu)	3	CPUCORE	\$71,823.30	12/1/2014	11/30/2015
SITE - 1	UPP-LAEU	Lawson Learning Accelerator Developer End Users	50	NU	\$480.38	12/1/2014	11/30/2015
SITE - 1	UPP-LAD	Lawson Learning Accelerator Developer	2	NU	\$7,301.03	12/1/2014	11/30/2015
SITE - 1	UPP-CRR	Crystal Reports XI	12	NU	\$976.09	12/1/2014	11/30/2015
SITE - 1	S3S-BL	Billing Module	10	CU	\$5,060.67	12/1/2014	11/30/2015
SITE - 1	S3F-AR	Accounts Receivable	10	CU	\$7,883.33	12/1/2014	11/30/2015
SITE - 1	LAU-ZLGSS	Elite Support	1	EA	\$65,444.40	12/1/2014	11/30/2015
SITE - 1	HRM-SHR	Employee & Manager Service Cnt	6012	NU	\$477,918.03	12/1/2014	11/30/2015
SITE - 1	HRM-LP	Absence Management	20	CU	\$13,250.87	12/1/2014	11/30/2015
SITE - 1	HRM-HPS	Human Resource Process Suite	400	NU	\$350,833.86	12/1/2014	11/30/2015
SITE - 1	BPP-XMLT	Design Studio	999	NU	\$9,282.45	12/1/2014	11/30/2015
SITE - 1	BPP-PFI	ProcessFlow Integration	999	CPUCORE	\$27,209.53	12/1/2014	11/30/2015
SITE - 1	BPP-MSX-AE	MF Server Express App Runtime - AE	410	CU	\$15,028.43	12/1/2014	11/30/2015
SITE - 1	BPP-MSX-AE	MF Server Express - AE	1	CU	\$1,541.38	12/1/2014	11/30/2015
SITE - 1	BPP-LSF	Lawson System Foundation	12	CPUCORE	\$15,061.98	12/1/2014	11/30/2015
SITE - 1	BPP-ECA	Environment-Case	10	NU	\$9,065.55	12/1/2014	11/30/2015
SITE - 1	LAU-SHC1	Showcase Credit-Lawson Product	1	EA	-\$297,151.74	12/1/2014	11/30/2015

Annual Total Non-subscription renewal:	\$811,685.25
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This quote is for the renewal of Xtreme Elite (XTE) support. Descriptions of the then current support plans for Infor, can be found at: <http://www.infor.com/content/brochures/inforxtremesupportplanfeatures.pdf/>.

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CHANGE NOTICE NO. 1
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NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Infor (US), Inc. 13560 Morris Road, Suite 4100 Alpharetta, GA 30004	Barry Fisk	Barry.Fisk@infor.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	847-224-5204	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	N/A			
BUYER	DTMB	Barb Suska	517 284-7026	Suskab2@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Lawson Software Maintenance and Support			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
10/1/2010	9/30/2014	2, 1-year periods	9/30/2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		9/30/2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$850,000.00		\$2,068,386.97		

Effective immediately, this Contract is amended to provide for the continued maintenance and support of the Human Resources Management Network (HRMN) and to implement the Enwisen Onboarding software module. This contract is also INCREASED \$850,000.00. The new contract value is \$2,068,386.97. Attached are supporting documents.

All other terms, conditions, specifications, and pricing remain the same. Per vendor and agency agreement, DTMB Procurement approval, and the approval of the State Administrative Board on September 13, 2013.

Change Notice No. 1 to Contract No. 071B3200041

This Change Notice No. 1 (“**Change Notice**”) to Contract No. 071B3200041 (the “**Contract**”) is entered into this 30 day of May, 2014 (the “**Effective Date**”), by and between the State of Michigan, Department of Technology, Management and Budget Procurement on behalf of the Michigan Department of Licensing and Regulatory Affairs (collectively, the “**State**”) and Infor (US), Inc. a New York corporation (“**Contractor**”). This Change Notice applies only to Contractor’s Enwisen Onboarding solution and all terms and conditions of the Contract shall remain in effect, without modification, with regard to the State’s procurement of any other software or services, unless otherwise agreed upon in writing by the parties.

- 1. Definitions.** For purposes of this Change Notice, in addition to the bold capitalized terms defined elsewhere in this Change Notice, the following terms have the meaning given to them below.

“**Actual Uptime**” means the total minutes in the Service Period that the Subscription Services are Available.

“**Allegedly Infringing Materials**” has the meaning set forth in **Section 11.3(b)(ii)**.

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

“**Availability Requirement**” has the meaning set forth in **Section 5.1**.

“**Available**” or “**Availability**” means the Subscription Services are available and operable for access and use by the State and its End Users in full conformity with the Specifications.

“**Business Day**” means a day other than a Saturday, Sunday or State Holiday.

“**Change Notice**” has the meaning set forth in the preamble.

“**Contract**” has the meaning set forth in the preamble.

“**Code**” has the meaning set forth in **Section 22.5**.

“**Contractor SaaS Manager**” has the meaning set forth in **Section 3.5**.

“**Confidential Information**” has the meaning set forth in **Section 14.1**.

“**Contractor**” has the meaning set forth in the preamble.

“**Contractor Personnel**” means all employees and agents of Contractor, all subcontractors and all employees and agents of any subcontractor hired by Contractor, involved in the performance of Services.

“**Contractor Systems**” means the information technology infrastructure, including all computers, software, databases, electronic systems (including database management systems) and networks used by or for Contractor to provide the Subscription Services to the State. It does not include any systems or networks controlled by the State.

“**Critical Service Error**” has the meaning set forth in **Section 6.4(a)**.

“**Disaster Recovery Plan**” has the meaning set forth in **Section 7.2**.

“**Dispute Resolution Procedure**” means the procedure for resolving disputes under this Change Notice as set forth in **Section 20**.

“**Documentation**” means all generally available documentation relating to the Service Software, including all user manuals, operating manuals and other instructions, specifications, documents and materials, in any form or media, that describe any component, feature, requirement or other aspect of the Service Software, including any functionality, testing, operation or use thereof.

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

“**End Users**” means all Persons authorized by the State to access and use the Subscription Services through the State's account under this Change Notice.

“**Exceptions**” has the meaning set forth in **Section 5.2**.

“**Fees**” has the meaning set forth in **Section 8.1**.

“**Financial Audit Period**” has the meaning set forth in **Section 18.1**.

“**Force Majeure Event**” has the meaning set forth in **Section 21.1**.

“**Harmful Code**” means any software, hardware or other technologies, devices or means, the purpose or effect of which is to: (a) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner, any (i) computer, software, firmware, hardware, system or network, or (ii) any application or function of any of the foregoing or the integrity, use or operation of any data Processed thereby; or (b) prevent the State or any End User from accessing or using the Subscription Services as intended by this Change Notice, and includes any virus, bug, trojan horse, worm, backdoor or other malicious computer code and any time bomb or drop dead device.

“**High Service Error**” has the meaning set forth in **Section 6.4(a)**.

“**HIPAA**” means the Health Insurance Portability and Accountability Act of 1996 and its related rules and regulations.

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

“**Integration Services**” has the meaning set forth in **Section 2**.

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

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

“**Low Service Error**” has the meaning set forth in **Section 6.4(a)**.

“**Medium Service Error**” has the meaning set forth in **Section 6.4(a)**.

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

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

“**Person**” means an individual, agency or department of the State of Michigan, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

“**Personally Identifiable Information (PII)**” has the meaning set forth in **Section 13.1**.

“**Personal Health Information (PHI)**” has the meaning set forth in **Section 13.1**.

“**Pricing Schedule**” means **Schedule B** of this Change Notice, which details the one-time implementation costs, subscription fees, subscription term, payment terms, and any additional information regarding the specifics of ordering and payment of the Integration Services and Subscription Services under this Change Notice.

“**Process**” means to perform any operation or set of operations on any data, information, material, work, expression or other content, including to (a) collect, receive, input, upload, download, record, reproduce, store, organize, combine, log, catalog, cross-reference, manage, maintain, copy, adapt, alter, translate or make other improvements or derivative works, (b) process, retrieve, output, consult, use, disseminate, transmit, submit, post, transfer, disclose or otherwise provide or make available, or (c) block, erase or destroy. “**Processing**” and “**Processed**” have correlative meanings.

“**Project Administrator**” is the individual appointed by each party to administer the terms of this Change Notice, and in the case of the State, issue its notice of Acceptance for implementation and integration of the Service Software. Each party’s Project Administrator will be identified in the Statement of Work.

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

“**Resolve**” has the meaning set forth in **Section 6.4(b)**.

“**SaaS Manager**” has the meaning set forth in **Section 3.5**.

“**Scheduled Downtime**” has the meaning set forth in **Section 5.3**

“**Scheduled Uptime**” means the total minutes in the Service Period.

“**Service Availability Credits**” has the meaning set forth in **Section 5.5(a)**.

“**Service Error**” means any failure of any Subscription Services to be Available or otherwise perform in accordance with this Change Notice and the Specifications.

“**Service Level Failure**” means a failure to perform the Support Services fully in compliance with the Support Service Level Requirements.

“**Service Period**” has the meaning set forth in **Section 5.1**.

“**Service Software**” means Contractor’s Enwisen Onboarding software, applications and any third-party or other software, and all new versions, updates, revisions, improvements and modifications of the foregoing, that Contractor provides remote access to and use of as part of the Subscription Services.

“**Service Support Level Requirements**” has the meaning set forth in **Section 6.4**.

“**Services**” means the Integration Services and Subscription Services, and any other services Contractor is required to or otherwise does provide under this Change Notice or the Statement of Work.

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

“**Specifications**” means the specifications for the Service Software set forth in the Statement of Work and in the Documentation provided by Contractor.

“**State**” has the meaning set forth in the preamble.

“**State Data**” has the meaning set forth in **Section 13.1**.

“**State Resources**” means all resources and materials that the State is required to provide to Contractor as specified in the Statement of Work

“**Statement of Work**” means the statement of work attached as **Schedule A** to this Change Notice, which defines the Integration Services that Contractor is required to provide under this Change Notice.

“**Subscription Services**” has the meaning set forth in **Section 3.1(a)**.

“**Support Request**” has the meaning set forth in **Section 6.4(a)**.

“**Support Service Level Requirements**” has the meaning set forth in **Section 6.4**.

“**Support Services**” has the meaning set forth in **Section 6**.

“**Term**” has the meaning set forth in **Section 9.1**.

“**Transition Period**” has the meaning set forth in **Section 9.4**.

“**Transition Responsibilities**” has the meaning set forth in **Section 9.4**.

- 2. Integration.** Contractor will perform the services to integrate the Service Software with the State’s existing Lawson software modules as specified in the Statement of Work attached as **Schedule A** to this Change Notice (the “**Integration Services**”).

2.1 Statement of Work Requirements. The Statement of Work for Integration Services must include the following:

- (a) names and contact information for each party's Project Administrator;
- (b) a detailed description of the Service Software to be provided under this Change Notice, including the:
 - i. Business Requirements;
 - ii. Technical Specification; and
 - iii. a description of the Documentation to be provided;
- (c) an Implementation Plan, including all Milestones, the corresponding Milestone Dates and the parties' respective responsibilities under the Implementation Plan;
- (d) the manner in which Fees for Implementation Services will be calculated, the due dates for payment and any invoicing requirements, including any Milestones on which any such Fees are conditioned, and such other information as the parties deem necessary; and,
- (e) a detailed description of all State Resources required to complete the Implementation Plan.

2.2 Documentation. Contractor will provide the State with complete and accurate Documentation for the Service Software prior to the State's Testing Period.

(a) Adequacy of Documentation. All Documentation must include all such information as may be reasonably necessary for the effective installation, testing, and use of the Service Software by the State, including the effective configuration, integration, and systems administration of the Service Software and performance of all other functions set forth in the Specifications.

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

2.3 User Acceptance Testing. Infor will provide two environments for Licensee's use: (1) a production environment and (2) an additional testing/training environment. The procedures and terms for User Acceptance Testing will be set forth in the Statement of Work.

3. Services.

3.1 Services. Throughout the Term and at all times in connection with its actual or required performance under this Change Notice, Contractor shall provide to the State and its End Users the following services:

(a) the hosting, management and operation of the Service Software for remote electronic access and use by the State and its End Users (the “**Subscription Services**”);

(b) the Support Services as set forth in **Section 6**; and

(c) such other services as may be specified in the Statement of Work.

3.2 Subcontracting. Should Contractor delegate any of its obligations under this Change Notice, Contractor will: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Services; and (b) make all payments to the subcontractor. Contractor remains responsible for providing all Services and other Change Notice activities, compliance with the terms of this Change Notice, and the acts and omissions of the subcontractor.

3.3 State Standards.

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

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

3.4 Contractor Personnel.

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

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

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

- (ii) require such Contractor Personnel to execute written agreements, in form and substance acceptable to the State, that bind such Contractor Personnel to confidentiality provisions that are at least as protective of the State's information (including all Confidential Information) as those contained in this Change Notice and, upon the State's request, provide the State with a copy of each such executed contract; and
- (iii) if requested by the State, and at Contractor's sole cost and expense, conduct background checks on such Contractor Personnel, which background checks must comprise, at a minimum, a review of credit history, references and criminal record, in accordance with applicable Law.

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

3.5 SaaS Managers. Both parties shall appoint and, in their reasonable discretion, replace, a specified employee to serve as the primary contact with respect to the Subscription Services who will have the authority to act on behalf of that party in matters pertaining to this Change Notice, including the submission and processing of Support Requests (each, a "**SaaS Manager**"). The initial State SaaS Manger is: Susan Wilmore, Director, Office of Business Applications Support, Michigan Civil Service Commission, (517) 373-6539, WilmoreS@michigan.gov. The initial Contractor SaaS Manger is: Ted Dickinson, Elite Account Manager - Infor, 734-646-3836, Ted.Dickinson@Infor.com.

4. **License Grant and Restrictions.**

4.1 License Grant. Contractor hereby grants to the State, exercisable by and through its End Users, a nonexclusive, nontransferable right and license during the Term and such additional periods, if any, as Contractor is required to perform Subscription Services under this Change Notice, to:

(a) access and use the Service Software, including in operation with other software, hardware, systems, networks and services, along with any updates, enhancements and modifications, for the State's business purposes, including for Processing State Data;

(b) generate, print, copy, upload, download, store and otherwise Process all GUI, audio, visual, digital and other output, displays and other content as may result from any access to or use of the Service Software;

(c) prepare, reproduce, print, download and use a reasonable number of copies of the Documentation as may be necessary or useful for any use of the Service Software under this Change Notice; and

(d) access and use the Service Software for all such non-production uses and applications as may be necessary or useful for the effective use of the Service Software hereunder, including for purposes of analysis, development, configuration, integration, testing, training, maintenance, support and repair, which access and use will be without charge and not included for any purpose in any calculation of the State's or its End Users' use of the Service Software, including for purposes of assessing any Fees or other consideration payable to Contractor or determining any excess use of the Service Software as described in **Section 4.3**.

4.2 Subscription License Restrictions. The State will not: (a) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer or otherwise make the Service Software available to any third party, except as expressly permitted by this Change Notice; (b) reverse engineer, disassemble or decompile the Service Software; or (c) use or authorize the use of the Service Software or Documentation in any manner or for any purpose that is unlawful under applicable law. The State does not have a right or license to access or use the Source Code for the Service Software, unless the parties have entered into a separate Source Code escrow agreement and a release event has occurred under such agreement.

4.3 Excess Use. If the State's use of the Service Software exceeds the volume of use permitted under the Pricing Schedule, the State shall pay Contractor the Fees attributable to the excess use in accordance with the Pricing Schedule. Such Fees will be Contractor's sole and exclusive remedy for such excess use.

5. Service Availability and Service Availability Credits.

5.1 Availability Requirement. Contractor shall make the Subscription Services Available, as measured over the course of each calendar month during the Term and any additional periods during which Contractor does or is required to perform any Subscription Services (each such calendar month, a "**Service Period**"), at least ninety nine point five percent (99.5%) of the time, excluding only the time the Subscription Services are not Available solely as a result of one or more Exceptions as set forth in **Section 5.2** (the "**Availability Requirement**"). The Subscription Services are not considered Available in the event of any performance inoperability of the Subscription Services, in whole.

5.2 Exceptions. No period of Subscription Services degradation or inoperability will be included in calculating Availability to the extent that such downtime or degradation is due to any of the following ("**Exceptions**"):

- (a) Failure of the State's or End Users' internet connectivity;

- (b) Internet or other network traffic problems other than problems arising in or from networks actually or required to be provided or controlled by Contractor or its subcontractor(s);
- (c) Substantial delays in email or webmail transmission to or from the hosted application;
- (d) Connectivity issues outside of Contractor's direct control (e.g. DNS issues);
- (e) Outages attributable to the acts or omissions of the State's or the State's employees, agents, contractors, or vendors, or anyone gaining access to the Hosting Services means of User IDs or equipment controlled by the State;
- (f) Periods of Downtime at the State's request;
- (g) Outages that result from State's equipment, software, or other technology and/or third party equipment, software or other technology (other than those which are under Contractor's direct control);
- (h) Performance degradation due to the State's use of the Hosting Services in excess of the scope of State's license, usage restrictions, or product limitations outlined in the applicable Agreement; and
- (i) Scheduled Downtime as set forth in **Section 5.3**.

5.3 Scheduled Downtime. Contractor must notify the State at least a week in advance of all scheduled outages of the Subscription Services in whole or in part ("**Scheduled Downtime**"). All such scheduled outages will last no longer than eight (8) hours. Contractor will make commercially reasonable efforts to establish scheduled outages during times that minimize impact to the State's users. From time to time maintenance must be performed outside of the scheduled maintenance windows to maintain the integrity and security of the Hosting Services. In such cases, Contractor will provide the State's primary point of contact as much advance notice of the planned maintenance as is technically feasible. The regularly scheduled weekly maintenance windows and any period of unavailability due to maintenance for which the State is given at least 24 hours advance notice is considered "Scheduled Downtime".

5.4 Service Availability Reports. Within thirty (30) days after the end of each Service Period, Contractor will provide to the State a report describing the Availability and other performance of the Subscription Services during that calendar month and the calendar year-to-date as compared to the Availability Requirement. The report must be in electronic or such other form as the State may approve in writing and shall include, at a minimum: (a) the actual performance of the Subscription Services relative to the Availability Requirement; and (b) if Subscription Services performance has failed in any respect to meet or exceed the Availability Requirement during the reporting period, a description in sufficient detail to

inform the State of the cause of such failure and the corrective actions Contractor has taken and will take to ensure that the Availability Requirement is fully met.

5.5 Remedies for Service Availability Failures.

(a) If the actual Availability of the Subscription Services is less than the Availability Requirement for any Service Period, such failure shall constitute a Service Error for which Contractor will issue to the State the corresponding service availability credits as set forth below (“**Service Availability Credits**”):

Availability	Credit
≥99.5%	None
<99.5% but ≥99.0%	5%
<99.0% but ≥98.5%	15%
<98.0% but ≥ 95.0%	25%
<95.0	35%

(b) Service Level Credits will only be calculated against subscription fees associated with applicable Hosting Services and will not take into account fees paid for separately hosted software products or any other license or maintenance fees paid by the State. To be eligible for Service Level Credits, the State must report the outage within 3 days of the initial onset and request Service Level Credit within 30 days of the end of the applicable month. Service Level Credits shall be applied to the State’s next invoice or, if the State has paid the final invoice under the Agreement, Service Level Credits shall be paid to the State within thirty (30) calendar days following the end of the monthly period for which the credit became due.

(c) If the actual Availability of the Subscription Services is less than the Availability Requirement in any three consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate this Change Notice for cause pursuant to **Section 9.2**.

6. Training, Support and Maintenance Services. Contractor will provide training, maintenance and support services (collectively, “**Support Services**”) in accordance with Infor’s standard support offerings which can be found on Infor’s support portal and is subject to change at the sole discretion of Infor. To the extent there are any conflicts between the terms set forth in this Section 6 and Infor’s standard support terms, Infor’s standard support terms shall take precedence, but only as such terms pertain to support. The Support Services are included in the Subscription Services, and Contractor shall not assess any additional Fees, costs or charges for such Support Services.

6.1 Support Service Responsibilities. Contractor will:

(a) provide the State with a telephone number for Contractor's live technical support facility, which will be available from 11:30 a.m. until 8:00 p.m. Eastern Standard Time Monday through Friday, excluding Contractor's observed holidays;

(b) provide the State with an electronic method to which State may submit routine or non-critical support requests, which Contractor will address during its regular business hours;

(c) provide the State with training on the Service Software applications as set forth in the Statement of Work. All training on the Service Software applications set forth in the Statement of Work will be provided at no additional charge to the State, it being acknowledged and agreed that the implementation, set-up, and other Fees include full consideration for such services. Any additional training requested by the State shall be subject to additional charges;

(d) ensure the continuous inter-operability of the Service Software and Subscription Services with the State-hosted software licensed under the Contract, as set forth in the Statement of Work;

(e) provide remote assistance to State via any other mutually-acceptable remote communications method;

(f) provide on-site assistance, at the State's expense, if remote assistance is unsuccessful in solving the problem;

(g) provide the State with access to archived software updates and other technical information in Contractor's online support databases, which are continuously available;

(h) provide release notes of changes, updates and patches to maintained software products to the State as such updates are generally-released by Contractor;

(i) respond to and Resolve Support Requests as specified in this **Section 6**; and

(j) correct all Service Errors in accordance with the Support Service Level Requirements, including by providing defect repair, programming corrections and remedial programming.

6.2 Service Monitoring and Management. Contractor will continuously monitor and manage the Subscription Services to optimize Availability that meets or exceeds the Availability Requirement. Such monitoring and management includes:

(a) proactively monitoring on a twenty-four (24) hour by seven (7) day basis all Subscription Services functions, servers, firewall and other components of Subscription Services security;

(b) if such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Subscription Services, taking all necessary and reasonable remedial measures to promptly eliminate such threat and ensure full Availability;

(c) if Contractor receives knowledge that the Subscription Services or any Service Software function or component is not Available (including by written notice from the State pursuant to the procedures set forth herein):

- (i) confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;
- (ii) providing the State with a root cause analysis upon request along with an estimated resolution time in accordance with the Support Service Level Requirements in Section 6.4.

6.3 Service Maintenance. Contractor will continuously maintain the Subscription Services to optimize Availability that meets or exceeds the Availability Requirement. Such maintenance services includes providing to the State and its End Users:

(a) all updates, bug fixes, enhancements, new releases, new versions and other improvements to the Subscription Services, including the Service Software, that Contractor provides at no additional charge to its other similarly situated customers; and

(b) all such services and repairs as are required to maintain the Subscription Services or are ancillary, necessary or otherwise related to the State’s or its End Users’ access to or use of the Subscription Services, so that the Subscription Services operate properly in accordance with this Change Notice and the Specifications.

6.4 Support Service Level Requirements. Contractor will correct all Service Errors and respond to and Resolve all Support Requests in accordance with the required times and other terms and conditions set forth in this **Section 6.4 (“Support Service Level Requirements”)**.

(a) Support Requests. The State will classify its requests for Service Error corrections in accordance with the descriptions set forth in the chart below (each a “**Support Request**”). The State SaaS Manager will notify Contractor of Support Requests by email, telephone or such other means as the parties may hereafter agree to in writing.

Support Request Classification	Description:
	Any Service Error Comprising or Causing any of the Following Events or Effects

Critical Service Error	<ul style="list-style-type: none"> • Issue affecting entire system or single critical production function; • System down or operating in materially degraded state; • Data integrity at risk; • Declared a Critical Support Request by the State; or • Widespread access interruptions.
High Service Error	<ul style="list-style-type: none"> • Primary component failure that materially impairs its performance; or • Data entry or access is materially impaired on a limited basis.
Medium Service Error	<ul style="list-style-type: none"> • Subscription Services are operating with minor issues that can be addressed with a work around.
Low Service Error	<ul style="list-style-type: none"> • Request for assistance, information, or services that are routine in nature.

(b) Response and Resolution Time Service Levels. Response and Resolution times will be measured from the time Contractor receives a Support Request until the respective times Contractor has (i) responded to, in the case of response time and (ii) Resolved such Support Request, in the case of Resolution time. “**Resolve**” (including “**Resolved**”, “**Resolution**” and correlative capitalized terms) means that, as to any Service Error, Contractor has provided the State the corresponding Service Error correction and the State has confirmed such correction and its acceptance thereof. Contractor will use commercially reasonable efforts to respond to and Resolve all Service Errors within the following times based on the severity of the Service Error:

Support Request Classification	Service Level Metric (Target Response	Service Level Metric (Target Resolution
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	Time)	Time)
Critical Service Error	Thirty (30) minutes	Four (4) hours
High Service Error	One (1) hour	One (1) Business Day
Medium Service Error	Two (2) hours	Two (2) Business Days
Low Service Error	One (1) Business Day	Five (5) Business Days

(c) Escalation. With respect to any Critical Service Error Support Request, until such Support Request is Resolved, Contractor shall escalate that Support Request within sixty (60) minutes of the receipt of such Support Request to the appropriate Contractor support personnel, including, as applicable, Contractor’s SaaS Manager and Contractor’s management or engineering personnel, as appropriate.

6.5 Support Service Level Failure. If Contractor fails to achieve Support Service Level Requirements with respect to Critical and High Service Errors in any three consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate this Change Notice for cause pursuant to **Section 9.2**. Further, if Contractor fails to remedy a Critical Service Error within three (3) business days, the State may terminate this Change Notice for cause pursuant to **Section 9.2**.

7. Redundancy, Data Backup and Disaster Recovery. Contractor must, in accordance with the provisions of this **Section 7**, maintain or cause to be maintained disaster avoidance procedures designed to safeguard State Data and other State Confidential Information, Contractor’s Processing capability and the availability of the Subscription Services, in each case throughout the Term and at all times in connection with its actual or required performance of the Services under this Change Notice. The force majeure provisions of **Section 17.1** do not limit Contractor’s obligations under this **Section 7**.

7.1 Redundant Hosting and Connectivity. Contractor will simultaneously operate a mirror system at a location in the United States that is geographically remote from the primary system on which the Subscription Services are hosted. Except for its location, the mirror system must: (a) be identical in all respects to the primary system; (b) have hardware and software, network connectivity, power supplies, backup generators and other similar equipment and services that operate independently of the primary system; (c) have fully current backups of all State Data stored on the primary system; and (d) have the ability to provide the Subscription Services in accordance with this Change Notice and the Specifications during a failure of the primary system. Contractor will operate, monitor and maintain such mirror system so that it may be activated within twenty-four (24) hours of any failure of the Subscription Services to be Available.

7.2 Disaster Recovery. Throughout the Term and at all times in connection with its actual or required performance of the Services hereunder, Contractor must:

(a) maintain a Disaster Recovery Plan for the Subscription Services (the “**Disaster Recovery Plan**”), and implement such Disaster Recovery Plan in the event of any unplanned interruption of the Subscription Services. Contractor’s current Disaster Recovery Plan, revision history, and any reports or summaries relating to past testing of or pursuant to the Disaster Recovery Plan are attached as **Schedule C**. Contractor will actively test, review and update the Disaster Recovery Plan on at least an annual basis using industry best practices as guidance. Contractor will provide the State with copies of all such updates to the Disaster Recovery Plan promptly within five (5) Business Days of the State’s request. All updates to the Disaster Recovery Plan are subject to the requirements of this **Section 7.2**; and

(b) provide the State with copies of all reports resulting from any testing of or pursuant to the Disaster Recovery Plan promptly within five (5) Business Days from State’s request. If Contractor fails to fully reinstate the Subscription Services within the periods of time set forth in the Disaster Recovery Plan, the State may, in addition to any other remedies available hereunder, in its sole discretion, immediately terminate this Change Notice for cause pursuant to **Section 9.2**.

8. Invoicing, Payment and Fees.

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

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

(b) list each Fee item separately;

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

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

8.2 Payment. Invoices will be due and payable by the State, in accordance with the State’s standard payment procedures as specified in 1984 Public Act no. 279, MCL 17.51 *et seq.*, within 45 calendar days from the date of a proper invoice.

8.3 Payment Terms. Payment terms are set forth in the Statement of Work and the Pricing Schedule.

8.4 Firm Pricing. The pricing set forth in the Statement of Work and the Pricing Schedule is firm and cannot be modified during the Term unless agreed upon in writing by the authorized representatives from each party.

8.5 Responsibility for Costs. Contractor is responsible for all costs and expenses incurred in or incidental to the performance of Services, including all costs of any materials supplied by Contractor, all fees, fines, licenses, bonds, or taxes required of or imposed against Contractor, and all other of Contractor's costs of doing business, unless agreed upon in writing by the authorized representatives from each party.

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

8.7 Payment Does Not Imply Acceptance. The making of any payment or payments by the State, or the receipt thereof by Contractor, will in no way affect the responsibility of Contractor to perform the Services in accordance with this Change Notice, and will not imply the State's acceptance of any Services or the waiver of any warranties or requirements of this Change Notice, including any right to Service Availability Credits.

8.8 Intentionally Deleted.

8.9 Service Availability Credits. Contractor acknowledges and agrees that each of the Service Availability Credits assessed pursuant to **Section 5**: (a) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the corresponding Service Error, which would be impossible or very difficult to accurately estimate; and (b) may, at the State's option, be credited or set off against any Fees or other charges payable to Contractor under this Change Notice.

9. Term and Termination.

9.1 Term. The term of this Change Notice commences as of the Effective Date and will continue in effect until three (3) years from such date, plus any renewal period agreed to by the State, unless and until terminated as provided under this Change Notice (the "**Term**").

9.2 Termination for Cause. In addition to any right of termination set forth elsewhere in this Change Notice:

(a) The State may terminate this Change Notice for cause, effective immediately, by written notice to Contractor if Contractor, as determined by the State: (i) endangers the value, integrity, or security of any State systems, data, facilities or personnel utilized in relation to this Change Notice; (ii) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor and, in the State's determination, is no longer capable of performing its obligations under this Change Notice; or (iii) engages in any conduct that may expose the State to liability; or (iv) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Change Notice will not be construed to mean that other breaches are not material.

(b) If the State terminates this Change Notice under this **Section 9.2**, the State will issue a termination notice specifying whether Contractor must: (i) cease performance immediately, or (ii) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Change Notice, the termination will be deemed to have been a Termination for Convenience, subject to Section 9.3 below, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in that Section. Contractor will pay all reasonable costs incurred by the State in terminating this Change Notice for cause, including administrative costs, attorneys' fees, court costs, transition costs and any costs the State incurs to procure the Services from other sources.

9.3 Termination for Convenience. The State may immediately terminate this Change Notice, in whole or in part, without penalty and for any reason at any time after twelve (12) months from the Effective Date. However, the State may immediately terminate without cause or penalty at any time due to appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Services immediately, or (b) continue to perform the Services in accordance with **Section 9.4**. The State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

9.4 Transition Responsibilities. Upon termination or expiration of this Change Notice for any reason, Contractor must, for a period of time specified by the State, not to exceed ninety (90) calendar days (the "**Transition Period**"), provide reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Change Notice to continue without interruption or adverse effect, and to facilitate the orderly transfer of the Services to the State or its designees on a time and material basis at the rates set forth in the applicable Statement of Work

9.5 Such transition assistance may include but is not limited to: (a) continuing to perform the Services at the established Change Notice rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all State Data; (d) delivering to the State, at the State's discretion, all completed or partially

completed Services prepared under this Change Notice as of the Change Notice termination or expiration date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, the “**Transition Responsibilities**”). This Change Notice will automatically be extended through the end of the Transition Period.

9.6 Effect of Expiration or Termination. Upon termination or expiration of this Change Notice for any reason:

(a) Intentionally Deleted.

(b) All licenses granted to either party under this Change Notice will immediately and automatically terminate, and Contractor must promptly return to the State all State Data not required by Contractor for its Transition Responsibilities, if any, in accordance with **Section 13.3**;

(c) Each party must (i) return to the other party all documents and tangible materials (and any copies) containing, reflecting, incorporating or based on Confidential Information; (ii) permanently erase the Confidential Information from its computer systems; and (iii) certify in writing to the other party that it has complied with the requirements of this **Section 9.6(c)**; and

(d) If this Change Notice is terminated for cause by the State, Contractor must repay, on a pro rata basis, all fees, expenses and other amounts paid in advance for any Services that Contractor has not performed as of the effective date of such termination.

9.7 Survival. The rights and obligations of the parties set forth in this **Section 9** will survive any termination or expiration of this Change Notice.

10. Limited Warranties, Disclaimer of Warranties, and Remedies.

10.1 Limited Subscription Software Warranty by Infor and Remedy For Breach. Infor warrants that the Subscription Software licensed to State will operate without a Documented Defect for a period of ninety (90) days from the applicable Order Form Date. Infor’s sole obligation with respect to a breach of the foregoing warranty shall be to repair or replace the Subscription Software giving rise to the breach of warranty. If Infor is unable to repair or replace such Subscription Software within a reasonable period of time, then, State may pursue its remedies at law to recover direct damages resulting from the breach of this warranty. The remedies in this Section are exclusive and in lieu of all other remedies, and represent Infor’s sole obligations, for a breach of the foregoing warranty. State must provide notice to Infor of any warranty claim within the warranty period. Infor understands that the State has other remedies available to it throughout this Change Notice for failures of the Subscription Software outside of this initial 90-day warranty period.

10.2 Limited Services Warranty and Remedy For Breach. Infor warrants to State that, for the Subscription Term specified in the applicable Order Form and any renewal thereof, Infor will render Hosting Services under such Order Form with reasonable care and skill and such Hosting Services shall meet the Service Availability as set forth in Section 5 of this Change Notice. Should Infor fail to meet the Service Availability, Service Availability Credits may be issued to State pursuant to Section 5 of this Change Notice. Such credit will be applied toward the next Subscription Fee payment due from State (or refunded if no Subscription Fee payments remain due to termination or expiration of this Change Notice). This remedy is exclusive and is in lieu of all other remedies, except for the State's right to terminate for cause under **Section 9.2**.

10.3 Disclaimer of Warranties. The limited warranties in this Section 10 are made to State exclusively and are in lieu of all other warranties. INFOR MAKES NO OTHER WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH REGARD TO THE SUBSCRIPTION SOFTWARE AND SUBSCRIPTION SERVICES PROVIDED UNDER THIS AGREEMENT AND/OR ANY ORDER FORM, IN WHOLE OR IN PART. INFOR EXPLICITLY DISCLAIMS ALL WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE. INFOR EXPRESSLY DOES NOT WARRANT THAT THE SUBSCRIPTION SOFTWARE OR SUBSCRIPTION SERVICES, IN WHOLE OR IN PART, WILL BE ERROR FREE, OPERATE WITHOUT INTERRUPTION OR MEET STATE'S REQUIREMENTS.

10.4 Abrogation of Limited Warranty. Infor will have no obligation under this Section 10 to the extent that any alleged breach of warranty is caused by any modification of the Service Software. To the extent that an alleged breach of warranty concerns a Third Party Product that is subject to a more limited warranty under a Third Party Agreement than specified in Section 10.1 above, Infor's obligations hereunder will be further limited accordingly. The limited warranty in Section 10.1 shall not apply to (a) updates, enhancements or modifications provided under this Agreement or (b) previously licensed Service Software for which State is changing User Restrictions (e.g., without limitation, adding users) under an Order Form.

10.5 Failure of Essential Purpose. THE PARTIES HAVE AGREED THAT THE LIMITATIONS SPECIFIED IN SECTION 10 WILL SURVIVE AND APPLY EVEN IF ANY REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE, AND REGARDLESS OF WHETHER STATE HAS ACCEPTED ANY SERVICE SOFTWARE OR SERVICES UNDER THIS AGREEMENT.

10.6 HIGH RISK ACTIVITIES. THE SERVICE SOFTWARE IS NOT FAULT-TOLERANT AND IS NOT DESIGNED, MANUFACTURED OR INTENDED FOR USE AS ON-LINE CONTROL EQUIPMENT IN HAZARDOUS ENVIRONMENTS REQUIRING FAIL-SAFE PERFORMANCE, SUCH AS IN THE OPERATION OF NUCLEAR FACILITIES, AIRCRAFT NAVIGATION OR AIRCRAFT COMMUNICATION SYSTEMS, MASS TRANSIT, AIR TRAFFIC CONTROL, DIRECT LIFE SUPPORT MACHINES, OR

WEAPONS SYSTEMS, IN WHICH THE FAILURE OF THE SUBSCRIPTION SOFTWARE COULD LEAD DIRECTLY TO DEATH, PERSONAL INJURY, OR SEVERE PHYSICAL OR ENVIRONMENTAL DAMAGE ("HIGH RISK ACTIVITIES"). ACCORDINGLY, INFOR DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OF FITNESS FOR HIGH RISK ACTIVITIES. STATE AGREES THAT INFOR SHALL NOT BE LIABLE FOR ANY CLAIMS OR DAMAGES ARISING FROM OR RELATED TO THE USE OF THE SUBSCRIPTION SOFTWARE IN SUCH APPLICATIONS.

11. Indemnification.

11.1 General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to third party claims relating to or resulting from: (a) loss of data under Section 13.5; (b) any infringement, misappropriation, or other violation of any Intellectual Property Right or other right of any third party; or (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

11.2 Indemnification Procedure. The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must certify to the State that it is capable of carrying out the indemnification obligations specified in this Change Notice. The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; and (iii) employ its own counsel at State's own expense. Contractor will not, without the State's prior written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 11**, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

11.3 Infringement Remedies.

(a) The remedies set forth in this **Section 11.3** are in addition to, and not in lieu of, all other remedies that may be available to the State under this Change Notice or otherwise, including the State's right to be indemnified, defended, and held harmless for such actions.

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

- (i) procure for the State the right to continue to use such Subscription Services, or component thereof, to the full extent contemplated by this Change Notice; or
- (ii) modify or replace the materials that infringe or are alleged to infringe ("**Allegedly Infringing Materials**") to make the Subscription Services and all of its components non-infringing while providing fully equivalent features and functionality.

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

- (i) refund to the State all amounts paid in advance by the State in respect of such Allegedly Infringing Materials and any other aspects of the Subscription Services provided under the Statement of Work for the Allegedly Infringing Materials that the State cannot reasonably use as intended under this Change Notice; and
- (ii) in any case, at its sole cost and expense, secure the right for the State to continue using the Allegedly Infringing Materials for a transition period of up to six (6) months to allow the State to replace the affected features of the Subscription Services without disruption.

(d) If Contractor directs the State to cease using any Subscription Services under **Section 11.3 (c)**, the State may terminate this Change Notice for cause under **Section 9.2**.

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

- (i) Contractor's compliance with any designs, specifications, or instructions of the State; or
- (ii) Modification of the Subscription Services by the State without the prior knowledge and approval of Contractor;

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

12. Damages Disclaimers and Limitations.

(a) Disclaimer of Damages. NEITHER PARTY WILL BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CHANGE NOTICE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES.

(b) Limitation of Liability. EXCEPT FOR OBLIGATIONS ARISING OUT OF SECTION 4 (LICENSE GRANT) AND SECTION 11 (INDEMNIFICATION), NEITHER PARTY'S AGGREGATE LIABILITY UNDER THIS CHANGE NOTICE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CHANGE NOTICE, WILL EXCEED THE ACTUAL AMOUNT OF THE FEES PAID UNDER FOR THE SUBSCRIPTION SERVICES GIVING RISE TO THE CAUSE OF ACTION. HOWEVER, NOTWITHSTANDING THE FOREGOING, INFOR'S LIABILITY WITH REGARD TO SECTION 11.1(A), INDEMNIFICATION FOR LOSS OF DATA UNDER 13.5 SHALL NOT EXCEED TWO TIMES (2X) THE TOTAL AGGREGATE AMOUNTS PAID OR PAYABLE UNDER THE STATEMENT OF WORK GIVING RISE TO SAID LIABILITY.

13. State Data.

13.1 Ownership. The State's data ("**State Data**," which will also be known and treated by Contractor as Confidential Information) includes: (a) any and all information, data, materials, works, expressions or other content, including any that are (i) uploaded, submitted, posted, transferred, transmitted or otherwise provided or made available by or on behalf of the State or any End User for Processing by or through the Subscription Services, or (ii) collected, downloaded or otherwise received by Contractor or the Subscription Services for the State or any End User pursuant to this Change Notice or at the written request or instruction of the State or such End User; and (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Services, which is defined under HIPAA and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This **Section 13.1** survives the termination of this Change Notice.

13.2 Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to

collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor will: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Change Notice, the Specifications and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Change Notice, the Specifications, and applicable law; and, (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This **Section 13.2** survives the termination of this Change Notice.

13.3 Extraction of State Data. Contractor will, within three (3) Business Days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of all State Data in an industry standard format, understandable to the State, no more than once per twelve (12) month period and at termination or expiration of the Subscription Services. Any additional requests for extract will be provided at Contractor's then current rates for time and materials.

13.4 Backup and Recovery of State Data. As a part of the Services, Contractor is responsible for maintaining a backup of State Data and providing for an orderly and timely recovery of such data in the event that the Services may be interrupted.

13.5 Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor will, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, ; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) be responsible for recreating lost State Data without charge to the State; and, (g) provide to the State a detailed plan describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law. The State will have the

option to review and approve any notification sent to affected individuals prior to its delivery. This **Section 13.5** survives the termination of this Change Notice.

14. Confidential Information. Each party acknowledges that it may be exposed to or acquire communication or data of the other party that is confidential in nature and is not intended to be disclosed to third parties. The provisions of this **Section 14** survive the termination of this Change Notice.

14.1 Meaning of Confidential Information. For the purposes of this Change Notice and the Specifications, the term “**Confidential Information**” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom Of Information Act; (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Change Notice and the Specifications, in all cases and for all matters, State Data is deemed to be Confidential Information.

14.2 Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Change Notice or to use such Confidential Information for any purposes whatsoever other than the performance of this Change Notice. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Change Notice; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor’s responsibilities; 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 or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this **Section 14**.

14.3 Cooperation to Prevent Disclosure of Confidential Information. Each party will use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party

must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Change Notice and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

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

14.5 Surrender of Confidential Information upon Termination. Upon termination of this Change Notice, in whole or in part, each party must, within five (5) calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Change Notice. If Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and certify the same in writing within five (5) calendar days from the date of termination to the other party.

15. Data Privacy and Information Security.

15.1 Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described herein, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and, (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing.

15.2 Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Change Notice. During the providing of the Services, on an ongoing basis from time to time and with reasonable notice, the State, at its own expense, shall be entitled to perform, or to have performed, an on-site annual audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to

complete, within forty-five (45 days) of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.

15.3 Audit Findings. As to State Data, Contractor will evaluate any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.

15.4 The State's Right to Terminate for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Change Notice without limitation and without liability if the State reasonably determines that Contractor fails or has failed to materially meet its obligations under this **Section 15**.

16. HIPAA Compliance. The State and Contractor must comply with all applicable obligations under HIPAA and its accompanying regulations, including but not limited to entering into a business associate agreement, if reasonably necessary to keep the State and Contractor in compliance with HIPAA.

17. Insurance.

17.1 Required Coverage. Contractor must, at all times during the Term, procure and maintain, at its sole cost and expense, all insurances listed under the Contract along with Cyber Liability Insurance, including first party and third party coverage, with limits no less than One Million US DOLLARS (\$1,000,000.00) per occurrence and Two Million US DOLLARS (\$2,000,000.00) in the aggregate for all claims each policy year.

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

18.1 Right of Audit. The State or its designee may audit Contractor to verify compliance with this Change Notice. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to this Change Notice through the Term of this Change Notice and for seven (7) years after the latter of termination, expiration, or final payment under this Change Notice or any extension ("**Financial Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Financial Audit Period, Contractor must retain the records until all issues are resolved.

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

18.3 Application. This **Section 18** applies to Contractor, any Affiliate, and any subcontractor that performs Services in connection with this Change Notice.

19. Intentionally Deleted.

20. Dispute Resolution.

20.1 Unless otherwise specified in the Statement of Work, the parties will endeavor to resolve any dispute concerning this Change Notice in accordance with this **Section 20**. The initiating party will reduce its description of the dispute to writing (including all supporting documentation) and deliver it to the responding party's SaaS Manager. The responding party's SaaS Manager must respond in writing within five (5) Business Days. The initiating party has five (5) Business Days to review the response. If after such review resolution cannot be reached, both parties will have an additional five (5) Business Days to negotiate in good faith to resolve the dispute. If the dispute cannot be resolved within a total of fifteen (15) Business Days, the parties must submit the dispute to the parties' Project Administrators. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

20.2 Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' Project Administrators, and either Project Administrator concludes that resolution is unlikely, or fails to respond within fifteen (15) Business Days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This **Section 20** does not limit the State's right to terminate this Change Notice.

21. Force Majeure.

21.1 Force Majeure Events. Subject to **Section 21.2**, neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached this Change Notice, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of this Change Notice (each of the foregoing, a "**Force Majeure Event**"), in each case provided that: (a) such event is outside the reasonable control of the affected party; (b) the affected party gives written notice to the other party, stating the period of time the occurrence is expected to continue; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

21.2 State Performance; Termination. In the event of a Force Majeure Event affecting Contractor's performance under this Change Notice, the State may suspend its performance

hereunder until such time as Contractor resumes performance. The State may terminate this Change Notice by written notice to Contractor if a Force Majeure Event affecting Contractor's performance hereunder continues substantially uninterrupted for a period of five (5) Business Days or more. Unless the State terminates this Change Notice pursuant to the preceding sentence, any date specifically designated for Contractor's performance under this Change Notice will automatically be extended for a period up to the duration of the Force Majeure Event.

21.3 Exclusions; Non-suspended Obligations. Notwithstanding the foregoing or any other provisions of this Change Notice:

- (a) in no event will any of the following be considered a Force Majeure Event:
 - (i) shutdowns, disruptions or malfunctions of Contractor Systems or any of Contractor's telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to Contractor Systems; or
 - (ii) the delay or failure of any Contractor Personnel to perform any obligation of Contractor hereunder unless such delay or failure to perform is itself by reason of a Force Majeure Event; and

(b) no Force Majeure Event will modify or excuse Contractor's obligations under **Section 5** (Service Availability and Service Availability Credits), **Section 13** (State Data), **Section 14** (Confidentiality), **Section 15** (Data Privacy and Information Security), or any Availability Requirement, Support Service Level Requirement, or Service Availability Credit obligations under this Change Notice.

22. General Provisions.

22.1 Governing Law. This Change Notice and all related documents, and all matters arising out of or relating to this Change Notice, are governed by, and construed in accordance with, the laws of the State of Michigan, without regard to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Michigan.

22.2 Compliance with Laws. Each party and its Representatives must comply with all applicable Laws in connection with this Change Notice.

22.3 Nondiscrimination. Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of

race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Change Notice.

22.4 Unfair Labor Practice. Under MCL 423.324, the State may void any Contract, including change notices, with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.

22.5 Effect of Contractor Bankruptcy. All rights and licenses granted by Contractor under this Change Notice are and will be deemed to be rights and licenses to “intellectual property,” and the Service Software is and will be deemed to be “embodiments” of “intellectual property,” for purposes of, and as such terms are used in and interpreted under, Section 365(n) of the United States Bankruptcy Code (the “Code”). If Contractor or its estate becomes subject to any bankruptcy or similar proceeding, the State retains and has the right to fully exercise all rights, licenses, elections, and protections under this Change Notice, the Code and all other applicable bankruptcy, insolvency, and similar Laws with respect to the Service Software. Without limiting the generality of the foregoing, Contractor acknowledges and agrees that, if Contractor or its estate becomes subject to any bankruptcy or similar proceeding:

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

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

22.6 Intentionally Deleted.

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

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

22.9 Assignment. Neither party may assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Change Notice, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the other party's prior written consent. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Contractor (regardless of whether Contractor is a surviving or disappearing entity) or internal restructuring will be deemed to be a transfer of rights, obligations, or performance under this Change Notice for which the State's prior written consent is not required, however Contractor must notify the State in writing when such transfers occur. No delegation or other transfer will relieve either party of any of its obligations or performance under this Change Notice. Any purported assignment, delegation, or transfer in violation of this **Section 22.9** is void.

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

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

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

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

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

22.15 Notices. All notices, requests, consents, claims, demands, waivers and other communications under this Change Notice must be in writing and addressed to the parties as follows (or as otherwise specified by a party in a notice given in accordance with this **Section 22.15**):

If to Contractor: Infor (US), Inc.

 13560 Morris Road, Suite 4100

 Alpharetta, GA 30004

 Barry.Fisk@infor.com

 Barry Fisk, Senior Account Manager

If to State State of Michigan

 DTMB Procurement

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 Lansing, MI 48909-7526

 SuskaB2@michigan.gov

 Barb Suska, Buyer

Notices sent in accordance with this **Section 22.15** will be deemed effectively given: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email (with confirmation of transmission), if sent during normal business hours of the recipient, and on the next Business Day, if sent after normal business hours of the recipient; or (d) on the fifth (5th) calendar day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

22.16 Headings. The headings in this Change Notice are for reference only and will not affect the interpretation of this Change Notice.

22.17 Schedules and Exhibits. All Schedules that are referenced in and attached to this Change Notice are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Statement of Work
Schedule B	Pricing Schedule
Schedule C	Disaster Recovery Plan

22.18 Entirety. This Change Notice, its related Schedules, and the Contract represent the entire agreement and understanding between the parties and supersedes all prior and contemporaneous proposals or other agreements, oral or written, and all other communications between the parties, relating to the subject matter of this Change Notice. The terms and conditions contained herein constitute the only terms and conditions applicable to the Services provided under this Change Notice; other terms that may be contained in click-through agreements or Contractor’s standard forms will have no force or effect as to the Services. Where conflicts arise between this Change Notice and any other documents covering the subject matter contained herein, this Change Notice will govern.

22.19 Counterparts. This Change Notice may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Change Notice. A signed copy of this Change Notice delivered by facsimile, email or other means of electronic transmission (to which a signed PDF copy is attached) will be deemed to have the same legal effect as delivery of an original signed copy of this Change Notice.

IN WITNESS WHEREOF, the parties hereto have caused this Change Notice to be executed as of the Effective Date by their duly authorized representatives.

Contractor
Infor (US), Inc.

The State
Michigan Department of Technology,
Management and Budget

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

This Change Notice was approved by the Michigan State Administrative Board on September 13, 2013.

SCHEDULE A
STATEMENT OF WORK



Enwisen

Appendix A - Implementation Scope of Services
Infor Enwisen HR Service Delivery Solution

Prepared for
State of Michigan

April 10, 2014



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1 Statement of Work

This Implementation Scope of Services or Statement of Work (“SOW”) is part of the Infor (US), Inc., (“Infor”) Software Services Agreement or other services agreement previously signed by Infor and Licensee (“Customer”), and in effect (the “Software Services Agreement), and is entered into by Infor and the Licensee (collectively, the “parties”), and is effective as of the date signed by Infor. Capitalized terms not otherwise defined in this SOW have the same meaning as contained in the Software Services Agreement.

This SOW is Appendix A and provides a description of Services to be provided in connection with a Work Order as defined in the Software Services Agreement.

This SOW, and any Change Order approved under this SOW, defines the scope of work to be performed by Infor and the Customer. And is the controlling document between Infor and the Customer with regard to the project, including roles and responsibilities.

Any changes in scope shall be made to this SOW using the Project Change Control Procedures, as described in this SOW.

2 Statement of Work

Project Administrators:

Infor

Jennifer Haessler (415) 798-3761

State of Michigan

3 Summary

Infor is pleased to be a business partner. The purpose of this document is to provide an outline of the work required for your Infor solution.

This document defines Infor’s current understanding of the engagement’s objectives, scope, assumptions, and constraints and is based upon information gathered during the sales cycle.

This Scope of Services provides a documented basis for confirming or developing a common understanding of project scope among the stakeholders. Any change to the scope or assumptions in this document will be considered a change in the scope, and will be managed through Infor’s standard Change Control procedures.



4 Project Overview

Infor will implement the solution(s) on the version outlined below. Information relating to the numbers, classification, location and language of employees being implemented will be detailed within each product scope section. Should a more recent version of the product be available by the time the specifications are being completed, the customer may elect to be implemented on the more recent version. To accommodate implementation on a more recent version of the software, a change order must be executed prior to any configuration which outlines the features, functionality and scope of the more recent version as features and functionality may vary between various versions of software.



The scope of this implementation shall be as follows:

Infor Product Suite	Software Version
Onboarding	v4.8

Infor requires each customer have one unique Organization Name for the software. The Organization Name cannot include spaces, punctuation, abbreviations or special characters. The Organization Name Infor Enwisen site for customer will be: **StateofMichigan**. This Org Name is subject to change by Infor should there be duplicates or other concerns with naming conventions.

5 Infor Onboarding Features and Scope

Infor provides a web-based solution for onboarding, which allows new hires to complete a wizard-driven process to collect information and provide educational and company-specific content. The system provides ongoing status to HR administrators, email notification and data exports. This application also provides new hires with important HR information prior to their first day of employment, reduces the time spent educating a new employee on HR policies, eliminates paper forms, offers electronic signature on all new hire & employment policy forms, and integrates, wherever possible, with an HRIS and other existing systems.

Following are details of Infor’s standard onboarding functionality along with details outlining the scope of services for this implementation:

Feature	Product Description	Customer-Specific Scope
Employee Types	Please provide details surrounding the number of employees being implemented, along with employee classes, and locations included in this implementation.	# of Employees Implemented: 50,000 Classes of Employees: Active employees Locations: US Only
Site Structure	Infor’s onboarding solution is delivered on an English framework, meaning all functionality, workflows, notifications, navigation, content and other features are presented in US English. Other languages are currently not supported.	English site structure is included.
Branding	Customer specific branding colors and logo can be applied to the tour framework as well as correspondence, in accordance with Infor’s branding guidelines.	Branding is included. Up to two (2) design review sessions of the branding are



	<p>The splash landing page along with socialization tour steps can include logos, graphics and color schemes.</p> <p>SmartForms can include section header banners and supporting background color, a customer supplied image, or no banner at all.</p> <p>Up to one (1) corporate logo to the header is included. Up to one (1) color for each element on the website is included as follows: Primary, secondary, accent, text and link.</p>	<p>included. Following design lockdown and signoff by customer, branding changes may result in additional fees and/or impact the target go live.</p>
Landing Page	<p>The landing page, with a number of layout options from which to select, provides a statement or welcome from the head of the organization and a link to the onboarding tour. This is the page where all new hires land when first logging into the system. Infor's onboarding product includes one splash landing page.</p> <p>During the define phase of the implementation, the customer will determine the trigger for when each of the onboarding process tours are to appear on this splash landing page.</p>	<p>The splash landing page is included.</p>
Process Tours	<p>Tours are the mechanism which guide the new hire through the onboarding process-from the welcome message through the completion of required HR documents and learning about benefits. The layout of tour step pages follows a SaaS configured standard. Tour steps are comprised of either content, pre-delivered standard forms, or custom forms. Specific tour steps presented to new hires will be governed by the Onboarding rules engine, meaning each tour step can be filtered for appropriate new hire populations (if group rules are purchased). At the completion of a tour (when the new hire clicks the Complete button), the tours will be locked. This prevents a new hire from returning to the tour and altering data after the original data has been reviewed, approved and exported.</p> <p>This product does not include managing internal</p>	<p>Up to two (2) onboarding process tours are included.</p>



	transfers, promotions, or any other crossboarding activity, and does not manage activities for regular employees. Managing rehires with the same UserID is subject to change control.	
Content Steps	Process tours can include content steps, providing the new hire with socialization information about the company. Examples include company mission statement, policies, URLs to third party vendors and security information. There are a number of available content tour step layout options available. Each content step is presented to the new hire via Infor's group rules engine so appropriate tour steps are presented to new hires based on their group filtering.	Up to forty (40) total content / acknowledgement tour steps are included.
Online Acknowledgement	<p>Infor offers standard policy acknowledgements. This feature allows for the capturing of a new hire's acknowledgement that they have read and confirm acceptance of a policy. Acknowledgements are captured in one of two methodologies.</p> <p>Standard Clicked Acknowledgements: The Standard clicked acknowledgement (counted as a content step) includes a checkbox and standard acknowledgement language. Clicking the checkbox captures the new hire's date, time and name of policy. A list of all captured acknowledgements are then provided in an Acknowledgement Summary Report, which includes an Electronic Signature. Digital signatures are not supported. Changes to the standard language are subject to standard change control.</p> <p>Electronically Signed Acknowledgement: The electronically signed acknowledgement (counted as a custom SmartForm) allows for the capturing of an Electronic Signature on each Policy page. In this methodology, each separate policy requiring electronic signature is counted toward one of the purchased Custom SmartForms. No Acknowledgement Summary Report is included. Digital signatures are not</p>	Online acknowledgements are included, up to the overall purchased limit of content steps or custom SmartForms.



	supported.																	
Multi-Media	<p>Process tours and/or the landing pages can include a Flash Video or Windows Media Video file. Infor recommends hosted files not exceed 15MB to ensure optimal load times. Infor is not responsible for the load times of files in excess of the recommended file size and cannot guarantee a consistent load behavior across bandwidth variances.</p> <p>Video creation or enhancement is not supported by Infor. The customer is responsible for delivering the web-formatted video to Infor in its final format.</p>	Up to one (1) Infor hosted Windows Media Video or Flash Video file are included.																
Personalization (Group Rules)	Personalization provides for delivery of personalized tour steps, acknowledgements and links per individual employee based on group membership eligibility.	Up to twenty (20) configured group rules are included. Additional group rules are subject to change control.																
State Tax Forms	Infor maintains a current repertoire of U.S. state tax withholding forms as English fill-able PDF versions only. The new hire is able to select the applicable state(s) from a drop down menu, fill the form, print or save as PDF and submit to hiring office. Non-applicable state forms can be filtered for each customer.	State tax forms are included. During the design phase, the customer will determine which state tax forms to include.																
Standard SmartForms	<p>Standard SmartForms include Personal Information, Emergency Contact, Screening Authorization, W-4, I-9, Direct Deposit and the Acknowledgement Summary Report. These SmartForms are available in US English only. Standard SmartForms cannot be modified from the existing format. Request for alterations of a Standard SmartForms, including all import/export values are considered Custom Data SmartForms. Furthermore, the Acknowledgement Summary Report cannot be exported as a PDF.</p> <p>It is important to note that if customers select to use Infor's online I-9 Verification Solution (Tracker I-9 & e-Verify Integration), the I-9 Standard SmartForms is not included as a SmartForm, which means this data is not exportable. See "Tracker I9 & E-Verify Integration" section for more information.</p>	<p>Standard SmartForms are included.</p> <table border="1"> <thead> <tr> <th>Form</th> <th>Include</th> </tr> </thead> <tbody> <tr> <td>Personal Information</td> <td>Yes</td> </tr> <tr> <td>Emergency Contact</td> <td>Yes</td> </tr> <tr> <td>W-4</td> <td>Yes</td> </tr> <tr> <td>I-9</td> <td>Yes</td> </tr> <tr> <td>Direct Deposit</td> <td>Yes</td> </tr> <tr> <td>Acknowledgement Summary Report</td> <td>Yes</td> </tr> <tr> <td>Screening Authorization</td> <td>Yes</td> </tr> </tbody> </table>	Form	Include	Personal Information	Yes	Emergency Contact	Yes	W-4	Yes	I-9	Yes	Direct Deposit	Yes	Acknowledgement Summary Report	Yes	Screening Authorization	Yes
Form	Include																	
Personal Information	Yes																	
Emergency Contact	Yes																	
W-4	Yes																	
I-9	Yes																	
Direct Deposit	Yes																	
Acknowledgement Summary Report	Yes																	
Screening Authorization	Yes																	



Tracker I-9 & E- Verify Integration	<p>Infor enables seamless, real-time sharing of data between the Infor Onboarding system and your new hire electronic Form I-9s. Infor interface with Tracker I-9's secure web services Application Programming (API) to optimize direct integration during the onboarding process. The API synchronizes with Onboarding, validates the data and creates an I-9 record using the employee data to pre-fill the I-9 fields in the Tracker I-9 Form, maximizing your readiness to participate in the E-Verify program.</p> <p>From within the onboarding tour, the new hire accesses the Tracker I-9 Form and completes and electronically signs the form. Once signed electronically, the form is locked from further editing and is validated by Tracker I-9. The new hire may print a receipt for the Form I-9 along with instructions for next steps.</p> <p>Once the Tracker I-9 form is saved, an email is sent to the Section 2 approver with the new hire's name, instructions and links to the Tracker I-9 and/or Onboarding solution to access and complete processing of Section 2.</p> <p>Approvers can access Tracker I-9 from within Onboarding via SSO (with Tracker I-9 screens loading within the Onboarding framework) to review Section 1 and complete Section 2 of the I9. Alternatively, the Approver can access Tracker I-9 directly (apart from the Onboarding) to review Section 1 and complete Section 2 of the I9. Once signed by the Approver, the form is now ready for e-Verify. . SSO enables all Tracker functionality configured for a user to be available from within the Onboarding application.</p> <p>The Tracker I-9 configuration in Onboarding is used to enter and maintain the customer's account information which is provided by Tracker I-9 and is used for validating onboarding communications with Tracker I-9. Tracker I-9 will provide customer account information to Infor to set up the integration within the Onboarding settings.</p>	Tracker I-9 & E-Verify Integration is not included.
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	<p>There are two types of users in Tracker I-9. The Admin Users are created manually in Tracker I-9 and are responsible for managing the I-9 process. The I-9 Approvers accounts are created automatically when the Form I-9 step is initiated from the onboarding tour, if not already created. Alternatively, customers can work with Tracker I-9 to create a one-time user census data feed of approvers during implementation. Automated email notification is sent to approvers when a new account is created with their login credentials. New hires do not need accounts in Tracker I-9.</p> <p>The new hire data feed provided by the customer to Onboarding requires the following fields for the Tracker I-9 Integration: Employer, Worksite, and I-9 Approver. If missing, the new hire data file is rejected. These fields can be viewed/maintained on the Manage New Hire screen. The Employer and Worksite fields must be created in Tracker I-9 then applied to the new hire's data. The I-9 Approver data sent in the new hire file must already be users established in the Onboarding User tables and have information set on their user record that matches the approver data group requirements.</p> <p>Tracker I-9 provides the most user-friendly and mistake-proof way to comply with Form I-9 employment eligibility verification and E-Verify® regulations, Tracker I-9 software enables the paperless preparation, signing, management, auditing and virtual storage of all your Form I-9 records. The software fully integrates with the E-Verify system, to automatically submit employee data and receive alerts for any non-confirmation issues.</p>	
'Custom' SmartForms	<p>Infor can configure customer-specific data SmartForms to capture additional new hire information beyond what is already captured in the standard set of SmartForms. Additionally, Infor can configure manager / approver / processor data capture SmartForms (workflow checklists) for gathering additional information</p>	<p>Up to five (5) custom SmartForms (including manager / approver facing workflow SmartForms) are included.</p>



	<p>required to process a new hire. These are also counted as Custom Data SmartForms. All formatting is based on standard US formatting (i.e. phone number formats).</p> <p>Validation of data based on business logic is subject to standard change order.</p> <p>Infor's standard product offering includes configuring custom data SmartForms with up to twenty simple data fields per form, such as radio buttons, text entry fields, text boxes or drop-down lists.</p>	
Welcome New Hire Email	Includes a welcome email to the new hire which contains information on how to access the onboarding tour. This email is triggered during the import process of new hire data, or upon selecting the 'Send Welcome Email' button on the Manage New Hires 'Other' tab. Infor's architecture allows for one welcome new hire email. Should a customer require separate welcome emails for the userID and Password, the second email will count toward the number of purchased automated email notifications.	The new hire welcome email is included.
Automated Email Notifications	Emails can be triggered based on data criteria or the completion of a data tour step, notifying an administrator or manager of an action needed to be taken or a task that is at risk or past due.	Up to ten (10) automated email notifications are included.
Workflow	Processes established to review /complete/approve data capture SmartForms. Forms can be processed individually or bundled and routed to staff, and can include multiple stages until final approval is obtained. Workflow checklists and manager / approver / processor data capture actions needed in onboarding require SmartForms are counted toward the number of total purchased Custom SmartForms, with the exception of Part 2 of the I-9. Workflow functionality includes proxy capabilities (except if workflows are being forwarded to a group) to assign other staff to complete tasks in the event of vacations or leaves.	Up to five (5) workflows are included.
Process Administration	Provides HR administrators with a complete view of the status of all new hires who have started the onboarding tour.	Standard process administration is included.



Dashboards & Consoles	<p>The following dashboards and consoles are available within Infor Onboarding to provide these specific security roles visibility in the status of tours being taken by new hires:</p> <ul style="list-style-type: none"> • Admin Dashboard • Admin Console • Manager Dashboard • Manager Console • Recruiter Dashboard • Recruiter Console <p>Dashboards also offer standard drill-down access to the corresponding console. Access is determined based on security roles. Consoles include standard onboarding details and actions.</p> <p>Dashboards and consoles cannot be customized.</p>	<p>Standard dashboards and consoles are included.</p>
Online Analytics & Reports	<p>Infor’s solution includes a catalog of standard reports and charts showing user and workflow statistics. This provides administrators the ability to review the tour and approval status reports for new hires that have accessed the tour. Reports and analytics are not customizable at this time.</p>	<p>Standard online reports and analytics are included.</p>
Data Import	<p>Automated data feeds which establishes new hire and approver/processor for onboarding. Data is sent to Infor’s FTP site with the data being PGP encrypted on a nightly basis. If the customer cannot provide an automated file, Infor will provide an interface for the administrator(s) to manually add new hire and approver/processor data.</p> <p>During the define phase of the implementation, Infor will provide customers with the standard data import specifications and associated documentation. Any request for changes outside the standard format is subject to change control. If different data needs to be sent for new hires for different onboarding tours (such as home email for the Day 0 tour but work email for the Day 1 tour) and this information cannot be sent to Infor from the same data source in the same data import, additional data imports will be</p>	<p>Up to one (1) automated and standardized data import of new hire data is included. This information is typically for new hire data sent from an applicant tracking system or from the Lawson S3 HRIS system.</p> <p>Up to one (1) automated and standardized data import of approver/ processor census data is included. If knowledgebase or case management have also been purchased, this is the same file as for the batch census import.</p>



	<p>required.</p> <p>Bi-directional data from third party vendors is not part of the current product offering (i.e. import of background check results from vendor to Infor or send a data feed back to a background check vendor.)</p> <p>S3 or LTM Customers: If data is being sent to Infor Onboarding from S3 or LTM, customer is responsible for building the pipe delimited data import file which will be sent to Infor OB.</p>	
<p>Data Export</p>	<p>An automated data feed of new hire data can be sent from Infor to customer's external systems, as frequently as nightly. All new hire data captured during a particular tour will be exported in the standardized export format once one of the following occurs: 1) tour completion, and/or 2) workflow completion. Alternative data export triggers are not supported. The trigger will be determined during the definition phase of the project.</p> <p>All fields in SmartForms will be exported as well as any 'pass through' data that a customer needs to be sent from a recruiting solution through Infor to a customer's internal systems. Infor will provide a document that outlines all standard SmartForm fields (including W4 and I9), Custom SmartForm fields (if any) as well as any pass through fields. All data will be sent in one data export in Infor's standard format. This data export excludes acknowledgment data.</p> <p>Bi-directional data from third party vendors is not part of the current product offering (i.e. import of background check results from third party vendor to Infor.)</p> <p>Acknowledgement Data Export is subject to standard change control. If a customer wants this data exported, it can be exported as a separate standardized data export. This export will include the new hire identifiers, tour name, acknowledgement name, and time stamp. The</p>	<p>Up to one (1) automated and standardized data export of new hire data is included.</p> <p>The standardized export of acknowledgment data is subject to change control.</p>



	<p>trigger for this export is tour completion. It should be noted that Infor is the system of record for acknowledgement data captured during the onboarding tours; therefore a data export may not be necessary. Customizations to this data export are not supported.</p> <p>S3 or LTM Customers: If data export is being sent to S3 or LTM, customer is responsible for building the data import into the S3 and/or LTM systems. The pipe delimited flat file export is not configured in such a way as to automatically update the S3 and/or LTM systems.</p>	
PDF Export	<p>PDF exports allow for Infor to convert SmartForm data into a PDF document, then send to customers PDF versions of Standard SmartForms, Custom employee-facing SmartForms, and workflow checklists/ smartforms up to the number purchased in this scope. The customer is responsible for providing to Infor the fillable PDF form to populate. State Tax forms, Acknowledgement Summary Report and other non-SmartForm items are not able to be included as exportable PDFs. All PDFs will be exported when one of the following occurs: 1) step completion, or 2) tour completion, and/or 3) workflow completion. The trigger will be determined during the definition phase of the project.</p>	<p>PDF Export is subject to change control.</p>
Manage New Hire & 'Other' Tab	<p>All data imported into the Infor onboarding system is mapped into the standard Manage New Hire form. Customers who are unable to send an automated data import have the ability to manually add and/or update new hire data to this form. Customizations to the Manage New Hire Form and 'Other' tab are not supported.</p> <p>In addition to the Manage New Hire form, Infor offers a standard 'Other' tab to host additional data which either is beyond the core data stored in the Manage New Hire form, or host additional data that doesn't adhere to the standards of the new hire Form. The Standard "Other" tab includes 6 open text fields. The "Other" tab supports adding customer specific</p>	<p>The standard Manage New Hire and 'Other' tab are included.</p>



	configurations. Up to 20 total fields are supported. Additional fields or non-standard validation of those fields are subject to change control.	
Single Sign On	<p>Single Sign On is provided via Infor’s Virtual Integration API. Single Sign On can be implemented, provided each customer has the ability to support this functionality to allow new hires and administrators access to Infor via SSO. Infor has found that SSO is rarely needed for Onboarding since new hires do not yet have access to the HRIS applications.</p> <p>It is the intent of Infor to provide seamless user access to specified third party systems via SSO using the technical capabilities provided in the platform. Note that Infor cannot guarantee the level of functionality, if any, that can be supported until a technical evaluation with the vendor is completed. SSO functionality may be limited by the technical compatibility of methods used by either party. Each SSO is considered customized configuration and may be subject to additional support charges if future updates are needed to support changes in the vendor APIs, browsers version, Operating System, or other external factors that may impact the functionality as delivered and tested at the time of release.</p>	Single Sign On integration to Infor is included. Employees will SSO to Onboarding via the Lawson S3 Black Box integration.
Site Access	Ability for new hires to access the tour either before a new hire begins their first day of work, or upon date of hire. Purchase options include single sign-on or direct authentication.	<p>New Hire employees will access their onboarding tour on Day 0 via Direct Authentication and Day 1 via Direct Authentication or SSO.</p> <p>Administrators will access process administration via Single Sign On / Direct Authentication.</p>
3rd Party Integrations	Infor can link to third party vendors/applications and can support downstream Single Sign On, provided the vendors allow authentication to be passed to them.	Third party integrations are not included.
Training	Infor’s onboarding solution is configured in such a way that it is quite intuitive. However, there	Up to two (2) two-hour online training sessions are



	<p>are instances where customers request that Infor supports online train-the-trainer training for onboarding approvers/processors to be trained on the configured onboarding solution. Infor recommends customers record these sessions for future users to access any training sessions. Onsite training is subject to change control.</p> <p>For this training, the Onboarding User Guide will be delivered to the customer which outlines the standard Infor functionality.</p>	included to train approvers and processors on the onboarding configuration.																								
ADD ONs	Infor's implementation comes with a fixed scope. Customers are able to purchase additional add-on features, scope increases, etc. These add-ons have already been accounted for in this scope of services. However, please outline which items within this statement of work are considered Add-Ons, and subject to additional resource hours.	<p>The following Add-Ons have been incorporated into the statement of work:</p> <p>1. None</p>																								
Customizations	Any special needs discussed during the sales process and included as within scope are to be outlined here. This includes any features beyond Infor's standard product offering, and is subject to approval by Infor's Product Management and R&D directors.	Not Applicable.																								
Implementation Phases	Provide details surrounding assumptions related to project implementation phases, if included.	It is assumed that the onboarding will be implemented as a single phase. Additional phases are subject to change control.																								
Infor Resources	<p>Provide details surrounding Infor role and resource hours budgeted based on the scope of implementation services outlined.</p> <table border="1"> <thead> <tr> <th>Infor Role</th> <th>Tier 1 Core Scope Hours</th> <th>Add-On Scope Hours</th> </tr> </thead> <tbody> <tr> <td>Project Management</td> <td>278</td> <td></td> </tr> <tr> <td>Business Consultant</td> <td>293</td> <td></td> </tr> <tr> <td>Tech Web Consultants</td> <td>119</td> <td></td> </tr> <tr> <td>SSIS/Data Engineers</td> <td>140</td> <td></td> </tr> <tr> <td>SSO Engineers</td> <td>54</td> <td></td> </tr> <tr> <td>Application Engineers</td> <td>650</td> <td></td> </tr> <tr> <td>Total Budgeted Hours:</td> <td>1534</td> <td></td> </tr> </tbody> </table>	Infor Role	Tier 1 Core Scope Hours	Add-On Scope Hours	Project Management	278		Business Consultant	293		Tech Web Consultants	119		SSIS/Data Engineers	140		SSO Engineers	54		Application Engineers	650		Total Budgeted Hours:	1534		
Infor Role	Tier 1 Core Scope Hours	Add-On Scope Hours																								
Project Management	278																									
Business Consultant	293																									
Tech Web Consultants	119																									
SSIS/Data Engineers	140																									
SSO Engineers	54																									
Application Engineers	650																									
Total Budgeted Hours:	1534																									

Adding additional items in excess of the number noted above are subject to additional costs and change control.



5.1 Onboarding Project Documentation Deliverables

Following is a list of project deliverables, each of which will include signoff by both Infor and Customer.

1. Weekly Project Status Report
2. Monthly Steering Committee Report
3. Weekly Updated Project Plan
4. Onboarding Product Training Guide
5. Product Design Specifications
6. Onboarding Functional Specification Workbook
7. Onboarding User Guide
8. SmartForm Specifications
9. Data Transmission Specifications
10. Data Import / Export Specifications
11. SSO / Virtual Login Diagnostics (if applicable)
12. UAT Issues Log
13. Go Live Checklist

6 Infor Implementation Methodology

Following is a summary of Infor's implementation methodology.

- 1) **Plan**
 - A. Introduce project team members
 - B. Validate scope and project success criteria
 - C. Establish project management procedures and outline high level milestones and dates
 - D. Begin gathering information and data based on scope
 - E. Product education sessions with customer
- 2) **Define**
 - A. Determine branding & page layouts
 - B. Define solution configuration methodology
 - C. Collect data and content
 - D. Define data/integration requirements, completing specification
 - E. Complete and signoff of design requirements
 - F. Update project plan based on full scope
- 3) **Build**
 - A. Build the solution according to documented design specifications
 - B. Configure integrations and receive/map data feed
 - C. Unit testing of configured items & calculation or data elements, edits to Infor
 - D. Develop User Acceptance Testing (UAT) plan
 - E. Update solution & signoff on all configuration
- 4) **Test**
 - A. Release site for UAT
 - B. Test import of user data & integrations
 - C. Execute customer's test scenarios, documenting results, and revise as appropriate



- D. Regression testing
- E. UAT signoff

5) Release

- A. Conduct train the trainer
- B. Push code and data and validate
- C. Begin data transfers
- D. Execute communication strategy
- E. Release Infor solutions to the customer

5.1 Project Implementation Schedule

Subject to resource availability, Infor resources are assigned to the implementation within 30 days of contract execution. Implementation timelines vary, depending upon the complexity of the customer-specific configuration. Although target milestone dates may have been released, Infor cannot provide detailed project dates until the completion and signoff of the application and data specs, which occurs near the end of the Define stage of the implementation. Upon signoff of specifications, the Infor project team will work with each customer to provide a more detailed project plan for remainder of the project. Given the fixed fee nature of the implementation, it is important that the project be completed in a timely manner as outlined at the beginning of the project, unless specifically noted as phased within this Scope of Services. For this reason, should the customer not meet the timelines outlined in the project plan, additional fees may be charged to account for Infor assigning resources to the project longer than expected.

7 Roles & Responsibilities:

Infor roles and responsibilities are as followed:

- A. **Executive Project Sponsorship** - Support implementation team success. Customer escalation point for issues or concerns.
- B. **Project Lead (Project Manager)** - Coordinate with customer PM to drive timelines, deliverables and successful execution of project.
- C. **Principal Business Consultant (Product Expert)** – Consultative resource for questions related to product capabilities and configuration methodologies.
- D. **Business Consultant** – Coordinate activities related to gathering technical requirements and completing specifications.
- E. **Software Application Engineer** - Develop forms, workflow, email notification based on documented requirements.
- F. **Single Sign On Developer** – Coordinates activities related to the configuration of the Single Sign On authentication based on documented requirements.
- G. **Data Automation Developer** – Establishes the data feed automation and interfaces with each customer. Automates and maps the data.
- H. **Technical Web Analysts** – Configures the content and tours based on documented requirements.



- I. **Benefit Communication Consultants** – for Knowledgebase implementations, configure benefit plan templates from customer SPD documentation.

Customer roles & responsibilities are as follows:

- A. **Executive Sponsorship** – Project owner and sponsor. Escalation point for key project decisions. Secure resources for the project.
- B. **Project Manager** - Coordinate with Infor PL to drive timelines and deliverables. Leads customer team and is accountable for the completion of customer tasks.
- C. **HRIS Analyst** – Provides data from HRIS systems to Infor.
- D. **IT Resources** – Support data transfer set up and coordinate activities related to Single Sign On, where applicable.
- E. **Subject Matter Experts** – Provide subject matter expertise on configured content. Assist in the testing of content.

8 Project Governance

Infor very closely monitors all implementations. To effectively implement customer solutions, the following governance is required:

1. Executive Steering Committee:

- a. Monthly meetings established with Infor and Customer senior management to review the status of the project and provide escalation and decision-making as needed.
- b. Deliverable: Steering Committee Report which outlines high level health, status, risks, and decisions. Completed by Infor and Customer Project Manager and submitted to the project sponsors.
- c. Agenda: Overall project status (red/yellow/green), project status summary, accomplishments, key decisions and activities, key risks and issues, next steps, key milestones.

2. Status Meetings:

- a. Weekly status meetings between the Infor Project Manager and Customer Project Manager and key project participants to review the operations activities of the project.
- b. Deliverable: Weekly Status Meeting Report
- c. Agenda: Overall project status and deliverables, concerns/at risk items, key decisions, project plan review/update, customer site review, next steps.

3. Testing:

- a. Once the initial configuration of the solution is completed, access is provided to the Customer to allow for the review of the configuration.
- b. Testing Methodologies:
 - i. Build Phase: Unit testing and signoff of individual configurations
 - ii. Testing Phase: UAT testing for end-to-end testing and signoff of the solution.
- c. Deliverable: UAT Issues Log is utilized to track all updates to the configuration of the solution. Each update will be categorized as a defect or enhancement. Any change to the configuration not documented in the specifications during the Design phase will be considered an enhancement.



9 Change Order Process

Deviations that arise during the proposed Project will be managed using the Project Change Control Procedure outlined below.

Effectively managing change is critical to the Project's success and is in the interests of both Infor and the Customer. Changes could include, but are not limited to, changes in costs, timing, scope, or deliverables. As Project changes arise, the following change request process will be utilized. If either Party believes that a change to this SOW is desirable, such Party shall issue to the other Party a written change request ("Change Request"):

In the case of a Customer-initiated Change Request, as soon as practicable following its receipt of such Change Request from the Customer, Infor will evaluate the feasibility of the request and determine the impact to the project cost and timelines. In instances where specialized resources are requested, but not contained within the original Scope of Services, the quoted rate will be established at Infor's then current rate for such related services.

Infor shall provide the Customer a written statement describing in detail:

- (a) any additional Services to be performed as a result of the Change Request,
- (b) the estimated cost associated with such additional Services; and
- (c) any other information relating to the Change Request that may reasonably be requested by the Customer (collectively, a "Change Response")

The Customer shall respond promptly to any Infor-initiated Change Request. If the Customer approves a Infor-initiated Change Request, or accepts a Change Response in writing, such Change Request, or such Change Response, as applicable, shall be deemed to be a "Change Order." Any duly executed Change Order shall be attached to this SOW.

If the Customer rejects an Infor-initiated Change Request, or any Change Response, Infor and the Customer shall proceed to fulfill their obligations as originally agreed under this SOW. The applicable Infor Project Manager and the applicable the Customer Project Manager shall be authorized to administer the Change Order. The Estimated Schedule shall be adjusted accordingly for each Change Order.

The last authorized SOW, including any previously approved Change Orders, will prevail until amended by a subsequent approved Change Order.



10 General Assumptions

The following assumptions are made relating to the implementation.

- A Project Executive Sponsor will be available to the project to resolve issues that the project management team cannot resolve in a timely manner.
- A Project Manager will be assigned to the project by the customer. The designated Project Manager will be responsible for ensuring the performance of project personnel and for coordinating activities with each customer's team.
- Customer will provide subject matter experts familiar with existing systems and procedures in each functional area and associated decision makers who are empowered to make design and implementation decisions in support of implementation analysis and design activities. At a minimum, customer resources will be provided consistent with the levels indicated in the project work plan.
- Customer will coordinate and support communication with all locations and business units is necessary for a successful implementation.
- The Infor Project Manager will partner with Customer Project Manager to manage the implementation effort. Jointly, they will establish project success criteria, manage the project scope and timeline based on the Scope of Services, identify schedules and resources and establish project guidelines. All project management tasks will be delegated appropriately between the Infor/Customer Project Manager during planning. The Infor Production Team will be scheduled appropriately based on the project timeline.
- Tasks will be completed according to the project timeline. Any delay in the completion of tasks will result in a delay in Go Live dates.
- Customer will coordinate acceptance testing of the completed system prior to deployment.
- Customer is responsible for developing and executing a user acceptance training plan. Infor does not provide training materials for user acceptance testing.
- All work will be performed during Infor normal business hours, 8:30 am-5:30 pm, Monday-Friday, wherever the Infor resource is located.
- This implementation will be managed remotely. Requests for periodic onsite visits may be accommodated, subject to travel policy.
- Signoff of the configuration, integration and data specifications constitutes the refined scope for this implementation, which will not exceed the scope outlined in this document. Any changes to the scope after signoff as well as after go live will result in a change order being completed, with adjusted timelines and charges may be applied as appropriate.

11 Closure Procedure

The Project and all product deliverables described in this SOW will be closed upon completion of the earlier of (1) the first Steering Committee meeting after the go-live date, which will be held within 45 days of the go-live date, or (2) 45 days after the go-live date; (the "Closing Date") assuming the following conditions are met:

1. There are no Critical issues open (defined below), and
2. The Critical issue has been logged prior to the pre defined closing date

A “Critical” issue is a serious error that causes an application to stop working, or a fault in the application that cannot be avoided by working in a different way.

If the steering committee does not meet within 45 days of the go-live date, the project is deemed to be closed, unless both parties agree in writing to extend the Closing Date. Upon project closure, all items in this SOW are deemed closed. Any request for new services, including purchased but not utilized scope, are subject to change control.

SCHEDULE B

PRICING SCHEDULE

APPENDIX B - ORDER FORM

This Order Form is subject to the terms of Contract No. 071B3200041 between **Infor (US), Inc.** (“Infor”) and **State of Michigan** (“Licensee”) dated _____ (the “Agreement”). All terms of the Agreement are incorporated herein by reference. Capitalized terms not defined in this Order Form are defined in the Agreement. In the event of a conflict, the terms of this Order Form control over the terms of the Agreement.

Effective date of this Order Form: _____ (the “Order Form Date”)

I. Subscription Software

	Part # (if applicable)	Subscription Software	User Restriction*	
			Quantity	Type
1	HRS-S-SSO	Single Sign On Subscription	1	ET
2	HRS-S-LONB	Onboarding Subscription	50,000	US
3	HRS-S-LONBI	Onboarding Data Imports Subscription	1	ET

*If specified in the User Restriction field:

- ET = “Enterprise” - allows unlimited use of the Subscription Software within the licensed business entity.
- US = “Users” - refers to the maximum number of Persons who may derive benefit from the access or use of the Subscription Service designated in this Order Form, including without limitation any Persons for whom data is maintained using the Subscription Services. “Persons” includes any person for whom data is maintained using the Subscription Services (for example, full-time and part-time employees, volunteers, pensioners, temporary workers, seasonal workers, contractors and consultants).

II. Subscription Services

Subscription Term: Three year(s) from the Subscription Service Ready Date	
If the Subscription Term is a multi-year term, the Subscription Fee represents the fee attributable to the full Subscription Term. The portion of the Subscription Fee attributed to a single twelve-month period is \$160,000.00 (“Annual Subscription Fee”).	
Subscription Fee**:	\$480,000.00
**If this is a subsequent order, the Subscription Fee may be prorated based on the anticipated Order Form Date to coincide with the expiration date of Licensee’s current Subscription Term. This fee may vary based on the actual Order Form Date.	
Total Amount Due (before applicable taxes):	\$480,000.00

All amounts are in US Dollars unless otherwise specified.
Currency: United States Dollars

Licensee Account ID: 4636-L
Infor GL ID: US0AB
Account Executive Name: Aaron Branch

Delivery Address:	Invoice Address: (if blank, the Delivery Address shall be used for Invoicing)
State of Michigan 530 W. Allegan Lansing, MI 48933 USA	Same as Delivery
Contact Name: Susan Wilmore	Contact Name:
Contact Title: Office of Business Applications Support	Contact Title:
Contact Phone: 517.373.6539	Contact Phone:
Contact email: WilmoreS@michigan.gov	Contact email:

Delivery is FOB Shipping Point.

III. Payment Terms

Annual Payment Terms: Licensee shall pay the Annual Subscription Fee for the first twelve-month period of the Initial Subscription Term, plus applicable taxes, within 45 days from the invoice date. Annual Subscription Fees for subsequent twelve-month periods during the initial Subscription Term and applicable taxes, shall be due at least 30 days before each anniversary of the Subscription Service Ready Date.

IV. Additional Terms

In the event Licensee's annual usage of the Subscription Software exceeds the User Restriction, Infor shall invoice Licensee an overage fee at Infor's then-current rates for the excess use. Licensee shall pay such invoice within forty-five (45) days of the date of invoice.

V. Definitions

"Subscription Service Ready Date" means the earlier of (i) the date Infor informs Licensee that the Subscription Service is accessible, but not ready for use, by Licensee for the respective Subscription Software listed in this Order Form; or (ii) the date that is thirty (30) days after the Order Form Date. This date is not synonymous with any Licensee launch or go-live date (date software is ready for use).

APPENDIX B - SERVICES WORK ORDER

This Services Work Order ("Work Order" or "SOW") is subject to all terms and conditions of Contract No. 071B3200041 between Infor (US), Inc. ("Infor") and State of Michigan ("Licensee") dated _____ (the "Services Agreement"). All terms of the Services Agreement are incorporated herein by this reference. Capitalized terms not defined in this Work Order are defined in the Services Agreement. In the event of a conflict, the terms of this Work Order control over the terms of the Services Agreement.

Effective date of this Work Order: _____ Work Order Number: _____

Prepared By: Gina Doumaté

Approved By: Melissa Gray

Project Name:	Infor Enwisen HRSD Onboarding Implementation
Objective:	Implement Infor Enwisen HR Service Delivery Onboarding Products
Project Scope	
See Appendix A – Implementation Scope of Services	
Project Deliverables	
See Appendix A – Implementation Scope of Services	
Project Assumptions	
See Appendix A – Implementation Scope of Services	
Project Exclusions	
See Appendix A – Implementation Scope of Services	
Infor Responsibilities	
See Appendix A – Implementation Scope of Services	
Licensee Responsibilities	
See Appendix A – Implementation Scope of Services	

Services Fee			
Resource/Activity/Role	Hours/Days	Rate (US\$)	Fee (US\$)
Onboarding Implementation	Fixed Fee	Fixed Fee	\$281,135.00
			\$
Total*			\$281,135.00

CURRENCY: US DOLLARS

***All amounts are in US Dollars unless otherwise specified**

Where a variation from this Work Order is foreseen, both parties must agree in writing to the additional work and amend this Work Order accordingly. All services described in this Work Order are provided on a fixed fee basis for the total fee listed above and are billed upon the effective date of this Work Order. Billing and payment are not dependent or conditioned on delivery of deliverables contemplated herein or any other deliverables. Travel and living expenses are not included in the rates or total fees stated herein. Such travel and living expenses are in addition to such fees. Travel time to and from Licensee's site will be billed at \$150 per hour.

LOCATIONS: Services may be provided at the facilities of Infor or its Contractors, or at the Licensee sites listed below. A minimum of ½ day (4 hours) will be charged for all work at the Licensee's facilities. Remote services provided via phone, facsimile or remote access to Licensee's site will be charged at the standard hourly rate.

PAYMENT: Infor will invoice Licensee for the total services fees on the effective date of this Work Order. Infor will invoice Licensee for travel and living expenses and applicable charges on a bi-weekly basis, as Infor incurs such expenses or Licensee incurs the charges, as applicable. Licensee will pay each Infor invoice within fifteen (15) days of the date of invoice.

Invoices MUST be mailed to:

Company Name: _____
 Contact Name: _____
 Address: _____
 Address: _____
 Phone: _____
 Email Address: _____

**Delivery Address:
 If different from above**

Company Name: _____
 Contact Name: _____
 Address: _____
 Address: _____
 Phone: _____
 Email Address: _____

Licensee Site Addresses:

SERVICES ENGAGEMENT SET UP – INTERNAL USE ONLY	
Engagement Manager:	
CLARITY USERS	
Time Approver:	Alternate Approver:
Item Class:	Product:
CHANGEPOINT USERS	
Expense & Alternate Approver:	
Customer Acct #:	RHQ/Business Unit:
Customer Type:	Billing Office:
Region/Vertical:	Location State (Work Performed):
Item Class:	Product:

SCHEDULE C

INFOR DISASTER RECOVERY PLAN



Infor Cloud Service Business (HRSD) Continuity Plan

Revision: 1.2

Approvals

Name (Title)	Approval Date	Active Date
Jim Plourde	20/12/2013	20/12/2013

Change History

Date	Author	Revision	Change Reference
01-Oct-2011	Dan Turner	1.0	New document
01-Dec-2012	Jim Hoover	1.1	Formatting change and updates for new datacenter
20-Dec-2013	Jim Hoover	1.2	Modified to reflect HRSD vs. Enwise

Initial Implementation

Date	Product	Notes
01-Oct-2011	Cloud Business	

Periodic Document Reviews

Last Periodic Review Date	Next Periodic Review Date
20-Dec-2013	20-Dec-2014

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3.5 Director, Operations and Systems	5
3.6 Director, Network and Telecommunications Systems	5
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STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48913

CHANGE OF CONTRACTOR NAME AND OR TAX IDENTIFICATION NUMBER

CONTRACT NO. 071B1300068

hereafter referred as

CONTRACT NO. 071B3200041

Between

THE STATE OF MICHIGAN

and

CURRENT NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Infor (US), Inc. 13560 Morris Road, Suite 4100 Alpharetta, GA 30004	Dan Behr	Dan.behr@us.lawson.com
	TELEPHONE	NEW CONTRACTOR #, MAIL CODE
	651-767-6528	

PREVIOUS NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Lawson Software, Inc. 380 St. Peter St. St. Paul, MN 55102	Dan Behr	Dan.behr@infor.com
	TELEPHONE	PREVIOUS CONTRACTOR #, MAIL CODE
	651-767-6528	

DESCRIPTION OF CHANGE NOTICE:

THE CONTRACTOR HAS NOTIFIED THE STATE OF MICHIGAN OF A CHANGE IN ITS BUSINESS NAME AND OR TAX IDENTIFICATION NUMBER. DUE TO THE INTERNAL SYSTEMS RELATED TO THE RELEASE OF CONTRACTOR PAYMENTS, A NEW CONTRACT NUMBER MUST BE ASSIGNED. THE NEW CONTRACT NUMBER IS 071B3200041. EXCEPT FOR THE NEWLY-ASSIGNED NUMBER, THE CONTRACT TERMS AND CONDITIONS REMAIN IN EFFECT.

THIS CHANGE IS EFFECTIVE: November 21, 2012

\$1,218,386.97 REMAINING ON CONTRACT # 071B1300068 TO BE TRANSFERRED TO CONTRACT # 071B3200041

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	N/A			
BUYER:	DTMB	Mark Lawrence	517 241-1640	Lawrencem1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION:

Lawson Software Maintenance and Support

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
4 years	10/1/2010	9/30/2014	2, 1-year periods
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			

FOR THE CONTRACTOR:**FOR THE STATE:****Infor (US), Inc.**

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

Signature

Greg Faremouth, IT Division Director

Name/Title

DTMB Procurement

Enter Name of Agency

Date

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET November 4, 2010
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B1300068
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Lawson Software Inc. 380 St Peter St. St. Paul, MN 55102 <p style="text-align: right;">Email: dan.behr@us.lawson.com</p>	TELEPHONE Dan Behr 651-767-6528
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: Mark Lawrence <p style="text-align: center;">Lawson Software Maintenance & Support</p>	
CONTRACT PERIOD: 4 yrs. + 2 one-year options From: October 1, 2010 To: September 30, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

TOTAL ESTIMATED CONTRACT VALUE: \$2,546,705.20

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

CONTRACT NO. 071B1300068
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Lawson Software Inc. 380 St Peter St. St. Paul, MN 55102 <p style="text-align: right;">Email: dan.behr@us.lawson.com</p>	TELEPHONE Dan Behr 651-767-6528 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: Mark Lawrence <p style="text-align: center;">Lawson Software Maintenance & Support</p>	
CONTRACT PERIOD: 4 yrs. + 2 one-year options From: October 1, 2010 To: September 30, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of RFP-DR-084R0200093, this Contract and the Contractor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.	
Estimated Contract Value: \$2,546,705.20	

THIS IS NOT AN ORDER: Orders for delivery will be issued directly by the Department of Civil Service through the issuance of a Purchase Order.

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

FOR THE CONTRACTOR: Lawson Software Inc. _____ Firm Name _____ Authorized Agent Signature _____ Authorized Agent (Print or Type) _____ Date	FOR THE STATE: _____ Signature Dale N. Reif, Buyer _____ Name/Title IT Division _____ Division _____ Date
---	--



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

Buyer Information
Dale N. Reif
(517) 373-3993
reifd@michigan.gov

Contract Number 071B1300068

**Lawson Maintenance and Support
Michigan Department of Civil Service**



Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

The purpose of this Contract is to provide Maintenance and Support for the Lawson System Foundation and Lawson Human Resource Management products.

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

Contract scope includes the Maintenance and Support of the Lawson System Foundation and Lawson Human Resource Management Products licensed to the State of Michigan. Below is a list of the Covered Products and the corresponding SKU:

Software Product	SKU	Users
Accounts Receivable	AR	10
Billing Module	BL	10
Crystal Reports XI	CRR	12
Environment Case	ECA	10
Human Resource Process Suite	HPS	
Learning Accelerator Developer	LAD	2
Learning Accelerator End User	LAEU	50
Lawson Business Intelligence	LBI	3
Absence Management	LP	20
Lawson System Foundation and associated third-party products included under that licensure	LSF	12
Microsoft Office Add Ins	MOA	999
Micro Focus Server Express	MSC	2
Micro Focus Server Express App Runtime	MSX	450
ProcessFlow Integration	PFI	999
Employee and Manager Service Center	SHR	61250
Design Studio	XMLT	999

The State reserves the right to purchase additional software licenses, training, services, maintenance and support. These additional purchases will require an amendment to the Contract and may require approval from the State Administrative Board.

1.102 OUT OF SCOPE

Hardware purchase, hardware maintenance, and application development services are out of scope for this Contract. A new or replacement system is out of scope for this Contract.

1.103 ENVIRONMENT

The links below will provide information on the State's Enterprise 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. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this RFP must comply with all applicable State IT policies and standards in effect at the time the RFP is issued. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with DTMB processes. It will be the responsibility of the State to deny the exception request or to seek a policy or standards exception.

Contractor is required to review all applicable links provided below.

Enterprise IT Policies, Standards and Procedures:



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

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

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

Enterprise IT Security Policy and Procedures:

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

The State's security environment includes:

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

IT Strategic Plan:

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

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf

The State Unified Information Technology Environment (SUITE):

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

1.104 Work and Deliverables

The Contractor must provide product defect repairs, enhancements, and new releases to enable the State to install and use the Covered Product as it becomes generally available to Contractor's clients. The Contractor must provide and keep current all Documentation to enable the State to install and use the Covered Products.

Contractor offers the following Maintenance levels:

- Silver Maintenance
- Bronze Maintenance

Each year, the State must purchase a single level of available Maintenance for all Covered Products. The State may change Maintenance levels to a then-currently available level by giving Contractor notice of that election prior to any Maintenance renewal period and by paying the applicable fees for that Maintenance level.

The State may extend Support beyond the Initial Support Period by paying the Support fee before the expiration of the Initial Support Period.

During the Maintenance period, Contractor will provide Maintenance for the Covered Products pursuant to the Support Operations Handbook and will not materially degrade its Maintenance practices. New Products require a separate Order Form and are not provided as a new Release or as part of Maintenance for other Products. After the initial Maintenance period, Maintenance for the Covered Products will automatically renew for successive one year Maintenance periods so long as Contractor makes that Maintenance available to its customers, unless the State or the Contractor notifies the other Party of non-renewal at least three months before the renewal date.

1.200 Roles and Responsibilities**1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

Location of Work - The work to be performed, completed, and managed may take place remotely and is not required to be performed at a State location.

Hours of Operation - Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday. The State is not obligated to provide State management of assigned work outside of normal State working hours. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay or State non-paid weekdays. No overtime will be authorized or paid; however, the State reserves the right to modify the work hours in the best interest of the Contract.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The State project team will consist of Executive Sponsors, business and technical Subject Matter Experts (SME's), and DTMB and CSC project managers:

Executive Sponsors

The Executive Sponsors 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 Sponsors will be empowered to:

- Provide vision and direction
- Review project plan, status, and issues
- Approve deviations from project plans
- Provide project acceptance and approval
- Approve change control procedures
- Resolve issues related to availability of resources
- Resolve escalated issues
- Make key implementation decisions, as identified by the project manager, within 48-hours of their expected decision date.

Name	Agency/Division	Title
Mike Moody	State Budget Office/ Office of Financial Management	Director
Scott Thompson	Department of Technology, Management & Budget	Information Officer supporting MDOT, DTMB, CS, and SBO
Jan Winters	Civil Service Commission	Deputy Director

Project Management - (DTMB and CSC)

DTMB and CSC will provide Project Managers.

The DTMB and CSC Project Managers will provide the following services:

- Provide State facilities, as needed
- Coordinate the resources necessary for the project
- Facilitate coordination between various external contractors
- Facilitate communication between different State departments/divisions
- Provide acceptance and approval of deliverable/milestone
- Review and approve timesheets and invoices
- Resolve project issues
- Resolve deviations from project plan
- Escalate outstanding/high priority issues
- Utilize change control methodology
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions

Name	Agency/Division	Title
Lisa Evani	DTMB	Project Manager
Suzanne Olivier *	Civil Service Commission	Project Manager
* Note: Suzanne Olivier is the primary point of contact for this contract.		

Business and Technical Subject Matter Experts



The SMEs or Managers will be empowered to:

- Report issues to the Contractor
- Resolve project issues in a timely manner
- Review and approve project plan, status, and issues
- Provide Stage Exit acceptance and approval
- Utilize change control methodology
- Ensure timely availability of State resources
- Recommend alternatives and conduct business impact assessments
- Identify Risks
- Make key implementation decisions, as identified by the project manager, within 48-hours of their expected decision date.

The Contract Administrator supporting the management of the Contract.

Name	Agency/Division	Title
Mark Lawrence	DTMB /Purchasing Operations	Contract Administrator

1.300 Project Plan – Deleted NA

1.400 Project Management – Deleted NA

1.500 Acceptance – Deleted NA

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

Method of Payment - Maintenance payment is due 30 days prior to the beginning of the Maintenance period. Attachment 3 – Pricing Tables must be used when submitting pricing information.

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

Invoicing - Contractor will submit properly itemized invoices to “Bill To” Address on Purchase Order. Incorrect or incomplete invoices will be returned to Contractor for correction and reissue. Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of any commodities/hardware, including quantity ordered;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item, or Contractor’s list price for each item and applicable discounts;
- Maintenance charges;
- Net invoice price for each Covered Product module;
- Worksheet showing daily hours charged by Senior Support Specialist, when applicable;
- Shipping costs;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discounts.



Article 2 - Terms and Conditions for Maintenance

2.000 Contract Structure and Term

2.001 CONTRACT TERM

This Contract is for a period of 4 years beginning October 1, 2010 through September 30, 2014. 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 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 Purchasing Operations. 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 Maintenance 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 Maintenance 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 Maintenance/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Maintenance/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, Purchasing Operations and Civil Service Commission (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Buyer for this Contract is:

Dale N. Reif
 Purchasing Operations
 Department of Technology, Management and Budget
 Mason Bldg, 2nd Floor
 PO Box 30026
 Lansing, MI 48909
 Email: Reifd@michigan.gov
 Phone: (517) 373-3993

2.022 CONTRACT ADMINISTRATOR

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

Mark Lawrence
 Purchasing Operations
 Department of Technology, Management and Budget
 Mason Bldg, 2nd Floor



PO Box 30026
 Lansing, MI 48909
 Email: LawrenceM1@michigan.gov
 Phone: (517) 241-1640

2.023 PROJECT MANAGER

The following individuals will oversee the project:

Lisa Evani, Client Service Director
 Department of Technology, Management & Budget
 111 S. Capitol Ave – 9th Floor
 Lansing, Michigan 48909
 Email: EvaniL@michigan.gov
 Phone: (517) 373-1840
 Fax: (517) 335-6940

Suzanne M. Olivier, Director
 Office of Business Applications Support
 Civil Service Commission
 400 South Pine Street – 3rd Floor
 Lansing, Michigan 48913
 Email: OlivierS@michigan.gov
 Phone: (517) 373-3083
 Fax: (517) 241-8813

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 Maintenance. 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 Maintenance, 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 Maintenance 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 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 Maintenance 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 Maintenance, the Contractor shall notify the State in writing that it considers the Maintenance to be an Additional Maintenance 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 Maintenance. If the Contractor does so notify the State, then such a Service or Maintenance 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 Maintenance 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 Maintenance or make changes to the Maintenance 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 additional Maintenance 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 Additional Maintenance. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Maintenance. 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 Maintenance 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, Purchasing Operations.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 NOTICES

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

State:

State of Michigan
 Purchasing Operations
 Attention: Dale N. Reif
 PO Box 30026
 530 West Allegan
 Lansing, Michigan 48909

Contractor:

Lawson Software Inc.
 380 St Peter St.
 St. Paul, MN 55102

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 within a reasonable period of time 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.

In the event that the State refuses to consent to any proposed assignment, the State will terminate the agreement in accordance with the termination provisions in this agreement.

2.030 General Provisions

2.031 MEDIA RELEASES

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

2.032 CONTRACT DISTRIBUTION

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

2.033 PERMITS

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Maintenance. 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.

Notwithstanding the foregoing, the State agrees to be bound to the support policies and procedures contained in the Support Operations Handbook, which may change annually at the beginning of each Maintenance Period. Contractor's Maintenance Business Manager will endeavor to provide the State with a hard copy of the Support Operations Handbook at the beginning of each Maintenance Period, but it is also available upon request or on the Contractor's website. During the Maintenance Period, Contractor will not materially degrade its Maintenance practices. In the event that changes to the Support Operations Handbook materially adversely affect the State, the State may elect to terminate Maintenance and receive a pro-rata refund of any pre-paid Maintenance fees. The Support Operations Handbook will not contain any terms that affect the pricing, licensing mechanisms, or Maintenance fees for the products supported by this Agreement.

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 MAINTENANCE

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 Maintenance, 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 MAINTENANCE

If the scope of the Maintenance 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 MAINTENANCE COVERED

The State shall not be obligated to pay any amounts in addition to the charges specified in this Contract for all Maintenance 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 Maintenance to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice shall show details as to charges by Maintenance component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. 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 30 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) 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 Purchasing Operations, Department of Management & Budget. This activity shall occur only upon the specific written direction from Purchasing Operations.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) 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 Maintenance that are to be paid for on a monthly basis, the cost of such Maintenance 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 Maintenance 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.

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 – DELETED NA

2.062 CONTRACTOR KEY PERSONNEL – DELETED NA

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 Maintenance 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 Maintenance. Contractor shall have overall responsibility for managing and successfully performing and completing the Maintenance, 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 Maintenance directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Maintenance, the Contractor shall act as a single point of contact coordinating these entities to meet the State's need for Maintenance. 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 Maintenance. 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 Maintenance.



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, Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State 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 Maintenance, Contractor shall require the Subcontractor, to the extent of the Maintenance 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 Maintenance 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 Maintenance 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 Maintenance. 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 Maintenance, for any purpose other than providing the Maintenance 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 REQUIREMENTS – DELETED NA

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 or is other non-public information that derives potential economic value from not being generally known. "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 or new features or functionality suggested by Customer for the Covered Products or Deliverables.

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 Maintenance is being performed. 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, or any information that is attorney/client privileged or attorney work product. 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 Maintenance, 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, which will not exceed the overpayment of the State to Lawson as described in this section.

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) Maintenance Warranty. Subject to the level of Maintenance purchased, Lawson warrants that Maintenance will include: (a) help desk support, (b) corrections to allow the unmodified Lawson-Maintained Products (when properly installed and configured) to operate materially and substantially as described in the Documentation for those Products (by providing a program patch, update, new Release, or instruction for avoiding the error, as determined by Lawson) and (c) updates and new Releases of the same Lawson-Maintained Products when generally made available by Lawson for installation and use by Customer. New Products require a separate Order Form and are not provided as a new Release or as part of Maintenance for other Products. **THE WARRANTIES IN THE AGREEMENT ARE MADE SO-LELY BY LAWSON AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
- (c) The Contract Appendices, Attachments and Exhibits identify the Maintenance standards to operate in compliance with the Contract's requirements and other standards of performance.
- (d) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (e) It is qualified and registered to transact business in all locations where required.
- (f) 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.
- (g) 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.
- (h) 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.



- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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, Purchasing Operations.

2.122 WARRANTY OF MERCHANTABILITY – DELETED NA

2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE – DELETED NA

2.124 WARRANTY OF TITLE – DELETED NA

2.125 EQUIPMENT WARRANTY – DELETED NA

2.126 EQUIPMENT TO BE NEW – DELETED NA

2.127 PROHIBITED PRODUCTS – DELETED NA

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.

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

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 MDTMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies 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 Purchasing Operations, 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 reasonable time period (not less



than 60 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 Maintenance required by this Contract from other sources, provided that the State Must procure the terminated Maintenance from a company authorized and certified to provide such Maintenance. 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 Maintenance provided under this Contract.
- (c) If applicable, if the State chooses to partially terminate this Contract for cause, charges payable under this Contract shall be equitably adjusted to reflect the Maintenance that is terminated and the State must pay for all Maintenance provided up to the termination date. Maintenance 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 Maintenance specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make the Maintenance no longer practical or feasible, (c) unacceptable prices for Additional Maintenance 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 the Maintenance that is terminated. Maintenance 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 Maintenance 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 Maintenance 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, or reduces the level of Maintenance 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 Maintenance or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Maintenance performed 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 property 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, 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 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 Maintenance 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. 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 Maintenance not actually performed for the State.

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 Maintenance, 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 services, 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 45 days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

2.172 CONTRACTOR PERSONNEL TRANSITION – DELETED NA



2.173 CONTRACTOR INFORMATION TRANSITION – DELETED NA

2.174 CONTRACTOR SOFTWARE TRANSITION

The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to obtain Maintenance under this Contract. This must include any documentation being used by the Contractor to perform the Maintenance 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.

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 Purchasing Operations, DMB, 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 Purchasing Operations, DMB, 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, so long as the State timely pays all undisputed amounts) 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 Maintenance 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 Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the Contract. Contractor shall also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, 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 Maintenance.

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 or damages for loss of revenue or data. 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 aggregate liability for damages to the State shall not exceed two times the annual 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 court of competent jurisdiction's finding 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, finding 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 Maintenance 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 Maintenance which is similar in nature to the conduct alleged in the Proceeding.
- (c) Within 30 days of Contractor becoming aware that a change in its ownership has occurred, Contractor must notify MDTMB Purchasing Operations.

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 will disclose the location of its call or contact center services to inbound callers upon request. 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, 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.

2.240 Performance

2.241 TIME OF PERFORMANCE

- (a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Maintenance 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 Maintenance 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) – DELETED NA

2.243 LIQUIDATED DAMAGES – DELETED NA

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 Maintenance 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 Maintenance from an alternate source, and the State is not be liable for payment for the unperformed Maintenance 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 Maintenance 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 Maintenance 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 Maintenance 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 – Deleted NA

2.260 Ownership

2.261 OWNERSHIP OF WORK PRODUCT BY STATE – DELETED NA

2.262 VESTING OF RIGHTS – DELETED NA

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 Maintenance, 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 Maintenance 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 State-specific data provided by the Contractor for its internal purposes. 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 Maintenance 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.

2.264 OWNERSHIP OF MATERIALS – DELETED NA

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/documents/PCAcceptableUsePolicy1460_1_72034_7.pdf. 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 – Deleted NA

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

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 – Deleted NA

2.310 Software Warranties – Deleted NA

2.320 Software Licensing – Deleted NA

2.330 Source Code Escrow – Deleted NA



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.

"Documentation" means all help screens or other electronic or printed material describing the operation of the Software and made available by Lawson or a Third Party Supplier. Documentation excludes all marketing materials, proposals, demonstrations and other promotional information.

"Initial Maintenance Period" means the initial period of Maintenance specified in an applicable Order Form.

"Intellectual Property Rights" means all copyrights, patent rights, confidentiality rights, trade secret rights and trademark rights.

"Lawson-Maintained Products" means the unmodified Products denoted "LMP" in an Order Form while eligible for Maintenance.

"Lawson Product" means each Product described in an Order Form, excluding Third Party Products.

"Maintenance" means the level of maintenance and support services described in an Order Form and in the Support Operations Handbook, and purchased by Customer for the Lawson Maintained Products listed in that Order Form.

"Maintenance Period" means: (a) the Initial Maintenance Period or (b) any renewal period of Maintenance under the applicable Order Form.

"Third Party Product" means each Product designated as a "Third Party Product" (or with a similar designation) in a POF.

Maintenance and Renewal Terms

4.1 During the Maintenance Period, Lawson (a) will directly or indirectly provide Customer Maintenance for the Lawson-Maintained Products pursuant to the Support Operations Handbook and (b) will not materially degrade its Maintenance practices. New Products require a separate Order Form and are not provided as a new Release or as part of Maintenance for other Products.

4.2 Customer may elect to purchase from the applicable Third Party Supplier available support for Third Party Products specified in an Order Form or Support Operations Handbook as not maintained by Lawson. Customer is responsible for licensing and paying for additional third party products that may be required for use of upgrades, enhancements or new Releases of the Lawson-Maintained Products.

4.3 Unless otherwise described in an applicable Order Form, Lawson does not maintain or support Service Deliverables or Products modified outside of Maintenance provided by Law-son.

4.4 Before each renewal date of the Maintenance Period, Lawson will provide Customer an invoice for the Maintenance fees for the Lawson-Maintained Products for that renewal period.

4.5 After the Initial Maintenance Period (unless otherwise stated in an Order Form), Maintenance for the Lawson-Maintained Products will automatically renew for successive one year Maintenance Periods so long as Lawson makes that Maintenance available to its customers, unless Customer or Lawson notifies the other Party of non-renewal at least three months before the renewal date.

4.6 Lawson may consolidate the annual renewal dates for Maintenance Periods under one or more Order Forms.



Table 1 – Annual Maintenance Costs

	Year 1 Nov. 2010	Year 2 Nov 2011	Year 3 Nov 2012	Year 4 Nov 2013
Estimated Annual Maintenance Cost by Module	-	-	-	-
1. Accounts Receivable (AR)	\$6,485.63	\$6,809.91	\$7,150.41	\$7,507.93
2. Billing Module (BL)	\$4,163.43	\$4,371.60	\$4,590.18	\$4,819.69
3. Crystal Reports XI (CRR)	\$803.03	\$843.18	\$885.34	\$929.61
4. Environment Case (ECA)	\$7,458.24	\$7,831.16	\$8,222.71	\$8,633.85
5. Human Resource Process Suite (HPS)	\$288,631.90	\$303,063.49	\$318,216.67	\$334,127.50
6. Learning Accelerator Developer (LAD)	\$6,006.57	\$6,306.90	\$6,622.24	\$6,953.35
7. Learning Accelerator End User (LAEU)	\$395.20	\$414.96	\$435.71	\$457.49
8. Lawson Business Intelligence (LBI)	\$59,089.21	\$62,043.67	\$65,145.86	\$68,403.15
9. Absence Management (LP)	\$10,901.52	\$11,446.60	\$12,018.93	\$12,619.87
10. Lawson System Foundation (LSF) and associated third-party products included under that licensure	\$12,391.52	\$13,011.10	\$13,661.65	\$14,344.74
11. Microsoft Office Add Ins (MOA)	\$2,168.57	\$2,276.99	\$2,390.84	\$2,510.39
12. Micro Focus Server Express (MSC)	\$1,268.10	\$1,331.50	\$1,398.08	\$1,467.98
13. Micro Focus Server Express App Runtime (MSX)	\$12,363.93	\$12,982.12	\$13,631.23	\$14,312.79
14. ProcessFlow Integration (PFI)	\$22,385.35	\$23,504.62	\$24,679.85	\$25,913.84
15. Employee and Manager Service Center (SHR)	\$393,184.34	\$412,843.56	\$433,485.74	\$455,160.03
16. Design Studio (XMLT)	\$7,636.69	\$8,018.53	\$8,419.45	\$8,840.43
Discount (on Lawson products)	\$-244,467.48	\$-256,690.85	\$-269,525.40	\$-283,001.67
Total Estimated Annual Maintenance Cost	\$ 590,865.74	\$620,409.03	\$651,429.48	\$684,000.95



Optional Annual Maintenance with Silver Support

Annual Maintenance Cost by Module	Year 1 Nov. 2010	Year 2 Nov 2011	Year 3 Nov 2012	Year 4 Nov 2013	Totals
1. Accounts Receivable (AR)	\$6,485.63	\$6,809.91	\$7,150.41	\$7,507.93	\$32,145.96
2. Billing Module (BL)	\$4,163.43	\$4,371.60	\$4,590.18	\$4,819.69	\$1,7944.90
3. Crystal Reports XI (CRR)	\$803.03	\$843.18	\$885.34	\$929.61	\$3,461.16
4. Environment Case (ECA)	\$7,458.24	\$7,831.16	\$8,222.71	\$8,633.85	\$32,145.96
5. Human Resource Process Suite (HPS)	\$288,631.90	\$303,063.49	\$318,216.67	\$334,127.50	\$1,244,039.56
6. Learning Accelerator Developer (LAD)	\$6,006.57	\$6,306.90	\$6,622.24	\$6,953.35	\$25,889.06
7. Learning Accelerator End User (LAEU)	\$395.20	\$414.96	\$435.71	\$457.49	\$1,703.36
8. Lawson Business Intelligence (LBI)	\$59,089.21	\$62,043.67	\$65,145.86	\$68,403.15	\$254,681.89
9. Absence Management (LP)	\$10,901.52	\$11,446.60	\$12,018.93	\$12,619.87	\$46,986.92
10. Lawson System Foundation (LSF) and associated third-party products included under that licensure	\$12,391.52	\$13,011.10	\$13,661.65	\$14,344.74	\$53,409.01
11. Microsoft Office Add Ins (MOA)	\$2,168.57	\$2,276.99	\$2,390.84	\$2,510.39	\$9,346.79
12. Micro Focus Server Express (MSC)	\$1,268.10	\$1,331.50	\$1,398.08	\$1,467.98	\$5,465.66
13. Micro Focus Server Express App Runtime (MSX)	\$12,363.93	\$12,982.12	\$13,631.23	\$14,312.79	\$53,290.07
14. ProcessFlow Integration (PFI)	\$22,385.35	\$23,504.62	\$24,679.85	\$25,913.84	\$96,483.66
15. Employee and Manager Service Center (SHR)	\$393,184.34	\$412,843.56	\$433,485.74	\$455,160.03	\$1,694,673.67
16. Design Studio (XMLT)	\$7,636.69	\$8,018.53	\$8,419.45	\$8,840.43	\$32,915.10
17. Silver Support	\$56,000.00	\$58,800.00	\$61,740.00	\$64,827.00	\$241,367.00
Discount	\$-244,467.48	\$-256,690.85	\$-269,525.40	\$-283,001.67	\$-1,053,685.40
Total Annual Maintenance Cost	\$646,865.75	\$679,209.04	\$706,019.08	\$741,320.04	\$2,773,413.91

Lawson Silver Maintenance (recommended support level for State of MI)

Silver Maintenance includes all the features and benefits of Bronze Maintenance plus a LGS account manager and other enhancements. Silver Maintenance includes the following additional support services:



- **Lawson Global Support account manager** – Provides a single point of contact within LGS. The Support Account Manager interfaces with key stakeholders at both the customer sites and at Lawson to ensure that support cases are resolved to the customer's satisfaction. These additional services are facilitated through the Support Account Manager:
 - **Access to senior-level engineers and development resources** – When appropriate, and as determined by the Support Account Manager, and in discussions with customer, Lawson will provide access to senior support engineer resources to address agreed-upon issues.
 - **Support liaison** – Your account manager will communicate with the escalations team and the development team and third parties on support related cases.
 - **Scorecard activity reports** – Customers will receive a report each month detailing the number of support calls entered, who placed the support call, and a summary of the cases that are open and closed.
 - **Update planning assistance** – Lawson will partner with customers to assist with planning for their service pack installations. Our Goal is to enhance the end user experience and avoid any unnecessary downtime. To accomplish this, the Support Account Manager will communicate key information to the customer for review and consideration during the planning phase. It is the customer's responsibility to notify the Support Account Manager prior to planning so the information can be provided in a timely manner.
- **Priority Case and Support Level Queuing** – Cases received will be prioritized by both case severity and support level.
- **Lawson Global Support Hot Topics** – Access to six sessions per year.
- **Silver Maintenance CUE experience** – Invitation to exclusive events hosted at CUE for Silver Maintenance customers.