



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 10
to
Contract Number 071B4300022

CONTRACTOR	KUNZ LEIGH & ASSOCIATES INC
	28081 Southfield Road
	Lathrup village, MI 48076
	John Leigh
	517-202-4625
	j.leigh@kunzleigh.com
	*****1652

STATE	Program Manager	Susan Nordyke	DTMB
		517-373-9784	
		nordykes@michigan.gov	
	Contract Administrator	Terry Mead	DTMB
		(517) 284-7035	
		meadt@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Enterprise Support Services MIRS rPS ARS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
January 1, 2014	December 31, 2019	3 - 1 Year	December 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
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				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,766,288.37		\$13,450.00	\$5,779,738.37	

DESCRIPTION: Effective September 26, 2016, this Contract is hereby increased by \$13,450.00 to provide Request Management System (RMS) enhancements and upgrades that will increase Out-of-State Resident Services (OSRS) efficiency by adding additional functionality. See attached Statement of Work dated September 22, 2016. All other terms, conditions, specifications and pricing remain the same. Per (DTMB) contractor and agency agreement, and DTMB Procurement approval.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK**

Project Title: SSS RMS Enhancements	Period of Coverage: 09/26/2016 – 09/30/2017
Requesting Department: MDOS	Date: 9/22/2016
Agency Project Manager: Lona Angel	Phone: 517-636-4422
DTMB Contract Administrator:	Phone:

Brief Description of Services to be provided:

BACKGROUND:

SSS RMS is in need of enhancements to the current system used. There are three enhancements needed and they are described below in the scope of work.

PROJECT OBJECTIVE:

The approach used for a project is an important part of a project's success. Of course, a project will have a better opportunity of success if it has the required funding, skilled resources, executive support, limited impediments, and limited constraints. However, a project can have all of the right ingredients, but still fail, if the project does not have a clear project approach.

MDOS has requested services for Kunz, Leigh and Associates to perform development for enhancements.

Over the 8-week schedule, the enhancements will be developed, tested internally and then finally tested by the user (User Acceptance Testing) before proceeding to production.

The State of Michigan has addressed the need for a clear project approach by providing projects with a framework, the State Unified Information Technology Environment (SUITE), which provides documented methodologies for project management and systems engineering.

“The overall purpose of SUITE is to bring the Department of Technology, Management & Budget (DTMB) systems development areas up to CMMI Level 3, which ensures consistent process usage throughout the organization. This includes using the same Project Management Methodology (PMM), Systems Engineering Methodology (SEM), Process Management, and Supporting Processes across all systems development areas within DTMB. The overall goal of SUITE is to integrate Project Management, Systems Engineering, Process Management, and Supporting Processes into a single unified environment.”

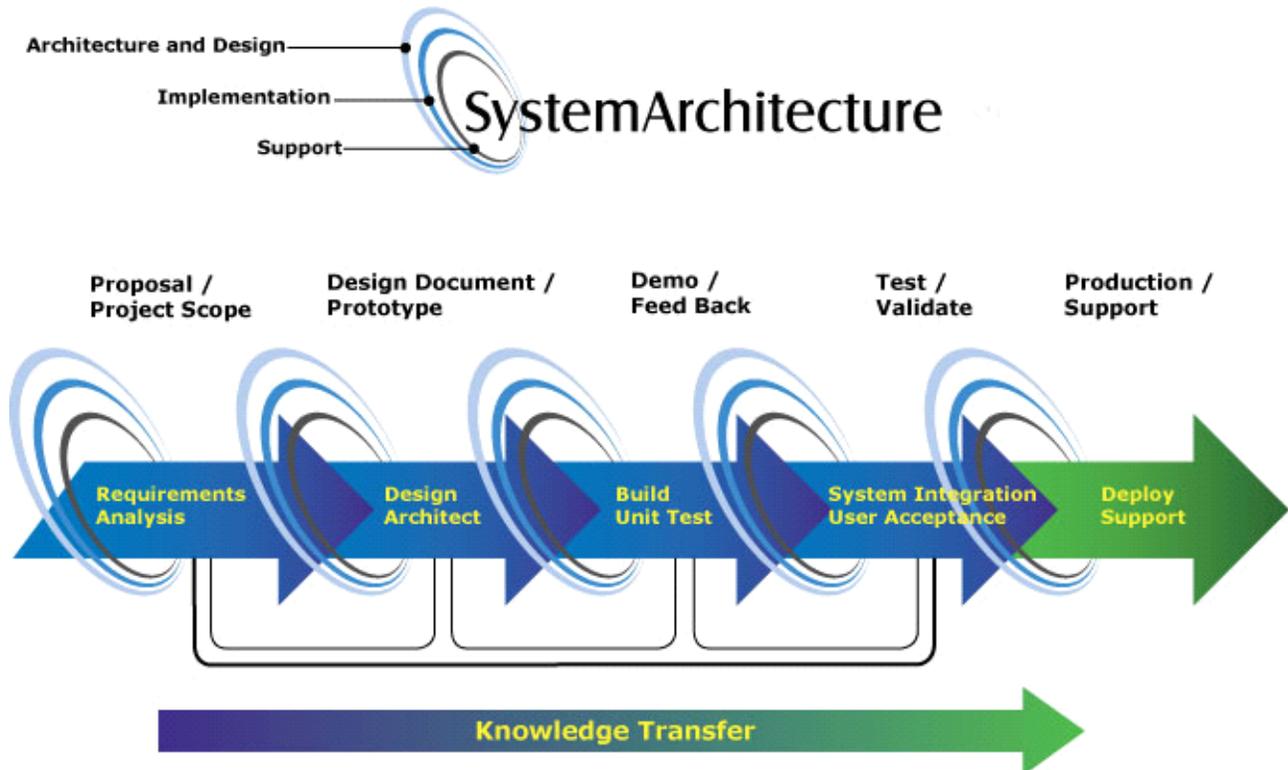
The SSS RMS enhancement project will adhere to SUITE, producing the required documentation with the PMM

and SEM document templates.

The project will integrate the SUITE requirements into the system development life cycle (SDLC) by following the SUITE PMM/SEM Integration for Agile, with the Scrum Framework as the Agile derivative.

The following illustration depicts a typical Scrum iteration, showing how each Sprint encompasses all SDLC phases, beginning with requirement analysis through testing to product deployment.

Figure 1. Scrum Development Process



DTMB will provide the necessary hardware for a development environment, a staging/testing environment, and a production environment. KL&A will work with DTMB to get these environments implemented.

The high-level requirements for this project have already been identified. These requirements will be entered into the "product backlog" in Team Foundation Server. The State will have access to this "product backlog" as needed. Functional and system design will occur at the beginning of the development cycle. Design information will be documented in SEM-0501 and SEM-0604.

The function(s) developed will be deployed to the staging/testing environment, where they will be fully tested with functional testing, system integration testing (SIT), and user acceptance testing (UAT) that occurs at the end of the Sprint. The Business Analyst will write test cases for each requirement and bundle the test cases into a test plan for the release. Each test plan will contain a phase for SIT and a phase for UAT. The Business Analyst will execute and track SIT test outcomes and will ensure that the KL&A Developers repair any defects. After the SIT phase is complete, the KL&A Project Manager will facilitate UAT with identified MDOS personnel, who will also track test outcomes. Tracking test outcomes is as simple as executing the steps identified in the test case and marking each step as passed or failed. The KL&A Project Manager will ensure that any defects found during UAT are repaired to the satisfaction of MDOS.

When all features defined in the project scope have passed user acceptance testing, KL&A will work with DTMB to deploy the final release version to the production environment. MDOS will provide written acceptance and remit payment.

SCOPE OF WORK:

The proposed solution involves the following:

Restrict Requests Being Backdated

- The system and users need validation in which they cannot backdate to a reconciliation that has already been completed.

Ability to backdate Suspended On

- In some cases, a suspended request needs to have its date changed and backdated. Currently, the system does not allow this and will with this enhancement.

Show Warning if Suspending a Request When Completed

- Currently, when suspending a request that is completed the user does not have any way of knowing that the request is complete and allows the user to suspend it. New functionality will be developed to alert the user when this happens.

If the above scope negatively affects SSS RMS, remediation changes will be made as part of KL&A maintenance support contract at no cost to MDOS. Negative can be defined as anything that doesn't work as planned, any error that has a significant and unwanted impact on the function, reliability or output of the system.

The scope of work necessary to achieve this solution includes:

Working with DTMB to ensure the appropriate changes are implemented.

Creating SUITE PMM and SEM documentation, listed in "Deliverables"

Creating enhancements stated above

Working with DTMB and MDOS personnel

TASKS:

Technical support is required to assist with the following tasks:

- When all features defined in the project scope have passed user acceptance testing, KL&A will provide DTMB an implementation plan that includes all necessary scripts that DTMB can deploy to the final release version to the production environment.

Table 1. Project Assumptions

Project Assumptions
• This project will be developed with the Scrum (Agile) methodology, delivering

functionality through a series of releases; each release will provide a project milestone.
<ul style="list-style-type: none"> The project start date will begin upon receipt of the purchase order.
<ul style="list-style-type: none"> The project contains dependencies on DTMB for hardware that can impact the completion date of the project.
<ul style="list-style-type: none"> KL&A observes the following non-working holidays, Election day (November 8), Veterans day (November 11), Thanksgiving days (November 26 and 27)
<ul style="list-style-type: none"> All other non-weekend calendar days, and non-State holidays, are treated as work days, with the assumption that both KL&A and MDOS stakeholders are available to complete project-related tasks.
<ul style="list-style-type: none"> This proposal is a fixed-price bid. Change requests approved by MDOS or DTMB will affect the price and schedule as defined within the request of change (RFC).
<ul style="list-style-type: none"> KL&A will provide test cases and test plans for user acceptance testing (UAT) prior to each release and will facilitate UAT.
<ul style="list-style-type: none"> UAT will be concluded within 5 business days of each Sprint release.
<ul style="list-style-type: none"> Any failures reported during UAT that KL&A and MDOS deem outside the scope of this project will be handled through a "change request" process, in which KL&A will submit the request for change (RFC) to DTMB.
<ul style="list-style-type: none"> DTMB will be responsible for evaluating and approving or declining any RFC initiated by KL&A or the MDOS, and the project schedule, pricing, and payment schedule will be updated accordingly.
<ul style="list-style-type: none"> DTMB will be responsible for executing the scripts identified within the implementation plan for deploying the releases to production. KL&A will initiate the release process via an RFC.
<ul style="list-style-type: none"> DTMB will be responsible for deploying releases to the Test server.
<ul style="list-style-type: none"> KL&A will deliver source code with each release deployment.

Table 2. Roles and Responsibilities

Role	Responsibility
KL&A Project Manager	<ul style="list-style-type: none"> Facilitate meetings Maintain project schedule Communicate with MDOS and DTMB Complete PMM deliverables Ensure all SEM deliverables are completed Manage development team
KL&A Developer	<ul style="list-style-type: none"> Develop the application Unit testing Code reviews

PROJECT SCHEDULE AND ESTIMATED RESOURCES:

Contractor's preliminary, high-level Project Schedule for this Project is estimated as follows:

Task	Contractor's Resource Title	Approximate Hours	Anticipated Start Date (Month/Year)
1. Business Requirements	Dev/PM	--	10/10/2016
2. Gathering/JAD Sessions			
JAD Session	Dev/PM	4	10/10/2016
Requirements Gathering	Dev/PM	5	10/11/2016
3. Documentation	PM	--	10/10/2016
Update Functional Design Document	PM	3	10/12/2016
Update System Design Document	PM	3	10/12/2016
Create Test Cases	PM	7	10/13/2016
4. System Development	Dev/PM	--	10/14/2016
Restrict Requests Being Backdated	Dev/PM	40	10/14/2016
Ability to Backdate Suspended On	Dev/PM	24	10/21/2016
Show Warning if Suspending a Request When Completed	Dev/PM	16	10/26/2016
5. User Acceptance Testing	Dev/PM	--	11/9/2016
User Testing	Dev/PM	5	11/9/2016
User Testing Fixes	Dev/PM	--	Unknown
User Testing	Dev/PM	5	11/11/2016
UAT Business Owner Write-Off	Dev/PM	2	11/11/2016
6. Production	PM	--	11/14/2016

Implementation			
Implementation Plan Review	PM	5	11/14/2016
7. Production Go-Live	Dev/PM	--	11/11/2016
Complete RFC Document	PM	4	11/11/2016
Submit RFC Document	PM	1	11/14/2016
Implementation	PM	3	12/5/2016
Verification Testing	Dev/PM	2	12/5/2016
Go-Live Business Owner Write-Off	PM	1	12/5/2016
8. Project Completion	All	130	12/5/2016

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include:

<ul style="list-style-type: none"> • Updated SEM-0501 Functional Design Document
<ul style="list-style-type: none"> • SEM-0606 Test Cases
<ul style="list-style-type: none"> • Application Code
<ul style="list-style-type: none"> • New and Enhanced System Functionality (Releases)
<ul style="list-style-type: none"> • Project Schedule

ACCEPTANCE CRITERIA:

The agencies responsible for providing acceptance of the web services developed for MDOS will indicate acceptance of the application through a written acceptance and sign-off of the following project deliverables based on the stage exits identified within the Systems Engineering Methodology (SEM).

- Requirements
- Design
- User Testing
- Implementation

PROJECT CONTROL AND REPORTS:

A weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of

this project. This report may be submitted with the billing invoice. Each weekly progress report must contain the following:

- **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
- **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
- **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.
- **Next Steps:** Identify what will be completed in the next two week reporting cycle
- Weekly Status Progress Report
- Identify Issues

LIQUIDATED DAMAGES:

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under Section 2.152 in contract #071B430022, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel

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

For the Unauthorized Removal of any Key Personnel designated in the Contract or any Statement of Work issued under it, the liquidated damages amount is \$25,000.00 per individual if the Contractor identifies a replacement approved by the State under Section 2.060 in contract #071B430022 assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

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

that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed \$50,000.00 per individual.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, in addition to DTMB standards

PAYMENT SCHEDULE:

Project work will begin upon receiving the purchase order and will be completed within eight weeks. Any RFCs that impact scope may result in a longer duration.

Payment will be made on a satisfactory final acceptance at conclusion of the contract basis. DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Contracts area will coordinate obtaining Agency Project Manager and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager and DTMB Project Manager prior to payment. The invoices shall describe and document to the State’s satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

The KL&A payment address is:

Kunz, Leigh & Associates
P.O. Box 760187
28081 Southfield Road
Lathrup Village, MI 48076-0187

COST/RATE:

This is a fixed-price proposal for \$13,450.

Table: Cost Breakdown

Functional Task	Hours	Rate	Total
Restrict Requests Being Backdated	40	\$90	\$3,600.00
Ability to Backdate Suspended On	24	\$90	\$2,160.00
Show Warning if Suspending a Request When Completed	16	\$90	\$1,440.00
UAT, Documentation	20	\$125	\$2,500.00
Project Management	30	\$125	\$3,750.00
Totals	130		\$13,450.00

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Lona Angel
Michigan Department of State
Secondary Complex, SOS Building
7064 Crowner Drive
Lansing, MI 48918
517-636-4422
angelL@michigan.gov

The designated DTMB Project Manager is:

Dan Klodt
Michigan Department of Technology, Management and Budget
517-636-0234
Email: klodtd@michigan.gov

The DTMB Contract Administrator for this project is:

Terry Mead
Michigan Department of Technology, Management and Budget
DTMB Procurement
525 W. Allegan Street
Lansing, MI 48933
517-284-7035
Email: meadt@michigan.gov

AGENCY RESPONSIBILITIES:

Meet with vendor to describe needs and requirements of the project and review progress, will verify user acceptance testing, acceptance of completed tasks/deliverables.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at Secondary Complex, SOS Building, 7064 Crowner Drive, Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 9
to
Contract Number 071B4300022

CONTRACTOR	KUNZ LEIGH & ASSOCIATES INC
	28081 Southfield Road
	Lathrup village, MI 48076
	John Leigh
	517-202-4625
	j.leigh@kunzleigh.com
	*****1652

STATE	Program Manager	Susan Nordyke	DTMB
		517-373-9784	
		nordykes@michigan.gov	
	Contract Administrator	Terry Mead	DTMB
		(517) 284-7035	
		meadt@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Enterprise Support Services MIRS rPS ARS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
January 1, 2014	December 31, 2019	3 - 1 Year	December 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
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				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,687,033.37		\$79,255.00	\$5,766,288.37	

DESCRIPTION: Effective September 19, 2016, this Contract is hereby increased by \$79,255.00 to provide enhancements and upgrades to the Newborn Screening Online (NBSO) application. See attached Statement of Work dated August 26,

2016. All other terms, conditions, specifications and pricing remain the same. Per (DTMB) contractor and agency agreement, and DTMB Procurement approval.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK**

Project Title: Newborn Screening Online Enhancements and Upgrades	Period of Coverage: 09/26/2016- 09/30/2017
Requesting Department: Michigan Department of Health and Human Services	Date: 8/26/2016
Agency Contract Administrator: Janice Bach	Phone: (517) 335-8497
DTMB Contract Administrator: Kimberly Koppsch-Woods	Phone: (517) 335-1653

This Attachment is made a part of Change Notice 9 to Contract No. 071B4300022 (Contract) between the State of Michigan (State or SOM) and Kunz, Leigh & Associates (KL&A or Contractor). The Parties agree as follows:

1. OVERVIEW AND DEFINITIONS

- 1.01 The recitals set forth above are incorporated into this Statement of Work (SOW).
- 1.02 All duties and obligations described herein will become part of existing Contract. All terms, conditions, and specifications contained in the existing Contract must remain in full force and effect.
- 1.03 **“Days”** means calendar day unless specifically stated otherwise in the Contract.
- 1.04 **“DTMB”** means the State of Michigan Department of Technology, Management and

Budget.

- 1.05 **“Good Faith”** means honesty in fact and the observance of reasonable commercial standards of fair dealing.
- 1.06 **“Implementation”** means activities required to install the software, databases, and/or data that comprise the product onto the hardware platform. User training is included as part of an Implementations.
- 1.07 **“Michigan Department of Community Health”, “Community Health”, and “DCH”** in this SOW and the existing Contract mean the Michigan Department of Health and Human Services. Under the recently effectuated State Executive Order No. 2015–4, the entities formerly known as the separate Michigan Department of Community Health (“MDCH” or “DCH”) and the Michigan Department of Human Services (“MDHS” or “DHS”) have Doesn't Section one department named the Michigan Department of Health and Human Services (“MDHHS” or “DHHS”).
- 1.08 **“Operational”** means system availability in the production environment.
- 1.09 **“Project Management”** means the Contractor’s obligation to facilitate communications between the State Contract Administrators, State personnel, and the Contractor personnel.
- 1.10 **“Risk”** means an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project and/or Contractor’s services and deliverables.
- 1.11 **“Subcontractor”** means any company or entity Contractor delegates performance of a portion of the services or deliverables to. Subcontractor is broadly defined to include any entity working to forward Contractor’s business. The term subcontractors does not include independent contractors engaged by Contractor solely in a staff augmentation role.
- 1.12 **“Task”** means a service and/or deliverable from the Contractor.
- 1.13 **“Testing”** includes creation and execution of a DTMB-approved Testing Plan. Testing, at a minimum, must include Unit, Integration, and UAT testing.
- 1.14 Any terms or concepts in this Work Request that are not defined in the Contract are governed by their plain meaning.
- 1.15 MDHHS requires that all infants born within the State of Michigan be administered a health screening, ideally within 24-36 hours of their birth, for rare but treatable genetic disorders. Many of the medical concerns caused by genetic disorders are detected by Newborn Screening (NBS) system. MDHHS has requested that Contractor provide enhancements to the NBS Online (NBSO) application. The NBSO system areas that require functionality enhancement include, but are not limited to:

- 1) **Fee Waiver Management.** Contractor must enhance two waiver forms: Store Fee-

Waiver and Validate Fee-Waiver. The Store Fee-Waiver allows users to run reports to view fee waiver forms. The validate Fee-Waiver form allows users to view WIC/Income requirements.

- 2) **Admin Order Management.** Admin orders provide users with the ability to manage orders by editing contents, deleting unneeded orders, and refunding orders before shipments are made to avoid returns and exchanges. This interface provides categorized information to assist users in returning and exchanging orders. In addition, this revised functionality will expedite order preparations by allowing users to email multiple addresses as needed.
- 3) **Order/Inventory Management for Navigation and Sorting.** This enhanced interface will provide additional organizational structure to allow users to sort information into categories and subcategories. This will allow users to more easily navigate lists of available items. In addition, this revised functionality will streamline inventory locations and search filtering tasks.
- 4) **User/Customer Access Management.** This enhanced interface will allow users to more easily remove customers, users, and email accounts from frontend listings.
- 5) **Screening Cards.** This enhanced interface will update import functionality streamline the NBSO card imports.
- 6) **Inventory.** This enhanced interface will provide new functionality for advanced unit of measure management for all inventory types (cards and non-cards).
- 7) **Order Notes.** Currently, users of the NBSO application do not have the functionality to add notes to orders. This is needed when users are on vacation, management of clients changes hands or in many other circumstances. Notes will be able to be viewed by SOM users and entered by all users.

1.16 As part of this project, Contractor must also provide the State with technical support to assist with application deployment (during testing and when moving to production) and database changes (by script during testing and when moving to production).

2. CONTRACTOR'S SCOPE OF RESPONSIBILITIES

2.01 **Fee Waiver Management.** Contractor must develop the Store Fee-Waiver Form data, which allows user to run reports to view fee waiver forms. The fee waiver will confirm whether individuals are eligible to have their NBS screening fee waived due to an inability to pay. Contractor's services and deliverables include:

- 1) Validation of the Fee-Waiver form during submission for Women Infant Children Program (WIC) or low income requirements.
- 2) Development to store the details of each fee-waiver form submitted.

- 3) Development to add report that lets NBSO program worker view the fee-waiver form for a specified order.
- 4) Development to add new interface to verify low income or WIC information entered on Fee-waiver form with data in CHAMPS via a one-way call to the CHAMPS web service.
- 5) Validation that will deny the fee-waiver request if they do not qualify as low income or WIC eligible.
- 6) Contractor must update or add the screens. These include, but are not limited to:
 - i. Adding the ability to store fee waiver form data.
 - ii. Adding the ability for system users to run reports for fee waiver form data.
 - iii. Updating a validation message that notifies user they have been denied based on inaccurate low income or WIC information.
- 7) Contractor must update or add Fee Waiver functionality. These include, but are not limited to:
 - i. The reporting functionality.
 - ii. Validation functionality to the Fee-waiver process for low income/WIC eligibility.

2.02 **Admin Order Management.** Contractor must update and add Admin Order Management screens, which provide users with the ability to sort orders (edit/delete contents and refund prior to shipping without return and exchange). These screens will allow the State to deleted unneeded orders. Contractor's services and deliverables include:

- 1) Contractor must provide more detailed information displays for return and exchange orders. These include, but are not limited to:
 - i. Information that connects return and exchange (R & E) orders to the original order from which they are linked to.
 - ii. Information that details return and exchange type and details return and exchange process.
- 2) During order preparation, allow user to add multiple emails to Additional email address field.
- 3) Contractor's development tasks include, but are not limited to:
 - i. Add ability for NBSO Admin user to edit the contents of an order after it has been placed.
 - ii. Add ability for NBSO Admin to delete/void an order after it has been placed, and before it is shipped.

- iii. Add ability for NBSO admin to issue a refund without shipping the item (a refund after deleting or voiding an order).
 - iv. Add ability for NBSO Admin to trace the origin of a return / exchange. Visible association between the original order and the return / refund / exchange.
 - v. Add more statuses to describe the type of return / refund / exchange completed. Add a new status type to stop statuses from being overwritten.
 - vi. Add ability for multiple emails to be added into the additional email address field.
- 4) Contractor must update and/or add Admin Order Management screens. These include the following tasks:
- i. Order details screen to add options to void order, edit order, and issue refund.
 - ii. Order details screen to display traceability and association between original orders and replacement orders/refunds.
 - iii. Order List screen to add new statuses to show an order that has been voided.
 - iv. Place Order screen to allow multiple emails in additional email field.
 - v. Reporting functionality to account for new statuses and traceability for return/exchange orders.
 - vi. Functionality on Order Details screen to add the ability to edit, issue refund prior to shipping, and void order.

2.03 Order/Inventory Management for Navigation and Sorting. Contractor must update and/or add functionality to the user lists to create categories and subcategories for easier navigation and sorting. This function will allow the State to establish the current inventory, facilitate recalls on kit numbers, and map users to NBS cards for more efficient card and kit tracking management. Contractor's services and deliverables include:

- 1) Contractor must perform development to:
- i. Add Inventory Item attributes to the "Add/Edit Inventory Item" area to allow users to specify the category/sub category of an item.
 - ii. Add the ability of the Place Order Screen to navigate through the category/subcategory options and select the item.
 - iii. Update new categories to allow for subcategory data.
- 2) Contractor must update and/or add Order/Inventory screens. These include:
- i. Add and edit the inventory item.
 - ii. The "Place Order" screen.
- 3) Contractor must update and/or add functionality. This includes:
- i. Add and update the Inventory Item functionality will be updated to add the new category/ subcategory attributes.
 - ii. Place Order screen will be updated to accommodate for the new category options.

2.04 **User/Customer Access Management.** Contractor must update and/or add the ability to remove customers, users, and addresses from frontend listings so that users can change account email addresses. This function will allow the State to perform maintenance functions. Contractor's services and deliverables include:

4) Contractor must perform development to add the following abilities:

- i. Automatically remove customers, users, and addresses that go unused for a specified amount of time from frontend listings.
- ii. Allow the State to manually archive a customer, user, and address from frontend listings.
- iii. Allow State users to update their email address.

5) Contractor must update the existing User/Customer Management screens. These include:

- i. Editing the Manage Users and Manage Customer screen to add the functionality to remove listings.
- ii. Editing the Account screen to give State users the ability to edit their email address.

2.05 **Screening Cards.** Contractor must update the import functionality to NBS Screening Card processes. This function will allow the State to import non-sequential cares in one import run. Contractor's services and deliverables include:

1) Development to add functionality for flexible card management (import).

2) Contractor must update and/or add Screening Card screens. These include, but are not limited to:

- i. Import Card screen.
- ii. Manage Cards screen (to reflect the renovated import functionality).

3) Import Card functionality will be updated to allow more flexibility for adding screening cards to inventory.

2.06 **Inventory.** Contractor must update and/or add functionality for advanced unit of measure management for all inventory types (cards and non-cards). This functionality will allow State users to better gauge current supplies of materials, including cards, brochures, and home birth kits. Contractor's services and deliverables include:

1) Contractor must perform development to add new attribute for grouping and ability to build a package or bundle for non-card items.

2) Contractor must update and/or add Inventory screens. These include, but are not limited to:

- i. Edit Inventory Item
- ii. Add Inventory Item
- iii. Manage Inventory Item

3) Contractor must update and/or add the Place Order functionality will be updated to process pricing for grouped items.

2.07 **Order Notes.** Contractor must update and/or add functionality for users to be able to enter notes based on specific orders for cards. Contractors services and deliverables include:

- 1) Contractor must perform development to allow users to enter notes and view notes entered by different users. This will be done on two different screens.
- 2) Contractor must update/change database to work properly with this new functionality.
- 3) Contractor must update two reports to show the notes that have been entered by users.

2.08 **Monthly Progress Report for Each Project.** A monthly Progress Report for each of the Projects described herein must be submitted to the DTMB and DHHS Contract Administrators throughout each Project term. Contractor must combine all Project Reports into a single document. The Report may be submitted with Contractor's billing invoice.

2.09 **Monthly Progress Report Details.** Each monthly Progress Report must contain the following information:

- 1) **Hours.** Contractor must indicate the number of hours expended by resource name during the past month with a summary of activities, hours allocated to each effort, the cumulative total of hours expended to date for the Project, and confirmation of whether the remaining hours are sufficient to complete the Project.
- 2) **Accomplishments.** Contractor must state the tasks completed during the current month's reporting period. These include, but are not limited to the following Monthly Progress Report items:
 - i. Reports on any application defects or errors
 - ii. Issue and Resolution Log Report
 - iii. Recommendations for application changes
 - iv. Change Log Reports
 - v. Defect Log Reports
 - vi. Quality Management Report
 - vii. Root Cause Analysis Report explaining the root cause of any and all errors
 - viii. Project Management Plan and Schedule

- 3) **Funds.** Contractor must state the amount of funds expended during the current reporting period, and the cumulative total to date for the Project.
 - 4) **Projected Accomplishments.** Contractor must describe the activities protected to be accomplished during the next month's reporting period.
 - 5) **Issues.** Contractor must describe any issues, risks, changes, real or perceived, and recommend resolutions.
- 2.10 Unless otherwise requested by the DTMB Contract Administrator, Contractor may name certain Reports from the above-named list as "not applicable" for a particular Project, as appropriate. Contractor must provide additional information for any named item upon the request of the DTMB Contract Administrator.
- 2.11 **Quality Control Procedures.** As part of a good faith efforts to comply with State SUITE requirements and satisfy all Contract requirements timely and accurately, Contractor will establish and maintain written Quality Control Procedures ("QC Procedures"). QC Procedures must be based on Contract requirements, including, but not limited to, the Statement of Work ("SOW"), project-level standards, benchmarks, and other protocols mutually determined between the State and Contractor. QC Procedures must incorporate the use of both automated and manual quality control tools so that the Contractor can continuously monitor the timeliness and accuracy of all billings, services, and deliverables to the State.
- 2.12 **Updates to Quality Control Procedures.** Contractor will deliver a copy of its QC Procedures to the DTMB and DHHS Contract Administrators within 30 days after this SOW becomes effective. Contractor must provide any updates or changes to QC Procedures to the DTMB and DHHS Contract Administrators no later than 30 days after the update or change is made.
- 2.13 **Quality Assurance Review of All Deliverables.** Contractor will ensure each Contract deliverable undergoes a thorough quality assurance review and approval process before its release to the State. These items include, but are not limited to, all testing, small projects process documents, billings, and correspondence. Contractor's staff must thoroughly review all deliverable and service requests from the State to ensure all requirements were completed. Contractor's Project Manager must perform a final quality control review and is ultimately responsible for the overall quality of all billings, recoupments, and deliverables.
- 2.14 **Monthly Quality Management Report.** Contractor's Quality Management Report must contain a summary of each of Contractor's quality assurance reviews during the previous month. Contractor's Monthly Quality Management Report must measure Contractor's overall quality performance levels and identify any reoccurring quality concerns. Contractor must submit its first Monthly Quality
- 2.15 **Quality Issue Tracking.** Contractor must document and track any quality issues that arise throughout the course of the Contract in the Quality Management Report. Contractor's

Project Manager must ensure that Contractor promptly resolves all quality control incidents. Contractor must also implement quality assurance procedures as needed to prevent reoccurring issues.

- 2.16 **Training for Reoccurring Quality Concerns.** Once Contractor and/or the State has identified a reoccurring quality concern that indicates a training need, Contractor must provide the necessary training to its personnel or subcontractors as soon as reasonably possible. Results from Contractor's quality reports must be used to augment staff training for Contractor's personnel

3. PROJECT SCHEDULE AND ESTIMATED RESOURCES

3.01 Contractor's preliminary, high-level Project Schedule for this Project is estimated as follows:

Task	Contractor's Resource Title	Approximate Hours	Anticipated Start Date (Month/Year)
9. Business Requirements 10. Gathering/JAD Sessions	Dev/PM/BA	--	09/26/2016
JAD Session	Dev/PM/BA	4	09/26/2016
Requirements Gathering	Dev/PM/BA	20	09/30/2016
11. Documentation	BA/PM	--	09/26/2016
Update Functional Design Document	BA/PM	5	10/4/2016
Update System Design Document	BA/PM	20	10/7/2016
Create Test Cases	BA/PM	20	09/30/2016
12. System Development	Dev/PM	--	10/3/2016
Fee Waiver	Dev/PM	55	10/3/2016
Admin Order Management	Dev/PM	190	10/11/2016
Order Inventory Management	Dev/PM	110	11/7/2016
User/Customer Management	Dev/PM	30	11/28/2016
Screening Cards	Dev/PM	55	12/5/2016
Inventory	Dev/PM	55	12/13/2016

Notes	Dev/PM	110	12/23/2016
13. User Acceptance Testing	Dev/PM/BA	--	1/10/2016
User Testing	Dev/PM/BA	10	1/10/2016
User Testing Fixes	Dev/PM/BA	--	Unknown
User Testing	Dev/PM/BA	10	1/27/2017
UAT Business Owner Write-Off	Dev/PM/BA	10	1/27/2017
14. Production Implementation	PM/BA	--	1/27/2017
Implementation Plan Review	PM/BA	30	1/27/2017
Implementation Meeting	PM/BA	8	1/31/2017
15. Production Go-Live	Dev/PM	--	1/23/2017
Complete RFC Document	PM	4	2/3/2017
Submit RFC Document	PM	1	2/10/2017
Implementation	PM	33	2/21/2017
Verification Testing	Dev/PM	15	2/10/2017
Go-Live Business Owner Write-Off	PM	1	2/14/2017
16. Project Completion	All	796	2/14/2017

4. SPECIFIC AGENCY STANDARDS

- 4.01 **IT Security Requirements.** Contractor must comply with all State Information Technology Security Policies, including but not limited to those listed within the existing Contract, herein, and on the DTMB "IT Policies, Standards, and Procedures (PSP)" webpage, currently found at http://michigan.gov/dtmb/0,4568,7-150-56355_56759_56755---,00.html.
- 4.02 If Contractor is unable to access or view any of the IT Security Requirements listed on any State website, Contractor must promptly notify the DTMB Contract Administrator, who will facilitate communications with the State Office of Cybersecurity & Infrastructure Protection. Contractor must ensure it is compliance with all State and federal policies and standards that may have security requirements or security impact on the project.

- 4.03 Contractors must lead all efforts to identify all State and federal policies and standards that may have security requirements or security impact on the Project.
- 4.04 In the event Contractor identifies a State and federal policy and/or standard that may have security requirements or security impact on this Contract's Project, Contractor must immediately notify the State.

5. TECHNICAL ASSUMPTIONS

- 5.01 This project will be developed with the Scrum (Agile) methodology, delivering functionality through a series of releases; each release will provide a project milestone.
- 5.02 Contractor will provide test cases and for user acceptance testing (UAT) prior to each release and will facilitate UAT.
- 5.03 UAT will be concluded within 5 business days of each Sprint release.
- 5.04 UAT test cases will be written and executed using Unified Functional Testing.
- 5.05 DTMB will be responsible for deploying the releases to production and the test server.
- 5.06 Contractor will use Github for source control and deliver source code with each release deployment.

6. PAYMENT SCHEDULE AND PRICING

- 6.01 Payment will be made on a firm fixed-hourly rate in accordance with the existing Contract.
- 6.02 Payment will be considered timely if made by the State within forty-five (45) days after receipt of properly completed invoices.
- 6.03 The total purchase price for Professional Services (estimated time and materials fees) for this SOW is **\$79,255.00**. This total figure is made up of the following items:

Functional Enhancement	Hours	Rate	Total
Fee Waiver	45	\$90	\$4,050.00
Admin Order Management	178	\$90	\$16,020.00
Order Inventory Management	100	\$90	\$9,000.00

User/Customer Management	22	\$90	\$1,980.00
Screening Cards	45	\$90	\$4,050.00
Inventory	45	\$90	\$4,050.00
Notes	97	\$90	\$8,730.00
BA Hours	65	\$100	\$6,500.00
PM Hours	199	\$125	\$24,875.00
Totals	796		\$79,255.00

- 6.04 All total charges are estimated. The State is under no obligation to utilize all estimated hours.
- 6.05 The State is under no obligation to utilize all of the hours estimated for onsite and remote work within this SOW and the existing Contract. This SOW does not constitute any commitment from the State to utilize additional Contractor services.
- 6.06 Any and all additional work effort or services funds not included in this Work Request must be pre-approved by the State DTMB Contract Administrator and follow the State's established Project Change Request approval processes.

7. NOTICE AND PROJECT CONTACTS

7.01 The DHHS Contract Administrator is:

Janice Bach
MDHHS-NBSO
BachJ@michigan.gov
(517) 335-8497

7.02 The DTMB Contract Administrator is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Agency Services Supporting Michigan Department of Health and Human Services
Chandler Building
300 E. Michigan Ave., Ste. 2
Lansing, MI 48933
(517) 284-7156
KoppschwoodsK@michigan.gov

8. HOURS AND LOCATION OF WHERE THE WORK IS TO BE PERFORMED

- 8.01 The work is to be performed, completed, and managed remotely unless otherwise determined by the Contractor and approved by the DTMB Contract Administrator.
- 8.02 Contractor personnel must be available, on hand, and able to complete emergency tasks.
- 8.03 The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project. Contractor(s) must observe the same standard holidays as State employees. The State does not compensate for holiday pay. Contractor(s) will not be reimbursed for travel expenses or travel time. No overtime will be permitted.
- 8.04 **Contractor's Location.** The majority of Contractor's work on this Project will occur at 2164 University Park Drive, Suite 200, Okemos, MI 44864.
- 8.05 **Contractor's Business Hours.** Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

9. GENERAL PROVISIONS

- 9.01 **Good Faith.** Pursuant to existing Contract Section 2.028, each party must act reasonably and in good faith in performing duties and obligations under the Contract.
- 9.02 **Satisfaction.** Contractor must not consider any aspect of this Project to be complete until Contractor has received a written confirmation of satisfactory work from the DTMB Contract Administrator.
- 9.03 **No Commitment for Additional Services.** This SOW does not constitute a commitment by the State to utilize any additional services. Utilization of additional services funds requires pre-approval of the DTMB Contract Administrator and must follow and established Project Change Request approval process. Hours listed above for onsite and remote by resources may be adjusted by written approval of the State DTMB Contract Administrator.

- 9.04 **Compliance with State and Federal Law, Administrative Regulations, Guidelines, and Recommendations.** Contractor must ensure the system complies with all Federal and State law, administrative regulations, guidelines, and recommended policies. These include, but are not limited to, items released from the Centers for Medicare and Medicaid Services (CMS), Internal Revenue Service (IRS), the National Institute of Standards and Technology (NIST), U.S. Office of Management and Budget (OMB), National Institutes of Health (NIH), and the Office for Civil Rights (“OCR”).
- 9.05 **Web or Hyperlinks.** In the event Organization is unable to access or view any of the web links (also known as hyperlinks) contained within this Agreement, Organization must promptly notify the DTMB Contract Administrator. An inaccessible or non-working web link will not excuse the Organization of its duties and obligations under this Agreement. Organization is responsible for ensuring its personnel and/or subcontractors have reviewed all State and DTMB policies under this Agreement.
- 9.06 **Entire Agreement.** This SOW, together with the existing Contract, constitutes the Parties’ complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this SOW via a contract change notice signature page, which is incorporated herein by reference.



**STATE OF MICHIGAN
ENTERPRISE
PROCUREMENT**

Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **8**

to

Contract Number **071B4300022**

CONTRACTOR	KUNZ LEIGH & ASSOCIATES INC
	28081 Southfield Road
	Lathrup village, MI 48076
	John Leigh
	517-202-4625
	j.leigh@kunzleigh.com
	*****1652

STATE	Program Manager	Susan Nordyke	DTMB-IT
		517-373-9784	
		nordykes@michigan.gov	
	Contract Administrator	Terry Mead	DTMB
		(517) 284-7035	
		meadt@michigan.gov	

CONTRACT SUMMARY

ENTERPRISE SUPPORT SERVICES MIRS RPSARS

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
January 1, 2014	December 31, 2019	3 - 1 Year	December 31, 2019

PAYMENT TERMS	DELIVERY TIMEFRAME
	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

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	December 31, 2019

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$5,284,033.37	\$403,000.00	\$5,687,033.37

DESCRIPTION

Effective August 30, 2016, this Contract is increased by \$403,000.00 and the following Statement of Work (SOW) is attached. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, DTMB Procurement approval and State Administrative Board approval on August 30, 2016.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET AGENCY SERVICES SUPPORTING THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES
CONTRACT CHANGE NOTICE STATEMENT OF WORK**

This Statement of Work (SOW) is made a part of Contract No. 071B4300022 (the "Contract") between the State of Michigan ("State") and The Kunz, Leigh & Associates ("KL&A" or "Contractor") effective as of the date set forth on the cover page of this Agreement. **NOW THEREFORE**, the Parties agree as follows:

I. Background

1. The SIGMA system will impact all areas of State business operations, from payroll and purchasing, to payment of suppliers, disbursement of grant funding and processing of unemployment, financial aid and child support. The system must interface with each of the applications managing these process areas, as well as those utilized for payment processing and revenue generating applications. To successfully implement the required functionality and realize projected efficiencies of SIGMA, the interfaces must be in established, tested and fully implemented. The State does not have resources with the necessary technical ability and bandwidth to accomplish the transition independently. Thus contract change notices will be processed for those interfaces which can be managed through existing contracts and staff augmentation resources will be obtained through bids completed under the pre-qualification program.
2. The SIGMA project extension impacts the MiCaRS project schedule and budget.
 - a. **Schedule Amendment.** The schedule requires an increase of 8 months.
 - b. **Budget Impact.** The total budget requires an increase of \$403,000 across all agencies. MDHHS, MSP, MDOT, and MDOS require additional funding. The cost for each agency is \$100,750.

II. Environment / IT Standards

III. Project Objective

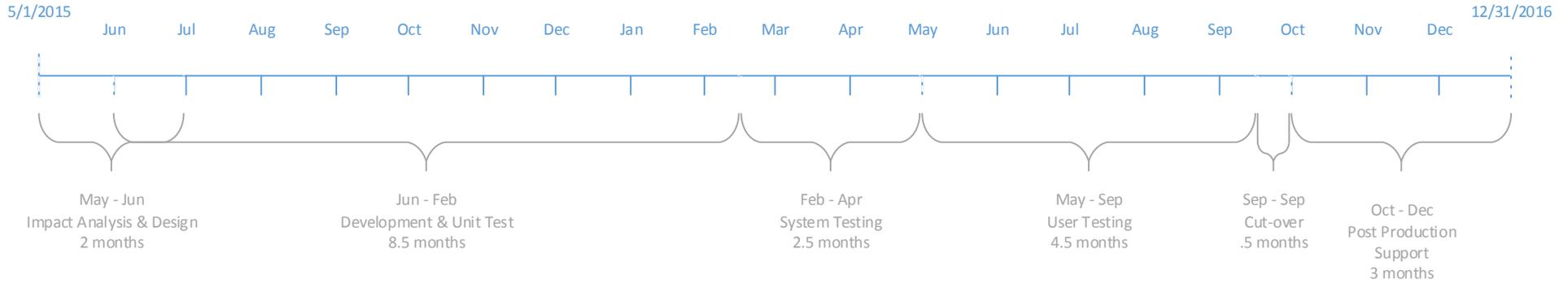
1. The SIGMA project has extended their project timeline, more specifically the test timeline has grown substantially. The former MiCaRS project timeline did not include the required resources to support the new SIGMA project timeline. KL&A must successfully design and implement necessary interfaces between existing systems and SIGMA for continued and improved operations and business processes throughout the state.

IV. Scope of Work

a. Deliverables

List specific interface(s) to be covered by this change request (provide task detail in table below):

1. The purpose of this change request is to increase the project timeline for the MiCaRS for SIGMA project as a result of the SIGMA project timeline expansion. The change will impact the MiCaRS for SIGMA schedule and budget. No new resource staff will be added.
2. The SIGMA team communicated their change in schedule on 10/19/2015 via a schedule timeline. The timeline, when compared to the original SIGMA timeline, included an increase in schedule duration for a number of the project phases, most notably the timelines for System and User testing had increased.
3. The KL&A MiCaRS team used the new SIGMA timeline to perform a schedule impact analysis. The analysis began by reviewing the original SIGMA project timeline and the MiCaRS project timeline. Please note that neither of the SIGMA project timelines provided much detail. The original MiCaRS timeline was (a viewable of the timeline is on a separate page below):



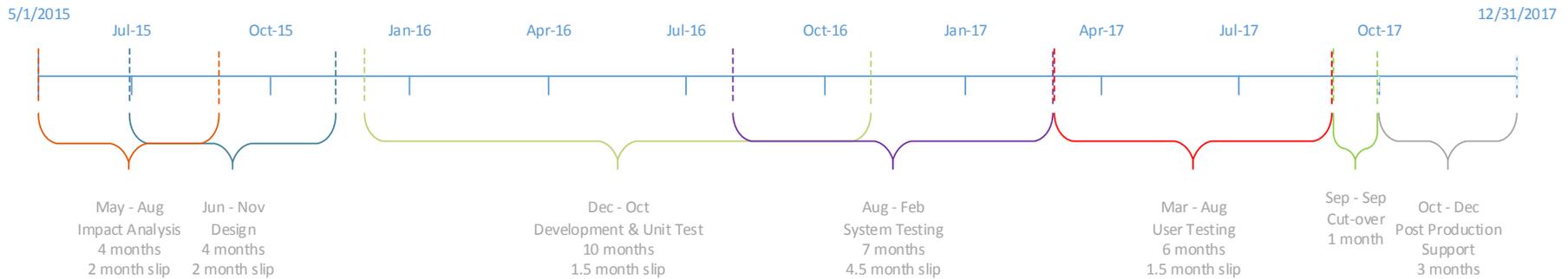
4. The original MiCaRS resource distribution was:

Development and Unit Testing <ul style="list-style-type: none"> • 4 resources for 8.5 months • 3 resources for 3 months 	System Testing <ul style="list-style-type: none"> • 7 resources for 2.5 months
User Testing <ul style="list-style-type: none"> • 4 resources for 4.5 months • 3 resources for 3.5 months 	Cut-over <ul style="list-style-type: none"> • 4 resources for 0.5 months

5. The original MiCaRS timeline and resource distribution was developed using the original SIGMA timeline and draft documentation provided by the SIGMA

project. From those artifacts, the KL&A team developed a Statement of Work (SOW) which included the above timeline and resource distribution.

6. The first major milestone for the MiCaRS project team was to produce, review, and approve an impact analysis of SIGMA functionality on MiCaRS. Joint Application Design (JAD) sessions were performed and included participants from each of the agencies. The result of the JAD sessions was an Impact Analysis document created by the KL&A team and reviewed by the State of Michigan team. The Impact Analysis resulted in no major changes to the original timeline and resulted in no change requests. The MiCaRS team then completed development, review and approval of a Requirements document and Design document. Neither resulted in change requests.
7. The MiCaRS for SIGMA development effort was scheduled to begin when the new SIGMA timeline was released. Therefore, the schedule impact analysis performed by KL&A only includes Development and Unit Testing forward. The analysis revealed increases in each of the remaining project phases. As noted above, the most notable increases in the project timeline are in System Testing and User Testing. The new MiCaRS timeline is (a viewable of the timeline is below):



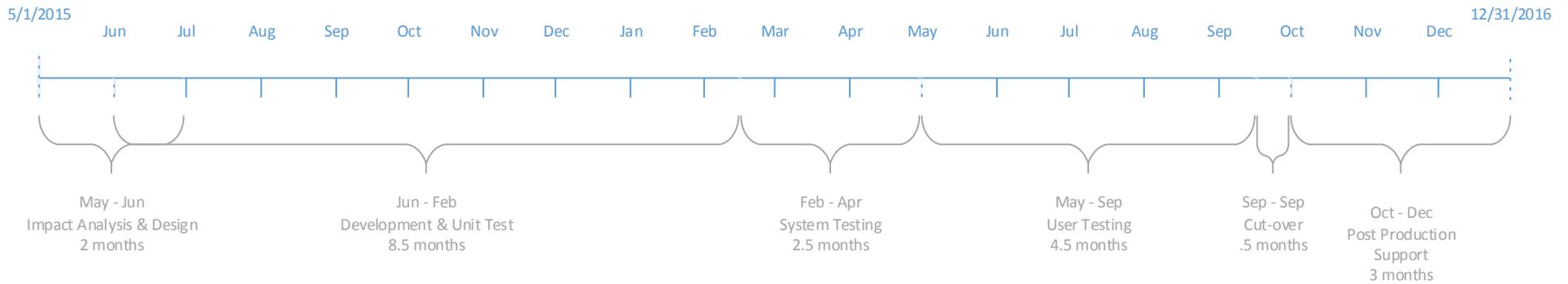
8. The new Resource distribution is:

Development and Unit Testing <ul style="list-style-type: none"> • 4 Developer resources for 10.5 months <ul style="list-style-type: none"> ○ Increase of 1.5 months • 3 Developer resources for 3 months 	System Testing <ul style="list-style-type: none"> • 4 resources for 7 months (2 Developers, 2 Business Analysts) <ul style="list-style-type: none"> ○ Increase of 4.5 months • 3 Business Analyst resources for 2.5 months
User Testing <ul style="list-style-type: none"> • 4 resources for 6 months (2 Developers, 2 Business Analysts) <ul style="list-style-type: none"> ○ Increase of 1.5 months 	Cut-over <ul style="list-style-type: none"> • 4 Developer resources for 1 months

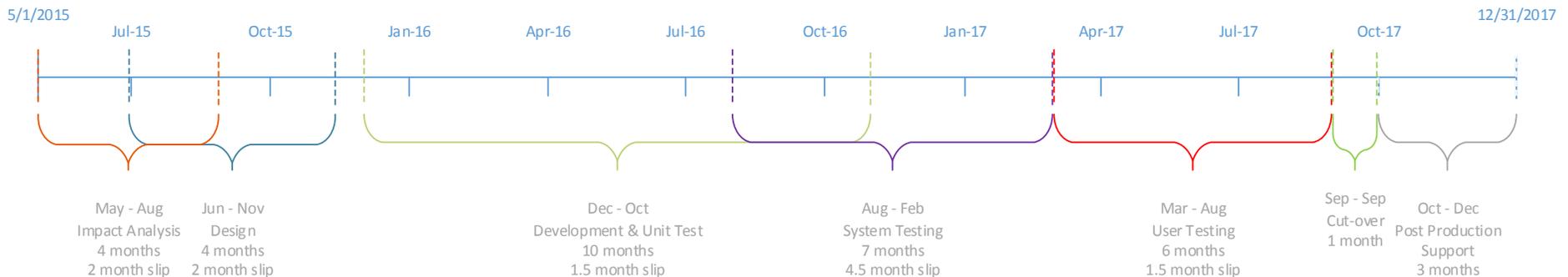
- 3 resources for 3.5 months (1 Developers, 2 Business Analysts)

9. After reviewing the results of the schedule impact analysis, KL&A is requesting an increase in the timelines of work for 4 resources for a duration of 6 months. The 1.5-month increase in duration for Development and Unit Testing will be absorbed by KL&A as well as the .5 month increase in the Cut-over period.

10. Original MiCaRS for SIGMA Schedule



11. New MiCaRS for SIGMA Schedule



V. Terms and Conditions

1. Were agreed upon in the signed Contract or issued PO, they are not modified with every Change Notice. There should be no terms and conditions attached to the Change requests in iTRAC, only this SOW document with a completed and approved iTRAC request.
2. This SOW, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect. The Parties reserve all rights and remedies under the existing Contract.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this Agreement via a contract change notice signature page, which is incorporated herein by reference.

Attachment 1

Project Plan:

Tasks & Deliverables	Requirements	Anticipated Completion Date	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
Milestone I Requirements Gathering	Deliverable: Requirements Traceability Matrix. Design Plan. Detailed Design Docs.	10/20/2015		Meet with agency SME's to establish interface requirements				Review Design Plan, State PM & Program Manager sign off after edits incorporated and final is accepted.	
Task I Define Content (create RTM)				Lead Requirements Gathering				State PM & Program Manager	
Task II Define Timeline				Training, Change Management				State PM & Program Manager	
Task III Milestone Acceptance & Signoff								State PM & Program Manager	
Milestone II Design the Interface				Design interfaces				State PM & Program Manager	
Task				Program Interfaces				State PM & Program	

Tasks & Deliverables	Requirements	Anticipated Completion Date	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
Program								Manager	
Task II Test				Configure System modifications				State PM & Program Manager	
Task III Resolve Defects								State PM & Program Manager	
Task III Milestone Acceptance & Signoff								State PM & Program Manager	
Milestone III Go Live								State PM & Program Manager	
Task I Support/ Maintenance								State PM & Program Manager	
Task III Milestone Acceptance & Signoff								State PM & Program Manager	
Monthly Bill MDHHS	Flat bill October 2016 to October 2017 (\$8,395 per month)		Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	959.5238 1	\$105	\$100,750	State PM & Program Manager	\$100,750
Monthly Bill MDOS	Flat bill October 2016 to October 2017 (\$8,395 per month)		Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	959.5238 1	\$105	\$100,750	State PM & Program Manager	\$100,750
Monthly Bill MDOT	Flat bill October 2016 to October 2017 (\$8,395 per month)		Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	959.5238 1	\$105	\$100,750	State PM & Program Manager	\$100,750

Tasks & Deliverables	Requirements	Anticipated Completion Date	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
Monthly Bill MSP	Flat bill October 2016 to October 2017 (\$8,395 per month)		Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	959.5238 1	\$105	\$100,750	State PM & Program Manager	\$100,750
Totals					3836.095 24	\$105	\$403,000	State PM & Program Manager	\$403,000



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913

P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 7
to
Contract Number 071B430022

CONTRACTOR	KUNZ LEIGH & ASSOCIATES INC
	28081 Southfield Road
	Lathrup village, MI 48076
	John Leigh
	517-202-4625
	j.leigh@kunzleigh.com
	*****1652

STATE	Program Manager	Susan Nordyke	DTMB
		517-373-9784	
		nordykes@michigan.gov	
	Contract Administrator	Terry Mead	DTMB
		(517) 284-7035	
		meadt@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Enterprise Support Services MIRS RPS ARS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
January 1, 2014	December 31, 2019	3 - 1 Year	December 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
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				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,205,993.37		\$ 78,040.00	\$5,284,033.37	

DESCRIPTION: Effective July 29, 2016, this Contract is hereby increased by \$78,040.00 to provide enhancements and update the Administrative Module of the Michigan State Police Payment Processing Center. These process improvements will increase manual labor efficiency as well as update the look and feel of the application. See KL&A Proposal dated July 28, 2016, attached. All other terms, conditions, specifications and pricing remain the same. Per (DTMB) contractor (request/proposal) and agency agreement, and DTMB Procurement approval.

Statement of Work
Michigan State Police Payment Processing
Center
Business Efficiency Updates

Prepared for:

Michigan State Police

Prepared by:

KL&A

Kunz, Leigh & Associates
28081 Southfield Road
Lathrup Village, MI 48076-2816

July 28, 2016

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Objective

The Michigan Department of State Police (MSP) invoices and collects fees for a number of services provided by the department to governmental agencies and individuals. Michigan State Police Payment Processing Center (PPC) is a web based application developed for processing payment information generated from course/conference registration in MI-TRAIN.

After its initial implementation a number of business efficiency updates have been identified. These process improvements will increase manual labor efficiency as well as update the look and feel of the application. Below, you will find a detailed explanation of each task.

Scope

Ability to delete questions

- User needs the ability to delete questions from the question bank.
- Ability to delete will only be the owner of the question.

Updating/Enhancing Question Filter

- When filtering for specific questions, you can only do it by owner. Filtering needs to be added and updated to allow a more specific return on searches.
- This would include a filter for question text and invoice detail description text. This would be a search on these two fields and would allow the user to search for anything in that field.

MiCaRS Integration

- System will automatically update MSP MiCaRS to send out an invoice to the client.
- System will verify Index and PCA.
- Notify administrator of finance by email that JV's have been created. The administrator will be selected by the PPC Group. This can be one or multiple people.
- Update PPC when an JV has been fulfilled and verified.
- Adjustments made in MiCaRS need to update PPC with the correct information.

History Table – Who did what?

- Currently, information is saved on who creates and modifies records but it is only displayed on a few pages. Where needed, throughout the application, the users would like to see this information.
- Update pages that are identified in which they can show this information

Report Fix/Data Dump

- The report/data dump need to have fields added. These fields include special code and question. This would include all questions and special codes that are associated to the data dumped.

- Data dump needs to include all data, instead of most fields.

Special Code Dynamic Questions

- Users need to have the ability to enter/edit special code questions when switching from an invoice or credit card to special codes.

Character Limit

- A character limit needs to be added to the registration section. Right now it does not alert the user when the limit is met or beyond.

Conference/Course Web Service Change

- A new web service will need to be added to the application.
- Adjust web service calls to allow for faster page load times.
- Adjust application to work with the new web service.

User Interface Upgrade

- Currently, the application is only using standard css for the user interface. We will be upgrading the user interface to now use Bootstrap which is user interface framework library. This will allow us to standardize the look and feel as well as upgrade it.

Assumptions

- Timely DTMB resources will be available for web application deploys and database updates.
- Users will be available for User Acceptance Testing.
- All dependent web services will be available by August 15, 2016 in UAT.
- All dependent web services will be available by September 15, 2016 in Production.
- All changes made for web services are dependent upon completion by KMI and production implementation.

Schedule

- Development work will begin on approval of Statement of Work.
- UAT will be scheduled and completed on a per-module basis.

Task	Contractor's Resource Title	Approximate Hours	Anticipated Start Date (Month/Year)
17. Documentation	BA/PM	--	09/01/2016
Update Functional Design Document	BA/PM	8	09/01/2016
Update System Design Document	BA/PM	22	09/02/2016

Create Test Cases	BA/PM	22	09/06/2016
18. System Development	Dev/PM	--	09/01/2016
Ability to delete questions	Dev/PM	20	09/01/2016
Updating/Enhancing Question Filter	Dev/PM	20	09/02/2016
MiCaRS Integration	Dev/PM	123	09/05/2016
History Table – Who did what?	Dev/PM	54	09/09/2016
Report Fix/Data Dump	Dev/PM	34	09/13/2016
Special Code Dynamic Questions	Dev/PM	14	09/14/2016
Character Limit	Dev/PM	14	09/15/2016
Conference/Course Web Service Change	Dev/PM	62	09/16/2016
User Interface Upgrade	Dev/PM	290	09/21/2016
19. User Acceptance Testing	Dev/PM/BA	--	Ongoing
User Testing	Dev/PM/BA	10	-----
User Testing Fixes	Dev/PM/BA	--	Unknown
User Testing	Dev/PM/BA	10	-----
UAT Business Owner Write-Off	Dev/PM/BA	1	09/29/2016
20. Production Implementation	PM/BA	--	09/07/2016
Implementation Plan Review	PM/BA	15	09/07/2016
Implementation Meeting	PM/BA	8	09/09/2016
21. Production Go-Live	Dev/PM	--	09/09/2016
Complete RFC Document	PM	4	09/10/2016
Submit RFC Document	PM	1	09/10/2016
Implementation	Dev/PM/BA	40	09/20/2016
Verification Testing	Dev/PM	15	09/26/2016
Go-Live Business Owner Write-Off	PM	1	09/29/2016
22. Project Completion	All	801	09/30/2016

Deliverables

- Updated web application (User Acceptance and Production Build)
- Updated user manual.
- Facilitated User Acceptance Testing
- Updated functional design document

Specific Department Standards

Agency standards, if any, in addition to DTMB standards

Pricing

A fixed price model of \$78,040.00 is proposed, broken down by functional tasks below:

Functional Task	Hours	Rate	Total
Ability to delete questions	20	\$90	\$1,800.00
Updating/Enhancing Question Filter	20	\$90	\$1,800.00
MiCaRS Integration	123	\$90	\$11,070.00
History Table – Who did what?	54	\$90	\$4,860.00
Report Fix/Data Dump	34	\$90	\$3,060.00
Special Code Dynamic Questions	14	\$90	\$1,260.00
Character Limit	14	\$90	\$1,260.00
Conference/Course Web Service Change	62	\$90	\$5,580.00
User Interface Upgrade	290	\$90	\$26,100.00
UAT, Documentation	80	\$125	\$10,000.00
Project Management	90	\$125	\$11,250.00
Totals	801		\$78,040.00

Payment Schedule

Payment will be made on a satisfactory Final Acceptance at the conclusion. DTMB will pay Contractor upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Contracts area will coordinate obtaining Agency Project Manager and DTMB Project Manager Approvals. All invoices should reflect actual work completed by the payment date, and must be approved by the Agency Project Manager and the DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by DTMB within 45 days after receipt of properly completed invoices.

Expenses

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

No overtime will be permitted



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 6
to
Contract Number 071B430022

CONTRACTOR	KUNZ LEIGH & ASSOCIATES INC
	28081 Southfield Road
	Lathrup village, MI 48076
	John Leigh
	517-202-4625
	j.leigh@kunzleigh.com
	*****1652

STATE	Program Manager	Nordyke, Susan	DTMB
		517-373-9784	
	nordykes@michigan.gov		
	Contract Administrator	Terry Mead	DTMB
(517) 284-7035			
meadt@michigan.gov			

CONTRACT SUMMARY				
DESCRIPTION: Enterprise Support Services MIRS RPS ARS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
January 1, 2014	December 31, 2019	3 - 1 Year	December 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
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				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,102,193.37		\$103,800.00	\$5,205,993.37	

DESCRIPTION: Effective July 12, 2016, this Contract is hereby increased by \$103,800.00 to develop an interface to send cash receipts information from MiCARS to Accela and to receive accounts receivable data from Accela. See KL&A Proposal V 2.2 dated July 13, 2016, attached. All other terms, conditions, specifications and pricing remain the same. Per (DTMB) contractor (request/proposal) and agency agreement, and DTMB Procurement approval and the approval of the State Board on July 12, 2016.



Kunz, Leigh & Associates
P.O. Box 760187

28081 Southfield Road
Lathrup Village, MI 48076-0187
Phone: (248) 559-7910

Fax: (248) 559-8066
kunzleigh.com

Michigan Department of Transportation
Attn: David Bruce
525 W Allegan Street.
PO Box 30017
Lansing, MI 48909

Re: Accela Inc. Interface Proposal

Dear David Bruce,

Kunz, Leigh and Associates (KL&A) is pleased to propose application development services which will allow Accela Inc. to access pertinent information regarding the Michigan Department of Agriculture and Rural Development (MDARD) license records. This information will be used to update license records within the Accela Inc. application database to payments made and recorded within the Michigan Cashiering and Receivable System (MiCaRS).

KL&A proposes an 11 week schedule. To accomplish this timeline, KL&A intends to allocate to the project one and a half full-time Developers, one Project Manager and one Business Analyst. The total cost for the project will be \$103,800.

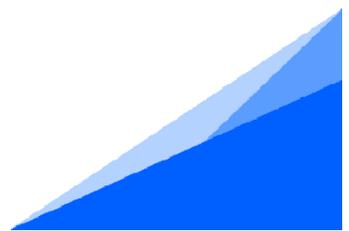
The attached proposal explains the approach we will take to develop the application, the scope of the project, project assumptions, the roles required for this project and the responsibilities of each role, a project schedule, a list of deliverables, the fixed-price bid for this project, and a payment schedule.

If you have any questions, please contact John Leigh at 517-202-4625.

Sincerely,

A handwritten signature in blue ink, appearing to read 'John Leigh', is written over a horizontal line.

John Leigh
KL&A Partner



Accela Inc. Interfaces

○ Prepared for:

Michigan Department of
Agriculture and Rural
Development
525 W Allegan Street
PO Box 30017
Lansing, MI 48909

○

○

○

○ Prepared by:

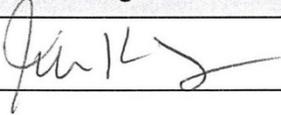
○ The logo for Kunz, Leigh & Associates (KL&A) is displayed in a large, blue, serif font.

- Kunz, Leigh & Associates
- 28081 Southfield Road
- Lathrup Village, MI 48076-2816

• **V2.2**

• **July 13, 2016**

Proposal Signatures

Name/Title	Signature	Date
John K. Leigh, KL&A Partner		03-26-15

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1.0 Objectives

The Michigan Department of Agriculture and Rural Development in conjunction with Accela Inc. is in need of integration with MiCaRS. There are two main objectives: tracking cash receipts and establishing accrual based receivables. Both these interactions need to work with MAIN and later SIGMA (once SIGMA is in production).

1.1 Cash Receipt Tracking

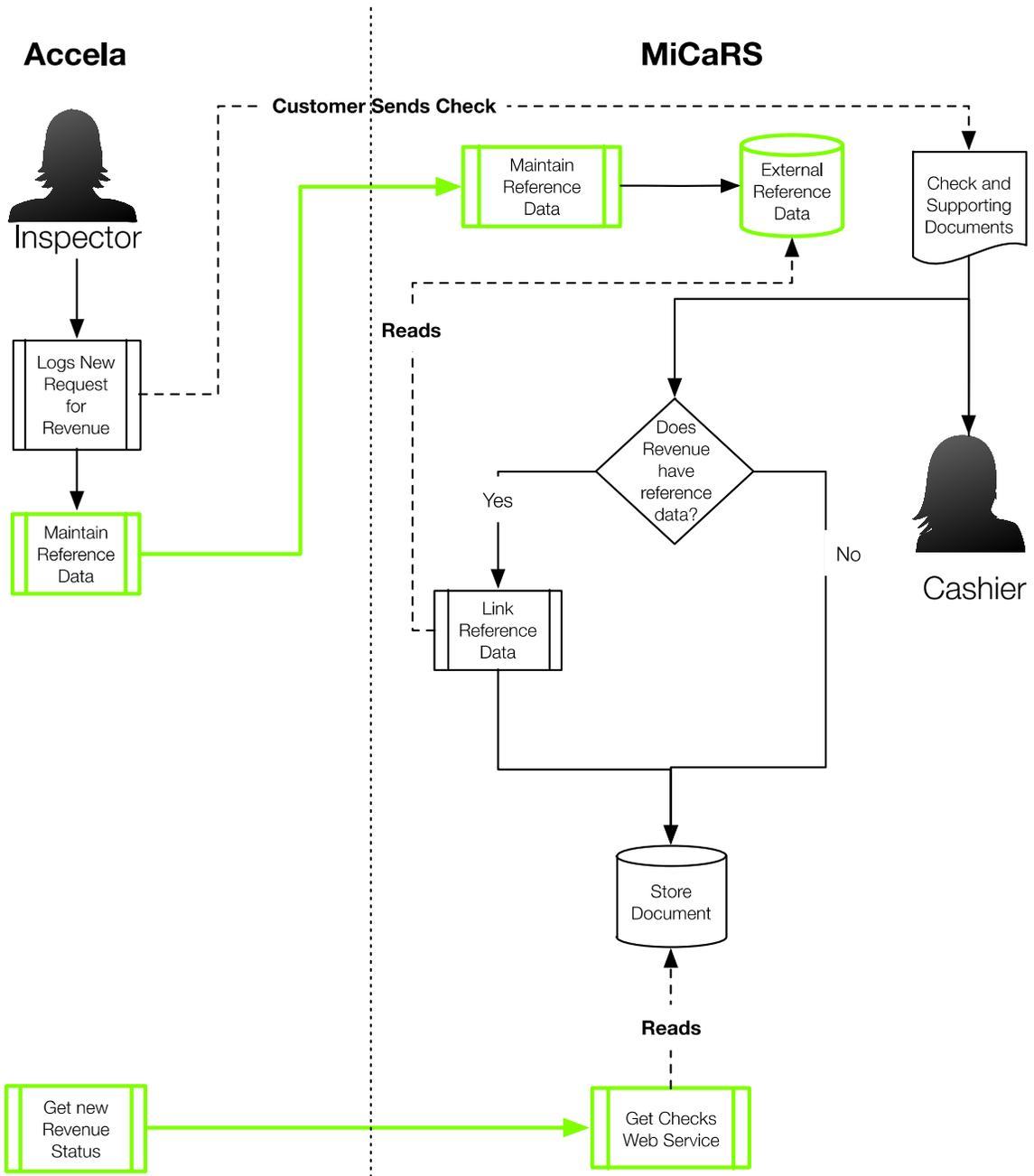
When a cash payment is processed in MiCaRS that needs to be linked to a service that is tracked in Accela, for instance inspections, the cashier will be responsible for keying this reference data on the batch entry screen.

In order for the reference data to be shared with Accela and MiCaRS, KLA will develop incoming web service interfaces that will allow Accela Inc. to access payment information as well as update data on their database. Also, changes will need to be made to the MiCaRS database and MiCaRS application, which will allow the data to be processed correctly.

The diagram on the next page descriptions an example workflow showing the interaction between Accela Inc. and MiCaRS with new functionality highlighted in green.

1.1.1 Receipt Tracking Use Case

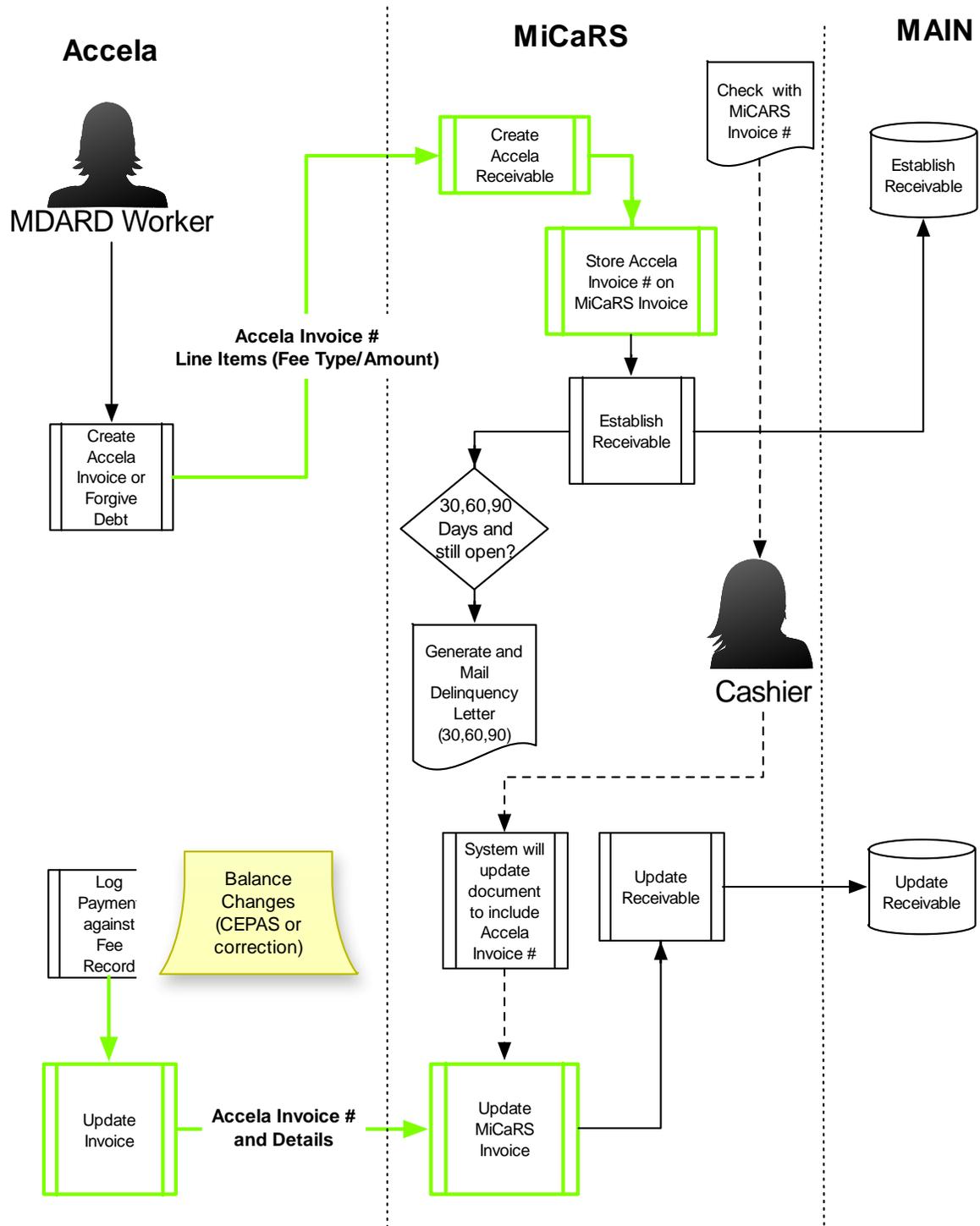
1. **Inspector** is on site at a nursery and issues a request for payment, the inspection number is provided on the supporting documentation to the customer.
2. **Customer** writes a check for \$100 and writes the inspection number 1234 on the check.
3. **Inspector** logs the inspection number in Accela.
4. **Accela System** calls the "Maintain Reference Data" service to add the inspection number to the MiCaRS reference tables.
5. **MiCaRS Cashier** receives check and sees that it is for an MDARD inspection, when deposit is entered the Cashier is able to select the appropriate inspection number from the drop down populated with the reference data.
6. **Accela System** calls the "Get Checks" Web Service to check on any Accela related revenue, Accela notices that a check for \$100 was received and the reference data is for inspection number 1234.
7. **Accela System** marks the inspection as paid.



Proposed cash to Accela meta-data linking process
 Accela creates and tracks receivables to MiCaRS Invoice Numbers

1.2 Accrual Receivables Tracking

When accrual based receivables need to be established with the Michigan Department of Treasury, Accela will use MiCaRS to establish these receivables. Accela will be responsible for providing the necessary invoice information to MiCaRS so that MiCaRS can establish the receivable and link Accela invoice numbers to MiCaRS invoice numbers as outlined in the figure below:



Accela Invoice Linking Process

MiCaRS tracks and links Accela receivables to MiCaRS Invoice Numbers

1.2.1 Design Considerations

- In the situation where a cash receipt is received that is not linked to a MiCaRS invoice and an Accela initiated receivable has already been created double revenue will be present until Accela queries MiCaRS and updates receivable in MiCaRS.
- Currently multiple programs are set up in RPS that are used to create MDARD invoices. For Accela initiated receivables the MiCaRS invoice will be created under an "Accela" program, which will be configured in MiCaRS with all possible accounting codes available. When an invoice is created via the web service MiCaRS will crosswalk the SKU provided for each line to the appropriate ratio of account codes and will use these account codes to create the line items for the invoice.

1.2.2 Receivable Use Cases

Establishing Receivable

- **Accela System** creates an accrual based receivable.
- **Accela System** calls the "Create Accela Receivable" web service on MiCaRS, providing the Accela invoice number, fee type and line items with amounts.
- **Accela System** updates reference data associated with the receivable number with Accela receivable number.
- **MiCaRS** creates a MiCaRS invoice and links the Accela invoice number to the MiCaRS invoice number
- **MiCaRS** uses Accela customer id provided to link to existing customer if possible; otherwise, a new customer is created with provided information and record number.
- **MiCaRS** establishes receivable in MAIN.
- After delinquency timeline MiCaRS AR worker generates invoice and letter.

Check with Accela Inspection # is received

- **MiCaRS Cashier** types inspection number, MiCaRS displays the MiCaRS invoice number associated with inspection number and the cashier links deposit to invoice and updates receivable in MAIN.
- **MiCaRS** updates document reference number with Accela Invoice # so that Accela can mark receivable paid.

Check with a MiCaRS invoice # is received

- **MiCaRS Cashier** links deposit to invoice and updates receivable in MAIN.

- **MiCaRS** updates document reference number with Accela Invoice # so that Accela can mark receivable paid.

Customer pays via CEPAS

- **Customer** logs onto CEPAS and pays the fine.
- **Accela System** zeroes out receivable.
- **Accela System** calls MiCaRS web service to set amount to zero.
- **MiCaRS** updates receivable amount in MAIN.

If debt is forgiven:

- **Accela System** zeroes out receivable.
- **Accela System** calls MiCaRS web service to set amount to zero.
- **MiCaRS** updates receivable amount in MAIN.
- **Establishing Receivable Use Case Executes.**

If a partial payment is made in Accela.

- **Accela System** updates receivable details.
- **Accela System** calls MiCaRS web service to update receivable.
- **MiCaRS** updates receivable amount in MAIN.

2.0 Project Approach

The approach used for a project is an important part of a project's success. A project will have a better opportunity of success if it has the required funding, skilled resources, executive support, limited impediments, and limited constraints. However, a project can have all of the right ingredients, but still fail, if the project does not have a clear project approach.

The State of Michigan has addressed the need for a clear project approach by providing projects with a framework, the State Unified Information Technology Environment (SUITE), which provides documented methodologies for project management and systems engineering.

"The overall purpose of SUITE is to bring the Department of Technology, Management & Budget (DTMB) systems development areas up to CMMI Level 3, which ensures consistent process usage throughout the organization. This includes using the same Project Management Methodology (PMM), Systems Engineering Methodology (SEM), Process Management, and Supporting Processes across all systems development areas within DTMB. The overall goal of SUITE is to integrate

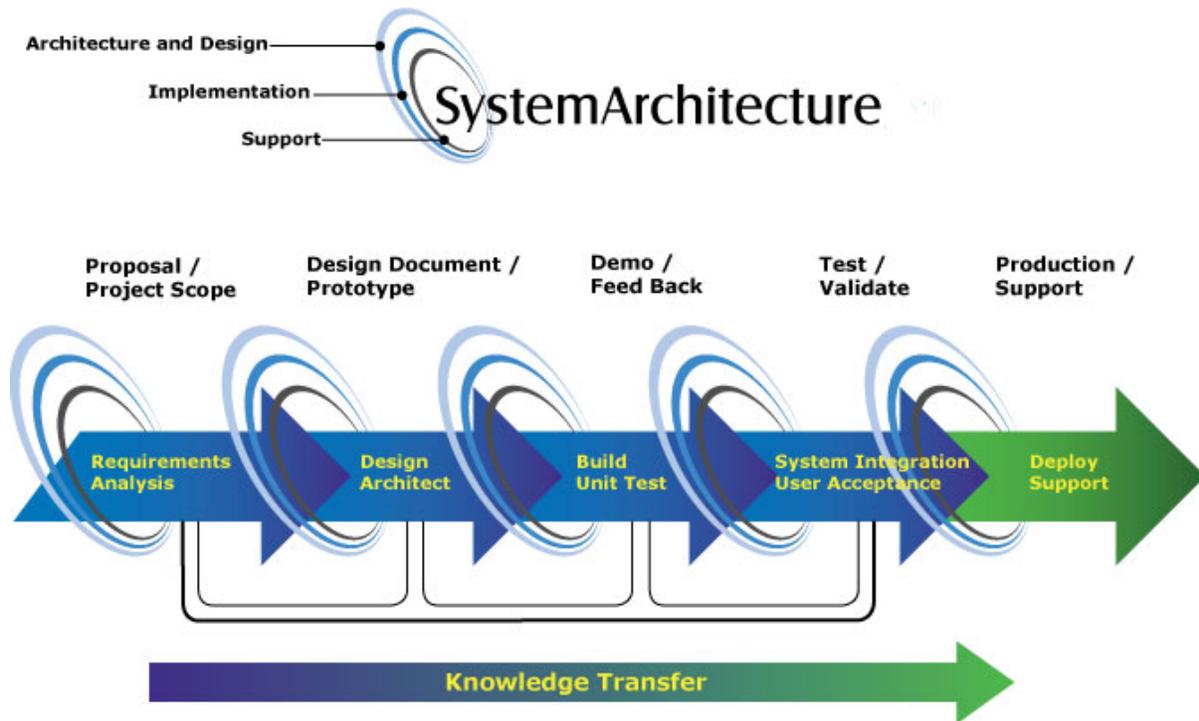
Project Management, Systems Engineering, Process Management, and Supporting Processes into a single unified environment.”

SUITE does not dictate a finite list of activities for a project, but rather a framework for which to find the best operating environment for a project team. The changes made to MiCaRS and its database will adhere to SUITE, producing the required documentation with the PMM and SEM document templates.

The project will integrate the SUITE requirements into the system development life cycle (SDLC) by following the SUITE PMM/SEM Integration for Agile, with the Scrum Framework as the Agile derivative. Rather than having one nine-week long SDLC, ending in release of the entire system, we will conduct two-week Sprints that encompass all phases of the SDLC, releasing one or more software features at the end of each Sprint. This approach allows us to deliver functional software earlier in the project lifecycle, which allows users to use the software and provide feedback that can be acted upon in the next Sprint.

The following illustration depicts the Scrum iterations, showing how each Sprint encompasses all SDLC phases, beginning with requirements analysis through testing to product deployment.

Figure 1. Scrum Development Process



3.0 Scope

The proposed solution involves creating a way for MiCaRS and Accela Inc. to transfer license and other metadata information, which will allow Accela Inc. to track the payment status of the metadata against revenue in MiCaRS. CEPAS payments are out of scope as Accela Inc. uses the CEPAS/SKU system for tracking these payments and the revenue is never processed by MiCaRS.

The Accela Inc. system needs to maintain metadata, such as inspection numbers in the MiCaRS system so that cashiers can link the metadata and receivable information to incoming checks. Metadata can be linked to specific hotkeys to ensure the metadata will only be shown during appropriate check data entry.

Cashiers need to be able to view Accela Inc. metadata information while entering a new check to help with validation and verification through a type-ahead.

The MiCaRS administrator needs the ability to maintain the Accela Inc. metadata, via the MiCaRS user interface, in order to ensure data integrity.

The MiCaRS administrator needs the ability to maintain SKU to program code information for Accela Inc. receivables.

The Accela Inc. system needs to query the MiCaRS system with the ability to pull the following functional information:

- Documents that have been linked to Accela Inc. metadata.

- Documents that are associated with Accela Inc. related hotkeys, regardless if they are linked with Accela Inc. metadata.

- Documents by control number.

- Documents by date sent to MAIN.

The Accela Inc. system needs to establish, edit and zero out receivables in MiCaRS.

3.1 MiCaRS Front-End Changes

Add lookup table for maintaining external systems and linking hotkeys to external systems.

Add lookup table for maintaining external system metadata.

Update the batch entry screen so that a MiCaRS user can see Accela Inc. metadata when adding a check and typing meta-data into the interface fields.

Update the batch entry screen so that if the metadata from Accela is also linked to an Accela receivable number and linked to a MiCaRS invoice number the cashier can then link the receipt to the MiCaRS invoice.

Display the metadata for validation and verification uses. The validation will use the table created in MiCaRS and maintained by Accela Inc. to validate metadata.

3.2 MiCaRS Web Service Interfaces

All web services will be implemented as REST based services with JSON input and output.

3.2.1 Multiple Check Inquiry

A MiCaRS web service will be developed and exposed for external systems to call. The method, `getUndistributedChecks`, will provide the external system with MiCaRS check information that is currently allocated to their specific hotkey.

Query Criteria:

System key (required)

MAIN date range (required)

Web Service Rules:

Check was sent to MAIN between the dates provided. This will allow a control number to be sent to a new system when the money is moved from one hotkey to another as well as metadata associated with the check.

Check amount <> \$0

Document amount > \$0

Data Elements Returned:

MiCaRS control number

MiCaRS entry number

Index/PCA/Object

Hotkey

Departmental object

Deposit number

Deposit suffix

Deposit date

Remit name

Document amount

Check number

External system metadata

3.2.2 Single Check Inquiry

The MiCaRS web service will contain a method to return the current distribution of a specific Control Number. The method, `getCheck`, will provide the external system with distribution of the MiCaRS check information, which was allocated using a specific hotkey. The result set will consist of two datasets, the Control Number header and accounting line details.

Query Criteria:

System key (required)

Control number (required)

Web Service Rules:

Control number exists in MiCaRS

Check amount <> \$0

At least one document was allocated to the system Key (even if the amount is \$0 now)

Data Elements Returned:

MiCaRS control number

MiCaRS entry number

Index/PCA/Object

Hotkey

Departmental object

Deposit number

Deposit suffix

Deposit date

Remit name

Document amount

Check number

External system metadata

3.3 Reference Data Web Services

These web services allow for manipulation of external system metadata.

3.3.1 List Reference Data

Query Criteria:

System Key

Data Elements Returned:

List of:

- MiCaRS record key (unique)

- Reference data elements (system key, notes, amount, etc.)

3.3.2 Add Reference Data

Query Criteria:

System key

Reference data elements (system key, notes, amount, receivable number, etc.)

Data Elements Returned:

MiCaRS record key (unique)

3.3.3 Delete Reference Data

Query Criteria:

System key

MiCaRS record key (unique)

Data Elements Returned:

Success/Failure

3.4 Establish or Update Accela Receivable

A MiCaRS web service will be developed to establish an accrual based receivable on behalf of Accela.

Input

- Accela Invoice #
- Customer Information (Name and Mailing Address)
- Accela Customer ID
- Record #
- Invoice Date
- Invoice Notes (Text to be included on MiCaRS invoice / delinquency letter) , will be mapped to reference number in MiCaRS.
- List of Line Items
 - Amount
 - SKU
 - Fee Item Description (will be included on MiCaRS invoice / delinquency letter)

Output

- MiCaRS Invoice # (for reference purposes)
- Total Amount (for validation)

3.5 Zero Accela Receivable

A MiCaRS web service will be developed to set the total amount owed to zero on an already established receivable on behalf of Accela.

Input

- Accela Invoice #

Output

- MiCaRS Invoice # (for reference purposes)
- Total Amount (for validation)

4.0 Assumptions

Table 1. Project Assumptions

Project Assumptions
This project will be developed with the Scrum (Agile) methodology, delivering functionality through a series of releases; each release will provide a project milestone.
A project start date within one month of receiving the purchase order.
The project contains dependencies on DTMB for hardware and security approvals that can impact the completion date of the project.
KL&A observes the following non-working holidays: Memorial Day July 4 th (or the Friday or Monday closest to the 4 th) Labor Day November 8, (since this is an election year) Thanksgiving and the Friday after Thanksgiving Christmas Eve and Christmas Day New Year's Eve and New Year's Day All other non-weekend calendar days, and non-State holidays, are treated as work days, with the assumption that both KL&A and MDARD stakeholders are available to complete project-related tasks.
This proposal is a fixed-price bid. Change requests approved by MDARD or DTMB will affect the price and schedule as defined within the Request of Change (RFC).
KL&A will provide test cases and test plans for User Acceptance Testing (UAT) prior to each release, and will facilitate UAT.
UAT will be concluded within 5 business days of each Sprint release.
UAT test cases will be written and executed using Jama, which provides traceability.

Project Assumptions
Issues found during testing will be recorded in Jira, KL&A's web-based issue tracking tool.
Any failures reported during UAT that KL&A deems outside the scope of this project will be handled through a "change request" process, in which KL&A will submit the RFC to DTMB.
Project completion is not dependent upon integration of the web services into Accela Inc., only by acceptance of UAT by business owners.

5.0 Roles and Responsibilities

Table 2. Roles and Responsibilities

Role	Responsibility
KL&A Project Manager	<ul style="list-style-type: none"> Facilitate meetings Prepare status reports Maintain project schedule Communicate with MDARD and DTMB Manage development team
KL&A Business Analyst	<ul style="list-style-type: none"> Update existing MiCaRS documentation Create new interface documentation Assist in coordination of System, Regression or User Acceptance Testing with the Accela system at any time after development is complete, including after production. Including making appropriate testing environments available.
KL&A Developer	<ul style="list-style-type: none"> Develop the application, per provided specifications. Work with Accela Inc. to ensure data is correct Unit testing
DTMB	<ul style="list-style-type: none"> DTMB will be responsible for evaluating and approving or declining any RFC initiated by KL&A or the MDARD. The project schedule, pricing, and payment schedule will be updated accordingly. DTMB will be responsible for deploying the releases to production.
MDARD	<ul style="list-style-type: none"> Adhere to functional specifications outlined in Statement of Work. Facilitate User Acceptance Testing of the interface if Accela integration is complete during User Acceptance Test Window. Validate User Acceptance Test Plan and Results.

Role	Responsibility
Accela Inc.	<p>Accela Inc. will be responsible for validating web services against agreed upon functional requirements.</p> <p>CaRS web services will be consumed by an Accela Inc. server in the SOM's Zone 2</p> <p>Accela Inc. will be responsible for validating the design and implementation of web services to the Accela Inc. system.</p> <p>Accela Inc will make the appropriate technical resources available via teleconference when requested to ensure system integration.</p> <p>Project management and business analysts are not considered technical resources.</p>
MDOT Accounting Service Center	<p>MDOT Accounting Service Center will be responsible for User Acceptance of all changes to the MiCaRS application.</p> <p>Free to functional specifications outlined in Statement of Work.</p>

6.0 Schedule

Project work, defined in “

KL&A will work with the DNR and CAMIS to develop the requirements needed for MiCaRS to consume data sent from the Central/Campground Reservation System (CRS) and generate required transaction types in MiCaRS for communication to MAIN. More specifically, the data consumed by MiCaRS will be used to record deposits, generate refunds and generate journal voucher transactions to move e-check, credit card and gift card revenue to the correct coding blocks.

Scope” on page 74, will begin within one month of receiving the purchase order, and will be completed within 11 weeks. Any RFC's that impact scope may result in a longer duration.

6.1 Schedule Detail

Name	Start	Finish	Work	Resource Names
MiCaRS to Accela Interface	Mon 8/15/16	Thu 10/27/16	1,131.43 hrs	
Initiation	Mon 8/15/16	Fri 8/26/16	16 hrs	
Project Charter	Mon 8/15/16	Fri 8/26/16	16 hrs	PM[20%]
Planning	Mon 8/15/16	Fri 8/26/16	80 hrs	
Requirements & Design	Mon 8/15/16	Fri 8/26/16	80 hrs	BA
Execution and Control	Mon 8/15/16	Thu 10/27/16	1,035.43 hrs	
Sprint 1	Mon 8/15/16	Fri 8/26/16	160 hrs	Dev 1,Dev 2
Sprint 2	Mon 8/29/16	Fri 9/9/16	191.52 hrs	PM[11%],Dev 1,Dev 2,BA[55%]
Sprint 3	Mon 9/12/16	Fri 9/23/16	200 hrs	BA[40%],PM[10%],Dev 1,Dev 2
Sprint 4	Mon 9/26/16	Fri 10/7/16	200 hrs	BA[40%],PM[10%],Dev 1,Dev 2
System Testing	Mon 10/10/16	Fri 10/14/16	128 hrs	BA,PM[20%],Dev 1,Dev 2
User Testing	Mon 10/17/16	Fri 10/21/16	100 hrs	BA,PM[20%],Dev 1,Dev 2[30%]
Training	Mon 10/24/16	Wed 10/26/16	24 hrs	BA

Name	Start	Finish	Work	Resource Names
Production Cut-Over	Tue 10/25/16	Thu 10/27/16	31.92 hrs	Dev 1,BA[33%]

7.0 Deliverables

Table lists the project deliverables.

Deliverables are detailed with further clarification in sections 3.0 through 3.5 of this document.

Table 3. Deliverables

Deliverables
7 new real-time interfaces
Database modifications
Updated MiCaRS front end
Update User Manual
Interface Functional Specifications (New Document)
Facilitate User Acceptance Testing
User Training Session

8.0 Cost

This is a fixed-price proposal for \$103,800.

Table 4. Cost Breakdown

Task	Hours	Cost
Front-end MiCaRS changes: Look-up tables: <ul style="list-style-type: none"> SKU to Program Linking Accela Reference Data Batch Entry Changes <ul style="list-style-type: none"> Display Accela reference data for validation Automatically link Accela receivables to MiCaRS receivables when available 	220	\$19,800.00

Task	Hours	Cost
Real-time web service interfaces for reference data linking: <ul style="list-style-type: none"> • List reference data • Add reference data • Delete reference data 	160	\$14,400.00
Real-time web services for Check Inquiry <ul style="list-style-type: none"> • List documents • Get document detail 	160	\$14,400.00
Real-time web services for maintain receivables <ul style="list-style-type: none"> • Create receivable • Zero receivable • Edit receivable 	240	\$21,600.00
Business Analyst <ul style="list-style-type: none"> • Update functional design • Update user manual • Facilitate System Testing (MiCaRS and Accela) • Facilitate User Acceptance Testing • Facilitate training 	290	\$26,100.00
Project Management	60	\$7,500.00
Total		\$103,800.00

9.0 Payment Schedule

Upon completion of the project, the MDARD business owners will provide a statement of acceptance in writing and will remit payment in full.

9.1 Payment Address

The KL&A payment address is:

Kunz, Leigh & Associates
P.O. Box 760187
28081 Southfield Road
Lathrup Village, MI 48076-0187



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 5
to
Contract Number 071B4300022

CONTRACTOR	KUNZ LEIGH & ASSOCIATES INC
	28081 Southfield Road
	Lathrup village, MI 48076
	John Leigh
	517-202-4625
	j.leigh@kunzleigh.com
	*****1652

STATE	Program Manager	Nordyke, Susan	DTMB
		517-373-9784	
	nordykes@michigan.gov		
	Contract Administrator	Terry Mead	DTMB
(517) 284-7035			
meadt@michigan.gov			

CONTRACT SUMMARY				
DESCRIPTION: Enterprise Support Services MIRS RPS ARS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
January 1, 2014	December 31, 2019	3 - 1 Year	December 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
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				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		Click here to enter a date.
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,036,393.37		\$65,800.00	\$5,102,193.37	

DESCRIPTION: Effective July 7, 2016, this Contract is hereby increased by \$65,800.00 to migrate Universal Receipts Interface (URI) functionality to MiCARS. See KL&A Proposal V 3.0 dated June 24, 2016, attached. All other terms, conditions, specifications and pricing remain the same. Per (DTMB) contractor

(request/proposal) and agency agreement, and DTMB Procurement approval.



Kunz, Leigh & Associates
P.O. Box 760187

28081 Southfield Road
Lathrup Village, MI 48076-0187
Phone: (248) 559-7910

Fax: (248) 559-8066
kunzleigh.com

Michigan Department of Natural Resources
Attn: Dan Sellepack
Hollister Bldg. 5th Floor
106 W. Allegan
Lansing, MI 48933

Re: Universal Receipts Interface Conversion to MiCaRS

Dear Mr. Sellepack,

Kunz, Leigh and Associates (KL&A) is pleased to propose application development services, which will allow the Campground Reservation System (CRS) to communicate deposit, refund and revenue data with the Michigan Department of Natural Resources MiCaRS.

KL&A proposes integrating this project with the MiCaRS for SIGMA project ensuring the delivery of project activities for the start of SIGMA system test. The proposed project will begin with the receipt of a purchase order. To accomplish this timeline, KL&A intends to allocate to the project one full-time Developer, one part-time Business Analyst, and one part-time Project Manager. The total cost for the project will be \$65,800.

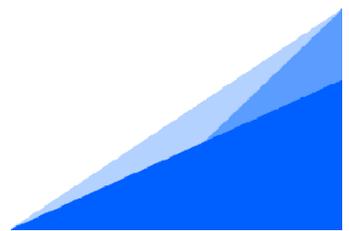
The attached proposal explains the approach we will take to develop the application, the scope of the project, project assumptions, roles required for this project and the responsibilities of each role, a list of deliverables, and the fixed-price bid for this project, and a payment schedule.

If you have any questions, please contact John Leigh at 517-202-4625.

Sincerely,

A handwritten signature in blue ink, appearing to read 'John Leigh', is written over a horizontal line.

John Leigh
KL&A Partner



URI Conversion to MiCaRS

Prepared for:

Michigan Department of Natural Resources
525 West Allegan Street
P.O. Box 30473
Lansing, MI 48909-7973

Prepared by:



Kunz, Leigh & Associates
28081 Southfield Road
Lathrup Village, MI 48076-2816

v3.0

June 24, 2016

Proposal Signatures

Name/Title	Signature	Date
John K. Leigh, KL&A Partner		06-24-2016

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1.0 Project Identification

Effective June 2016, the Parties agree that all work to be performed will be pursuant to the Statement of Work and to the terms of the Kunz, Leigh & Associates (“**Contractor**”) Contract 071B4300022. Any changes to the scope of Services described herein shall be pursuant to a modification to this Contract Amendment.

The services described herein (“Services”) and deliverables identified below (“Deliverables”) shall be delivered on a fixed price basis, which means a predefined project model where the Contractor provides the Services, including any Deliverables, for a set fee. Payment will be made upon completion of the Milestone for which the State has received all Services and Deliverables within that Milestone. No partial payment will be accepted.

2.0 Background

Kunz, Leigh & Associates (KL&A) has a project with the State of Michigan (SOM) to modify the Michigan Cashiering and Receivable System (MiCaRS) to communicate with the State’s future ERP system, Advantage (SIGMA). The SOM, Department of Natural Resources (DNR) is a user of MiCaRS and involved in the MiCaRS for SIGMA project. The DNR is also in the process of modifying a number of other systems to communicate with the new ERP system. One such system is the Universal Receipts Interface (URI). A rewrite project is underway to rewrite the URI for SIGMA but also to make some incremental enhancements.

The URI and MiCaRS have existing interfaces for communicating departmental deposits and refunds. The URI also communicates journal voucher transactions to the Electronic Journal Voucher (EJV) system, which then communicates the same transactions to MiCaRS for transmission to MAIN. After some review of MiCaRS, URI, and EJV functionality it was determined that with the implementation of SIGMA the EJV system is no longer needed and that URI functionality is in many ways a duplication of functionality offered by MiCaRS. Armed with this information, the decision to roll URI functionality into MiCaRS as part of the MiCaRS for SIGMA project was confirmed by project stakeholders.

3.0 Project Objective

The objective of this Statement of Work (SOW) is to migrate URI functionality to MiCaRS in time for the start of SIGMA System Test.

KL&A will work with the DNR and CAMIS to develop the requirements needed for MiCaRS to consume data sent from the Central/Campground Reservation System (CRS) and generate required transaction types in MiCaRS for communication to MAIN. More specifically, the data consumed by MiCaRS will be used to record deposits, generate refunds and generate journal voucher transactions to move e-check, credit card and gift card revenue to the correct coding blocks.

4.0 Scope of Work

As part of the MiCaRS for SIGMA project, KL&A will work with DNR and CAMIS to migrate functionality found in the URI system to MiCaRS. MiCaRS enhancements include developing a web service to communicate with CRS for POS transactions, Harbor and Customer refunds as well as e-check/credit card, and gift card transactions.

Changes to MiCaRS will include:

This change request will make it possible for MiCaRS to communicate with CRS to process both parks POS transactions as well as Harbor and Customer refunds. The functionality in MiCaRS will require enhancements to make it possible for MiCaRS to process the incoming data from CRS in order to produce and manage deposits using the cashiering module and refunds using a refund module.

A MiCaRS web service will be developed to allow consumption by CRS for the submission of transactional data to MiCaRS. The data included in the web service communication includes POS Deposit ticket image file and the POS transaction file. The POS Deposit ticket Image file includes the deposit ticket number and image of a parks deposit ticket. The POS transaction file includes detailed information about park deposits as well as Harbor and Customer refund transactions. Processing of the POS transactions will create a MiCaRS deposit batch or create a MiCaRS refund dependent on the transaction type.

CRS deposits will flow through the normal cashiering module. A deposit batch will be created for review/modification by the cashier utilizing already developed MiCaRS data entry module. MiCaRS will be enhanced to display a deposit ticket image to the cashier to provide a mechanism to validate a deposit transaction.

Harbor refunds will be processed to create a refund when a Harbors account balance nets to a positive value. For those Harbors with a negative account balance, MiCaRS will log the account balance until a refund is warranted and a refund will be issued. MiCaRS will be enhanced with a look-up table to maintain Harbor account information with the possibility to have the information automatically updated from Sigma.

Both Harbor and Customer refunds will follow the Refund Module flow. Refunds can be reviewed/modified by the utilizing refund entry/review modules already developed MiCaRS functionality. MiCaRS also provides a refund review process to allow a manager to accept or reject a refund request.

CRS revenue collected via e-check, credit card or gift card will generate journal vouchers (Reclasses in MiCaRS nomenclature) in MiCaRS. CRS provides the required information in the data exchange for MiCaRS to generate a reclass transaction for submission to SIGMA. KL&A will deploy the reclass transaction that will move the revenue from a generic coding block to the transactions source coding block as currently implemented with MiCaRS 2.0. This approach to handling e-check, credit card and gift card differs from the current process by eliminating a reclassification step. Any additional reclass steps will be evaluated in terms of Score, Time, and Cost and placed in the Change Request Process if required.

4.1 Scope Changes

- Perform requirements gathering sessions with DNR and CAMIS.
- Enhance MiCaRS to include a mechanism for users to manage Harbor accounts and bridge to MiCaRS refund based on Index.
- Enhance MiCaRS to manage account balances for Harbor refunds.
- Enhance MiCaRS to display the Parks deposit ticket image to the Cashier.
- Enhance MiCaRS to include a web service for consumption by CRS to submit revenue, refund and journal voucher data.
- Enhance MiCaRS to process revenue data submitted by CRS for creation of deposit batches.
- Enhance MiCaRS to process refund data submitted by CRS for creation of Harbor and Customer refunds.
- Enhance MiCaRS to process journal voucher data submitted by CRS for creation of reclassification transactions.
- Update all relevant MiCaRS documentation.
- Work with DNR and CAMIS to test the MiCaRS modifications.

5.0 Deliverables

This Statement of Work is a Change Request; as such, the deliverables for this Statement of Work will include code and feature modifications, and updates to existing documentation.

Table 1. Deliverables

Deliverables
Addition of Functionality to MiCaRS as defined in Section 4.1 Scope Changes
Updated Design Document (will be integrated into MiCaRS design document)
Test Type Approach and Report
System Testing
Support of User Testing

6.0 Acceptance Criteria

DNR will provide acceptance of this Change Request by providing written sign-off of the design document, written sign-off of the test type approach and report, and written sign-off at the completion of the 90-Day Warranty period.

7.0 Project Control and Reports

Project control and reporting will adhere to the MiCaRS for SIGMA project. As part of this Change Request all MiCaRS for SIGMA project artifacts are to be updated to reflect the work required for completion of this change request.

8.0 Schedule

8.1 Schedule Assumptions

- The provided schedule assumes that all MDNR SIGMA Chart of Account decisions are final at the start of requirements development.
- The provided schedule assumes that CAMIS CRS will have finalized design of the data to be exchanged with MiCaRS.
- The provided schedule assumes that consumption of images from CRS will not change.
- The provided schedule assumes that system test and user test will be completed as part of the larger MiCaRS for SIGMA project.

8.2 Schedule

Name	Start	Finish	Work	Resource Names
URI Conversion to MiCaRS	Mon 7/11/16	Thu 10/27/16	682.8 hrs	
Initiation	Mon 7/11/16	Fri 7/22/16	16 hrs	

Project Charter	Mon 7/11/16	Fri 7/22/16	16 hrs	PM[20%]
Planning	Mon 7/25/16	Fri 8/19/16	120 hrs	
Requirements	Mon 7/25/16	Fri 8/19/16	120 hrs	BA[65%],PM[10%]
Execution and Control	Mon 8/8/16	Thu 10/27/16	546.8 hrs	
Sprint 1	Mon 8/8/16	Fri 8/19/16	104 hrs	Dev,BA[20%],PM[10%]
Sprint 2	Mon 8/22/16	Fri 9/2/16	104 hrs	Dev,BA[20%],PM[10%]
Sprint 3	Tue 9/6/16	Mon 9/19/16	104 hrs	Dev,BA[20%],PM[10%]
Sprint 4	Tue 9/20/16	Fri 9/30/16	90 hrs	Dev,BA[15%],PM[10%]
Sprint 5	Mon 10/3/16	Fri 10/14/16	80 hrs	Dev[75%],BA[15%],PM[10%]
Sprint 6	Mon 10/17/16	Thu 10/27/16	64.8 hrs	Dev[65%],BA[15%],PM[10%]

9.0 Cost

This is a fixed-price proposal for \$65,800.

Table 2. Cost Breakdown

Task	Hours	Cost
Requirements Gathering Sessions and Documentation (BA)	120	\$12,000
Harbor Refund Supporting Functionality	40	\$3,600
Web Service for CRS Data	120	\$10,800
Process for Generating Harbor and Customer Refunds	80	\$7,200
Process for Generating Deposit Batches	40	\$3,600
Process for Generating Reclassifications	100	\$9,000
Enhancing Data Entry to Display a Deposit Ticket Image	40	\$3,600
Documentation Updates (BA)	60	\$6,000
Project Management (PM)	80	\$10,000
Total		\$65,800

10.0 Payment Schedule

Upon completion of the project and project acceptance criteria, the DNR business owners will provide a statement of acceptance in writing and will remit payment in full.

11.0 Roles and Responsibilities

Table 3. Roles and Responsibilities

Role	Responsibility
KL&A Project Manager Carl Meisner	Facilitate meetings Prepare status reports Maintain project schedule Communicate with MDEQ and DTMB Manage development team
KL&A Business Analyst Elizabeth Robinson	Update existing MiCaRS documentation Create new interface documentation Assist in coordination of System, Regression or User Acceptance Testing with the CRS at any time after development is complete, including after production. Including making appropriate testing environments available.
KL&A Developer Ben Bockstege	Develop the application, per provided specifications. Work with CAMIS to ensure data is correct Unit testing
DTMB	DTMB will be responsible for evaluating and approving or declining any RFC initiated by KL&A or the DNR. DTMB will be responsible for deploying the releases to production.
DNR	Agree to functional specifications outlined in Statement of Work. Facilitate User Acceptance Testing of the interface if CRS integration is complete during User Acceptance Test Window. Validate User Acceptance Test Plan and Results.
CAMIS Team	CAMIS will be part of the requirements gathering process when data exchange is discussed. CAMIS will make the required modifications to consume the web service provided by MiCaRS. The mentioned modifications are not part of this SOW. CAMIS will make the appropriate technical resources available via teleconference when requested to ensure system integration. Project management and business analysts are not considered technical resources.
MDOT Accounting Service Center	MDOT Accounting Service Center will be responsible for User Acceptance of all changes to the MiCaRS application. Agree to functional specifications outlined in Statement of Work.

12.0 Assumptions

Table 4. Project Assumptions

Project Assumptions
A project start date will be set upon receipt of a purchase order.
The project contains dependencies on DTMB for hardware and security approvals that can influence the completion date of the project.
<p>KL&A observes the following non-working holidays:</p> <ul style="list-style-type: none"> Memorial Day July 4th (or the Friday or Monday closest to the 4th) Labor Day November 8th, (since this is an election year) Thanksgiving and the Friday after Thanksgiving Christmas Eve and Christmas Day New Year’s Eve and New Year’s Day <p>All other non-weekend calendar days, and non-State holidays, are treated as workdays, with the assumption that both KL&A and MDEQ stakeholders are available to complete project-related tasks.</p>
This proposal is a fixed-price bid. Change requests approved by DNR or DTMB will affect the price and schedule as defined within the Request of Change.
KL&A will provide test cases and test plans for User Acceptance Testing (UAT) and will facilitate UAT.
UAT test cases will be written and executed using Jama, which provides traceability.
Issues found during testing will be recorded in JIRA, KL&A’s web-based issue tracking tool.
Any failures reported during UAT that KL&A deems outside the scope of this project will be handled through a “change request” process.
DTMB will be responsible for deploying releases to production. KL&A will initiate the release process into QA and PROD via an RFC.
KL&A will be responsible for deploying releases to the Dev and Test servers.
CAMIS will be responsible for consuming web services.



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **4**
to
Contract Number **071B430022**

CONTRACTOR	KUNZ LEIGH & ASSOCIATES INC
	28081 Southfield Road
	Lathrup village, MI 48076
	John Leigh
	517-202-4625
	j.leigh@kunzleigh.com
	*****1652

STATE	Program Manager	Nordyke, Susan	DTMB
		517-373-9784	
		nordykes@michigan.gov	
	Contract Administrator	Terry Mead	DTMB
		(517) 284-7035	
		meadt@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Enterprise Support Services MIRS RPS ARS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
January 1, 2014	December 31, 2019	3 - 1 Year	December 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
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				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,033,933.37		\$2,460.00	\$5,036,393.37	

DESCRIPTION: Effective June 17, 2016, this Contract is hereby increased by \$2,460.00 to pay for programming costs associated with MiCARS and the interface with SIGMA. This is additional application development work which will allow the users to access the MiCARS 2.0 cashiering system with Active Directory credentials. The code provided by DTMB will be integrated into the MiCARS 2.1 Application. See

**KL&A Letter of Agreement attached. The total cost of the change notice is \$8,800.00. We are using \$6,340.00 left on the PO, leaving a balance of \$2,460.00.
All other terms, conditions, specifications and pricing remain the same. Per (DTMB) contractor (request/proposal) and agency (request) agreement, and DTMB Procurement approval.**



Kunz, Leigh & Associates
 P.O. Box 760187
 28081 Southfield Road
 Lathrup Village, MI 48076-0187
 Phone: (248) 559-7910
 Fax: (248) 559-8066
 kunzleigh.com

DTMB Procurement
 530 W. Allegan Street
 Lansing, MI 48909

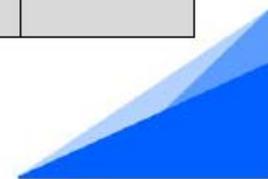
Re: Letter of Agreement for K L & A MiCaRS Active Directory Change

This Letter of Agreement shall confirm the Agreement of K L & A and MDOT to revise the Statement of Work dated 09/10/2015 with Change Request Number: CHG-2015-000753.

Kunz, Leigh and Associates (KL&A) will provide application development services, which will allow the Users to access the MiCaRS 2.0 cashiering system with Active Directory credentials. Code provided by DTMB will be integrated into the MiCaRS 2.1 Application.

Milestone II The Project Plan is hereby modified as follows:

Tasks & Deliverables	Requirements	Anticipated Completion Date	Contractor Staff	Role	Total	Acceptance / Signoff
Milestone II MDARD & MDNR MiCaRS 2.0	Project Charter	12/21/2015	System Architect	Work with MDOT Service Center team to migrate from RPS to MiCaRS 2.0	\$48,800	Delivery of all system features
	Project Management Plan		Business Analyst			Successful completion of UAT
	Enterprise Architecture Solution Assessment		Project Manager			Successful implementation of the system
	Project Schedule		Developer			Signatures provided by Project Sponsors on documents
	Project Control Reporting					
	Data Migration Plan					
	Application Code					
	LDAP Authentication					
	Test Plan					
	Test Cases					
	Test Type Approach					
	Training Plan					
	Training					
	Installation Plan					
System Cut-over						



KL&A proposes integrating this development with the schedule being executed in the MDOT Conversion to MiCaRS Project beginning with receiving the purchase order. To accomplish this timeline, KL&A intends to allocate to the project one full-time Developer. The total cost for the change will be \$8,800.

Deliverables

Deliverables

Deliverables
Application Code changes
Create documentation – new document
Facilitate User Acceptance Testing

Cost

This is a fixed-price for \$8,800

Cost Breakdown

Task	Hours	Cost
Front-end MiCaRS changes and testing	80	\$8,800
Total		\$ 8,800

Payment Schedule

Upon the completion of Milestone II, the MDOT business owners will provide a statement of acceptance in writing and will remit payment in full.

Except where specifically indicated otherwise, this Letter of Agreement is governed by the terms of the Agreement. K L & A's acceptance of these terms is confirmed by the signature below

If you have any questions, please contact John Leigh at 517-202-4625.

Sincerely,



John Leigh
KL&A Partner

AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

CHANGE NOTICE NO. 3
 to
 CONTRACT NO. 071B4300022
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Kunz Leigh & Associates Inc. 28081 Southfield Road Lathrup Village MI, 48076	John Leigh	j.leigh@kunzleigh.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	517-202-4625	*****1652

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Susan Nordyke	(517)373-9784	nordykes@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	(517) 284-7035	meadt@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Enterprise Support Services MIRS Rps Ars			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2014	December 31, 2019	3 - 1 Year	December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		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 type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$4,979,433.37		\$54,500.00	\$5,033,933.37	
DESCRIPTION: Effective May 12, 2016 per attached Statement of Work-Uniform Commercial Code Payment Interface Upgrade to add three different web services and modify the databases for MDOS is hereby incorporated into this contract. This change increases the contract value by \$54,500.00.				
All other terms, conditions, specifications and pricing remain the same. Per (DTMB) contractor				

(request/proposal) and agency (request) agreement, and DTMB Procurement approval.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK**

Project Title: UCC Payment Interface Upgrade	Period of Coverage: 2016
Requesting Department: MDOS	Date: 4/5/2016
Agency Project Manager: Dawn Wilson	Phone: 517-322-6280
DTMB Contract Administrator: Todd Elsenheimer	Phone: 517-636-0253

Brief Description of Services to be provided:

BACKGROUND:

Uniform Commercial Code (UCC) has contracted with a new vendor (PCC), which requires new interface connections with various programs, including the payment interface.

PROJECT OBJECTIVE:

The approach used for a project is an important part of a project’s success. Of course, a project will have a better opportunity of success if it has the required funding, skilled resources, executive support, limited impediments, and limited constraints. However, a project can have all of the right ingredients, but still fail, if the project does not have a clear project approach.

MDOS has requested services for Kunz, Leigh and Associates to perform development of web services that will allow RPS/ARS and Uniform Commercial Code to communicate. Currently, these two systems communicate at a database level.

RPS/ARS and UCC require three different web services that will allow UCC to properly function. The three web services include:

- Control Number validation and amount web service
- Account Number verification web service
- Invoice creation web service

The web services will be located on a server that will be accessible to the new UCC system that is currently being developed by the vendor PCC. Over the 12-week schedule, the web services will be developed, tested internally, tested with the other vendor and then finally tested by the user (User Acceptance Testing) before proceeding to production.

The State of Michigan has addressed the need for a clear project approach by providing projects with a framework, the State Unified Information Technology Environment (SUITE), which provides documented methodologies for project management and systems engineering.

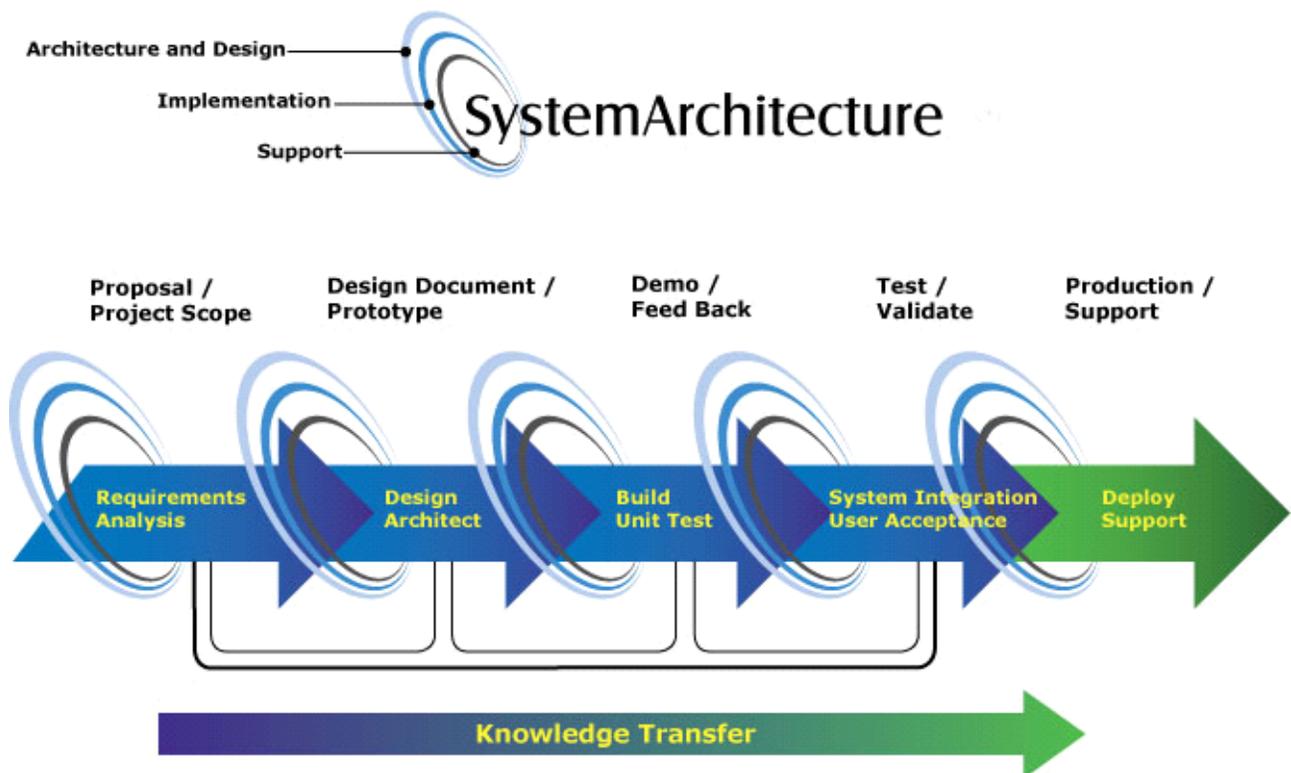
“The overall purpose of SUITE is to bring the Department of Technology, Management & Budget (DTMB) systems development areas up to CMMI Level 3, which ensures consistent process usage throughout the organization. This includes using the same Project Management Methodology (PMM), Systems Engineering Methodology (SEM), Process Management, and Supporting Processes across all systems development areas within DTMB. The overall goal of SUITE is to integrate Project Management, Systems Engineering, Process Management, and Supporting Processes into a single unified environment.”

The RPS/ARS and UCC web service project will adhere to SUITE, producing the required documentation with the PMM and SEM document templates.

The project will integrate the SUITE requirements into the system development life cycle (SDLC) by following the SUITE PMM/SEM Integration for Agile, with the Scrum Framework as the Agile derivative.

The following illustration depicts a typical Scrum iteration, showing how each Sprint encompasses all SDLC phases, beginning with requirement analysis through testing to product deployment.

Figure 1. Scrum Development Process



DTMB will provide the necessary hardware for a development environment, a staging/testing environment, and a production environment. KL&A will work with DTMB to get these environments implemented.

The high-level requirements for this project have already been identified. These requirements will be entered into the “product backlog” in Team Foundation Server. The State will have access to this “product backlog” as needed. Functional and system design will occur at the beginning of the development cycle. Design information will be documented in SEM-0501 and SEM-0604.

The function(s) developed will be deployed to the staging/testing environment, where they will be fully tested with

functional testing, system integration testing (SIT), and user acceptance testing (UAT) that occurs at the end of the Sprint. The Business Analyst will write test cases for each requirement and bundle the test cases into a test plan for the release. Each test plan will contain a phase for SIT and a phase for UAT. The Business Analyst will execute and track SIT test outcomes and will ensure that the KL&A Developers repair any defects. After the SIT phase is complete, the KL&A Project Manager will facilitate UAT with identified MDOS personnel, who will also track test outcomes. Tracking test outcomes is as simple as executing the steps identified in the test case and marking each step as passed or failed. The KL&A Project Manager will ensure that any defects found during UAT are repaired to the satisfaction of MDOS.

When all features defined in the project scope have passed user acceptance testing, KL&A will work with DTMB to deploy the final release version to the production environment. MDOS will provide written acceptance and remit payment.

SCOPE OF WORK:

The proposed solution involves the following:

- Developing the following web services:
 - Control Number validation and amount web service
 - Account Number verification web service
 - Invoice creation web service

- Modifying the current database which includes:
 - Adding 2 tables to manage invoice creation (account and non-account customers)
 - Modifying Stored Procedures that exist currently to work with the new web services, table layout and account customer invoice creation.
 - Creating new Stored Procedures to handle new functionality that does not currently exist.

If the above scope negatively affects RPS/ARS remediation changes will be made as part of KL&A maintenance support contract at no cost to MDOS. Negative can be defined as anything that doesn't work as planned, any error that has a significant and unwanted impact on the function, reliability or output of the system.

Below out-lines the three web services to be developed in detail:

- **Control Number Validation Web Service**

Input Parameters

Parameters to be passed to the web service by the UCC System

- Control Number

ARS will validate that Control Number is valid, and obtain the amount of total payments for that control number if it is valid.

- **Output Parameters**

Parameters Passed Back by the service from the ARS/RPS System -> Amount, Exception

Amount - The Amount will be a currency with two decimals. Amount filed will be zero 0.00 if the exception value returned is '1', and a specific amount will be present in all cases if exception value returned is '0'. The amount will typically be greater than zero when exception value is '0'.

Exception - Exception values of either a '0', or a '1' will be returned by the web service. A '0' will be returned if the control number exists, and a value of one '1' will be returned if the Control Number does not exist or there is another problem as determined by ARS/RPS.

Account Number Validation Web Service

Input Parameters

Parameters to be passed to the service by the UCC System -> Four digit Numeric Account Number

Output Parameters

Parameters Passed Back by the web service from the RPS/ARS

- Account_Status
- Cust_Name

Account Status is returned to UCC - One of the four values below will be returned:

- Null Status = -1
- Good Status = 0
- Cancelled Status = 3
- Delinquent Status = 4

Customer Name is returned to UCC which will be the name of the account holder as stored in RPS/ARS in Cust_Name field.

Invoicing Web Service

Input Parameters

Parameters to be passed to the service by the UCC System:

Note: The first three Parameters (Total, Transaction Date, and Account Number) are to be required to be passed for account transactions.

- Total (Total amount due) - Required
- Transaction Date – Date and Time that the work order was created - Required
- Account Number – Optional-Conditionally required (required if an account transaction)

- Customer Last Name – Optional-Conditionally required (either An Organization name or the individual to be passed if there is no account)
- Customer First Name– Optional-Conditionally required, (required if individual and there is no account)
- Customer Middle Name– Optional
- Customer Organization Name – Optional-Conditionally required (either Customer Organization name or the Customer Last Name and First Name to be passed if there is no account)
- Address 1– Optional-Conditionally required for non-account holders.
- Address 2–Optional for non-account holders.
- Address 3–Optional for non-account holders; UCC System will not be passing this value.
- City–Optional-Conditionally required for non-account holders.
- State–Optional-Conditionally required for non-account holders.
- Zip–Optional-Conditionally required for non-account holders.
- Country–Optional-Conditionally required for non-account holders.
- Reference field from UCC – Required, unique identifier that will be the work order number from the UCC system.

Output Parameters

Parameters Passed Back by the service from the RPS/ARS System

1. Invoice Number
2. Error Information: Parameters Required that are missing (passed as a comma separated list of exceptions)

The scope of work necessary to achieve this solution includes:

Working with DTMB to ensure the appropriate infrastructure is implemented.

Creating SUITE PMM and SEM documentation, listed in “Deliverables”

Creating web services stated above

Creating, modifying stored procedures on the RPS/ARS database

Creating, modifying database tables on the RPS/ARS database

Working with DTMB, MDOS, and the PCC vendor of the new UCC system

TASKS:

Technical support is required to assist with the following tasks:

- KLA will create EA Solution Assessment and appropriate technical documentation to obtain security
KL&A **Error! Unknown document property name.** **90**

approvals on the application. DTMB will provide the necessary hardware for a development environment, a staging/testing environment, and a production environment. KL&A will work with DTMB to get these environments implemented.

- When all features defined in the project scope have passed user acceptance testing, KL&A will provide DTMB an implementation plan that includes all necessary scripts that DTMB can deploy to the final release version to the production environment.

Table 1. Project Assumptions

Project Assumptions
• This project will be developed with the Scrum (Agile) methodology, delivering functionality through a series of releases; each release will provide a project milestone.
• The project start date will begin upon receipt of the purchase order.
• The project contains dependencies on DTMB for hardware that can impact the completion date of the project.
• DTMB will provide a test, and production web server for MiCaRS. DTMB will provide KL&A and MDOS personnel with the necessary credentials to access the servers (excluding production servers and other environments require agency along with DTMB approval for access. MDOS is responsible for the cost of these servers, which is payable to DTMB.
• KL&A observes the following non-working holidays, Thanksgiving days (November 26 and 27)
• All other non-weekend calendar days, and non-State holidays, are treated as work days, with the assumption that both KL&A and MDOS stakeholders are available to complete project-related tasks.
• This proposal is a fixed-price bid. Change requests approved by MDOS or DTMB will affect the price and schedule as defined within the request of change (RFC).
• KL&A will provide test cases and test plans for user acceptance testing (UAT) prior to each release and will facilitate UAT.
• UAT will be concluded within 5 business days of each Sprint release.
• UAT test cases will be written and executed using Team Foundation Server.
• Issues found during testing will be recorded in Team Foundation Server
• Any failures reported during UAT that KL&A and MDOS deem outside the scope of this project will be handled through a “change request” process, in which KL&A will submit the request for change (RFC) to DTMB.
• DTMB will be responsible for evaluating and approving or declining any RFC initiated by KL&A or the MDOS, and the project schedule, pricing, and payment schedule will be updated accordingly.
• DTMB will be responsible for executing the scripts identified within the implementation plan for deploying the releases to production. KL&A will initiate the release process via an RFC.
• KL&A will be responsible for deploying releases to the Test server.
• KL&A will use Team Foundation Server for source control.
• KL&A will deliver source code with each release deployment.

Table 2. Roles and Responsibilities

Role	Responsibility
KL&A ProjectManager	<ul style="list-style-type: none"> • Facilitate meetings • Maintain project schedule • Communicate with MDOS and DTMB • Complete PMM deliverables • Ensure all SEM deliverables are completed • Manage development team
KL&A Developer	<ul style="list-style-type: none"> • Develop the application • Unit testing • Code reviews
KL&A Business Analyst	<ul style="list-style-type: none"> • Writing SEM document • Writing/updating the end-user manual • Writing test cases and test plans • Executing System Integration Testing • Facilitating User Acceptance Testing with MDOS personnel

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include:

<ul style="list-style-type: none"> • Updated SEM-0501 Functional Design Document
<ul style="list-style-type: none"> • SEM-0606 Test Cases
<ul style="list-style-type: none"> • SEM -0602 Test Plan
<ul style="list-style-type: none"> • EA Assessment
<ul style="list-style-type: none"> • SEM-0502 Use Case documents
<ul style="list-style-type: none"> • SEM-0402 Requirements
<ul style="list-style-type: none"> • SEM-0702 Implementation Plan
<ul style="list-style-type: none"> • SEM-0604 System Design Document
<ul style="list-style-type: none"> • Application Code
<ul style="list-style-type: none"> • New and Enhanced System Functionality (Releases)
<ul style="list-style-type: none"> • Project Charter
<ul style="list-style-type: none"> • Project Management Plan
<ul style="list-style-type: none"> • Project Schedule
<ul style="list-style-type: none"> • Updated DTMB 170
<ul style="list-style-type: none"> • EA Solution Assessment

ACCEPTANCE CRITERIA:

The agencies responsible for providing acceptance of the web services developed for MDOS will indicate acceptance of the application through a written acceptance and sign-off of the following project deliverables based on the stage exits identified within the Systems Engineering Methodology (SEM).

- Requirements
- Design
- User Testing
- Implementation

PROJECT CONTROL AND REPORTS:

A weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing invoice. Each weekly progress report must contain the following:

- **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
- **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
 - **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.
 - **Next Steps:** Identify what will be completed in the next two week reporting cycle
 - Weekly Status Progress Report
 - Identify Issues

LIQUIDATED DAMAGES:

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under Section 2.152 in contract #071B430022, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel

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

For the Unauthorized Removal of any Key Personnel designated in the Contract or any Statement of Work issued under

it, the liquidated damages amount is \$25,000.00 per individual if the Contractor identifies a replacement approved by the State under Section 2.060 in contract #071B430022 assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

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

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, in addition to DTMB standards

PAYMENT SCHEDULE:

Project work will begin upon receiving the purchase order and will be completed within twelve weeks. Any RFCs that impact scope may result in a longer duration.

Payment will be made on a satisfactory final acceptance at conclusion of the contract basis. DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Contracts area will coordinate obtaining Agency Project Manager and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

The KL&A payment address is:

Kunz, Leigh & Associates
P.O. Box 760187
28081 Southfield Road
Lathrup Village, MI 48076-0187

COST/RATE:

This is a fixed-price proposal for \$54,500.

Table: Cost Breakdown

Task	Hours	Cost
Web Service Development	140	\$14,700.00
Database Development	100	\$10,500.00

BA Test Support	100	\$10,500.00
BA (Documentation)	60	\$6,300.00
Project Management	100	\$12,500.00
Total	500	\$54,500.00

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Dawn Wilson
Michigan Department of State
Office of Customer Services/Direct Services Section
Secondary Complex, SOS Building, 1st floor north
7064 Crowner Drive
Lansing, MI 48918
517-322-6280
517-322-3434
wilsond24@michigan.gov

The designated DTMB Project Manager is:

Todd Elsenheimer
DTMB Enterprise Portfolio Management Office
7285 Parson Drive
Dimondale, MI
636-0253
Email: elsenheimert@michigan.gov

The DTMB Contract Administrator for this project is:

David Hatch
Michigan Department of Technology, Management and Budget
DTMB Purchasing Operations - Stevens T. Mason Building – 2nd Floor
530 W. Allegan Street
Lansing, MI 48933
517-284-7044
Email: hatchd@michigan.gov

AGENCY RESPONSIBILITIES:

Meet with vendor to describe needs and requirements of the project and review progress, will verify user acceptance testing, acceptance of completed tasks/deliverables.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at Secondary Complex, SOS Building, 7064 Crowner Drive, Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.

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. 2 (REVISED)
 to
CONTRACT NO. 071B4300022
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Kunz, Leigh & Associates 28081 Southfield Road Lathrup Village, MI 48076	John Leigh	jleigh@kunzleigh.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(517) 202-4625	1652

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Susan Nordyke	(517) 373-9784	nordykes@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	(517) 284-7044	hatchd1@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Enterprise Support Services for MIRS, RPS/ARS, and MiCARS			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2014	December 31, 2019	(3) 1 Year Options	December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		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 type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	December 31, 2019
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$3,152,233.37		\$1,827,200.00	\$4,979,433.37	

DESCRIPTION: Effective September 11, 2015, this Contract is hereby increased by \$884,000.00 per the attached Statement of Work. These funds are required for Fiscal Year 2015. The remaining required funds (\$943,200.00) to fulfill the requirements of this Statement of Work will be added per an additional Change Notice upon State Administrative Board approval. All other terms, conditions, specifications, and pricing remain the same, per Contractor and Agency agreement, DTMB Procurement approval and State Administrative Board approval on

August 18, 2015.

Available Ad Board dollars remaining after this request for SIGMA Interface work for this Contract: \$70,000.00

Effective September 30, 2015, the revised Contract increase is \$1,827,200.00 per the attached Statement of Work. All other terms, conditions, specifications, and pricing, remain the same per Contractor and Agency agreement, DTMB Procurement approval and State Administrative Board approval on September 30, 2015.

Kunz, Leigh & Associates MIRS, RPS/ARS, and MiCARS SIGMA Interface Statement of Work

VI. Background

The SIGMA system will impact all areas of State business operations, from payroll and purchasing, to payment of suppliers, disbursement of grant funding and processing of unemployment, financial aid and child support. The system must interface with each of the applications managing these process areas, as well as those utilized for payment processing and revenue generating applications. To successfully implement the required functionality and realize projected efficiencies of SIGMA, the interfaces must be in established, tested and fully implemented. The State does not have resources with the necessary technical ability and bandwidth to accomplish the transition independently. Thus contract change notices will be processed for those interfaces which can be managed through existing contracts and staff augmentation resources will be obtained through bids completed under the pre-qualification program.

vii. Environment / IT Standards

Confirm with Sigma Team

Agency	Test Type	Environment
MDHHS	Unit Test Integration Test System & Standards Test	Test SSO Development Web Development Database
MDHHS	Performance Test User Acceptance Test Regression Test	QA SSO Staging Web Staging Database
MDOT (MDARD, MDNR, MDEQ, MDOT)	Unit Test Integration Test System & Standards Test	Test MiLogin Development Web Development Database
MDOT (MDARD, MDNR, MDEQ, MDOT)	Performance Test User Acceptance Test Regression Test	QA MiLogin Staging Web Staging Database
MSP	Unit Test Integration Test System & Standards Test	Test MiCiJIN Development Web Development Database
MSP	Performance Test User Acceptance Test Regression Test	QA MiCiJIN Staging Web Staging Database
MDOS	Unit Test Integration Test System & Standards Test	Test Workstation Development Database

Agency	Test Type	Environment
MDOS	Performance Test User Acceptance Test Regression Test	Test Workstation Staging Database

VIII. Project Objective

Successfully design and implement necessary interfaces between existing systems and SIGMA for continued and improved operations and business processes throughout the state.

The next generation of MiCaRS-RPS is now required. The State of Michigan is implementing a replacement for MAIN, a CGI product named Advantage. Project SIGMA, as it were named, is the State of Michigan effort to implement Advantage.

MiCaRS-RPS will be impacted by the change from MAIN to Advantage and will require changes to keep all of the agencies doing business.

The objective of this project is to make MiCaRS-RPS ready to interface with Advantage. The objective can be broken down to the following activities:

- 1) To ease the transition from MAIN to Advantage standardize the MDOT Service Center software. This will be achieved by migrating MDARD and MDNR from RPS to MiCaRS and converting MDEQ and MDOT from Navision to MiCaRS. This project activity will be referred to as MiCaRS 2.0 for the remainder of the document.
- 2) Perform an impact analysis to understand how MiCaRS-RPS will be impacted by Advantage.
- 3) Upgrade MiCaRS to interface with Advantage. This project activity will be referred to as MiCaRS 3.0 for the remainder of the document.
- 4) Upgrade RPS at MDOS to interface with Advantage. This project activity will be referred to as RPS for SIGMA for the remainder of the document.

IX. Scope of Work

b. Deliverables

List specific interface(s) to be covered by this change request (provide task detail in table below):

**Kunz, Leigh & Associates (KL&A); Contract Number:
071R43000??**

- c. Acceptance Criteria – List in **Requirements column** for Milestone Acceptance & Signoff row, and identify those authorized to signoff in **Acceptance/Signoff Column**.
- d. Cost/Price Model – List in table, **Hours, Rate, Total and Total Payment** Columns.
- e. Project Contacts – Should all be listed on iTRAC, either in contact fields, description fields or on an attached document.
- f. Agency Responsibilities and Assumptions – Identify in **State Staff and Roles** columns.
- g. Contractor Staff – Numbers, **roles, anticipated hours, and duration by task and total** columns below.

X. Terms and Conditions

Per established contract #071B4300022

Project Plan:

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
Milestone I Impact Analysis and Requirements	Project Charter	10/09/2015			Business Analyst	Meet with agency SME's to establish interface requirements	800	\$105	\$84,000	Signatures provided by Project Sponsors	\$84,000
	Project Management Plan				Project Manager						
	Impact Analysis Document										
	Requirements Document										
Milestone II MDARD & MDNR MiCaRS 2.0	Project Charter	12/07/2015			System Architect	Work with MDOT Service Center team to migrate from RPS to MiCaRS 2.0	380	\$105	\$40,000	Delivery of all system features	\$40,000
	Project Management Plan				Business Analyst						
	Enterprise Architecture Solution Assessment				Project Manager						
	Project Schedule				Developer						
	Project Control Reporting										
	Data Migration Plan										
	Application Code										
	Test Plan										
	Test Cases										
	Test Type Approach										
									Successful completion of UAT		
									Successful implementation of the system		
									Signatures provided by Project Sponsors on documents		

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
	Training Plan Training Installation Plan System Cut-over										
Milestone III MDEQ & MDOT MiCaRS 2.0	Project Charter Project Management Plan Enterprise Architecture Solution Assessment Project Schedule Project Control Reporting Data Migration Plan Application Code Test Plan Test Cases Test Type Approach Training Plan Training Installation Plan System Cut-over	04/04/2016			System Architect Business Analyst Project Manager Developer	Work with MDOT Service Center team to migrate from Navision to MiCaRS 2.0	720	\$105	\$75,600	Delivery of all system features Successful completion of UAT Successful implementation of the system Signatures provided by Project Sponsors on documents	\$75,600

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
Milestone IV MiCaRS (3.0) for SIGMA Design (MDHHS, MDOT, MSP)	Enterprise Architecture Solution Assessment Project Schedule Project Control Reporting Functional Design Document System Design Document	02/15/2016			System Architect Business Analyst Project Manager Developer	Work to review and approve the technical environment, produce design documents and report project status	1220	\$105	\$128,100	Signatures provided by Project Sponsors	\$128,100
Milestone V RPS for SIGMA Design (MDOS)	Enterprise Architecture Solution Assessment Project Schedule Project Control Reporting Functional Design Document System Design Document	02/15/2016			System Architect Business Analyst Project Manager Developer	Work to review and approve the technical environment, produce design documents and report project status	480	\$105	\$50,400	Signatures provided by Project Sponsors	\$50,400
Milestone VI MiCaRS (3.0) for SIGMA Testing (MDHHS, MDOT, MSP)	Application Code Requirements Traceability Matrix Test Plan Test Cases Test Type Approach and	8/30/2016			Business Analyst Project Manager Developer	Work to make the necessary application changes and test the changes	2440	\$105	\$256,200	Delivery of all system features, entry of final UAT Signatures provided by Project Sponsors on documents	\$256,200

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
	Report Data Migration Plan Training Plan										
Milestone VII RPS for SIGMA Testing (MDOS)	Application Code Requirements Traceability Matrix Test Plan Test Cases Test Type Approach and Report Data Migration Plan Training Plan	8/30/2016			Business Analyst Project Manager Developer	Work to make the necessary application changes and test the changes	960	\$105	\$100,800	Delivery of all system features, entry of final UAT Signatures provided by Project Sponsors on documents	\$100,800
Milestone VIII MiCaRS (3.0) for SIGMA Implementation (MDHHS, MDOT, MSP)	Maintenance Plan Software Configuration Management Plan Installation Plan Training System Cut-over	9/30/2016			Business Analyst Project Manager Developer	Work to implement the system in a State of Michigan environment	1220	\$105	\$128,100	Successful implementation of the system Signatures provided by Project Sponsors on documents	\$128,100
Milestone IX RPS for SIGMA Implementation (MDOS)	Maintenance Plan Software Configuration Management Plan Installation Plan Training	9/30/2016			Business Analyst Project Manager Developer	Work to implement the system in a State of Michigan environment	480	\$105	\$50,400	Successful implementation of the system Signatures provided by Project Sponsors on documents	\$50,400

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
	System Cut-over										
Milestone X Final Acceptance	Project Closeout Document Completion of 90 day Warranty Period	01/01/2017			Business Analyst Project Manager Developer	Closeout project and support the application after cut-over	Holdback		\$182,720	Completion of Warranty Period without Blocker, Critical or Major (without Workaround) defects	\$182,720
Monthly Bill MDHHS	Flat bill May 2015 to October 2016 (\$8,400 per month)				Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	1440	\$105	\$151,200		\$151,200
Monthly Bill MDOS	Flat bill May 2015 to October 2016 (\$10,266.66 per month)				Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	1760	\$105	\$184,800		\$184,800
Monthly Bill MDOT	Flat bill May 2015 to October 2016 (\$13,537.78 per month)				Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	2320	\$105	\$243,680		\$243,680
Monthly Bill MSP	Flat bill May 2015 to October 2016 (\$8,400 per month)				Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	1440	\$105	\$151,200		\$151,200
Totals					6				\$1,827,200	State PM & Program Manager	\$1,827,200

Change Notice Number: 2 (REVISED)

Contract Number: 071B4300022

FOR THE CONTRACTOR:

Kunz, Leigh & Associates
Company Name

Authorized Agent Signature

John Leigh
Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Sharon Walenga-Maynard, Sourcing Director
Name & Title

DTMB Procurement
Agency

Date

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. 2
 to
CONTRACT NO. 071B4300022
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Kunz, Leigh & Associates 28081 Southfield Road Lathrup Village, MI 48076	John Leigh	jleigh@kunzleigh.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(517) 202-4625	1652

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Susan Nordyke	(517) 373-9784	nordykes@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	(517) 284-7044	hatchd1@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Enterprise Support Services for MIRS, RPS/ARS, and MiCARS			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2014	December 31, 2019	(3) 1 Year Options	December 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		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 type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	December 31, 2019
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$3,152,233.37		\$884,000.00	\$4,036,233.37	
DESCRIPTION: Effective September 11, 2015, this Contract is hereby increased by \$884,000.00 per the attached Statement of Work. These funds are required for Fiscal Year 2015. The remaining required funds (\$943,200.00) to fulfill the requirements of this Statement of Work will be added per an additional Change Notice upon State				

Administrative Board approval. All other terms, conditions, specifications, and pricing remain the same, per Contractor and Agency agreement, DTMB Procurement approval and State Administrative Board approval on August 18, 2015.
Available Ad Board dollars remaining after this request for SIGMA Interface work for this Contract: \$70,000.00

Kunz, Leigh & Associates MIRS, RPS/ARS, and MiCARS SIGMA Interface Statement of Work

XI. Background

The SIGMA system will impact all areas of State business operations, from payroll and purchasing, to payment of suppliers, disbursement of grant funding and processing of unemployment, financial aid and child support. The system must interface with each of the applications managing these process areas, as well as those utilized for payment processing and revenue generating applications. To successfully implement the required functionality and realize projected efficiencies of SIGMA, the interfaces must be in established, tested and fully implemented. The State does not have resources with the necessary technical ability and bandwidth to accomplish the transition independently. Thus contract change notices will be processed for those interfaces which can be managed through existing contracts and staff augmentation resources will be obtained through bids completed under the pre-qualification program.

XII. Environment / IT Standards

Confirm with Sigma Team

Agency	Test Type	Environment
MDHHS	Unit Test Integration Test System & Standards Test	Test SSO Development Web Development Database
MDHHS	Performance Test User Acceptance Test Regression Test	QA SSO Staging Web Staging Database
MDOT (MDARD, MDNR, MDEQ, MDOT)	Unit Test Integration Test System & Standards Test	Test MiLogin Development Web Development Database
MDOT (MDARD, MDNR, MDEQ, MDOT)	Performance Test User Acceptance Test Regression Test	QA MiLogin Staging Web Staging Database
MSP	Unit Test Integration Test System & Standards Test	Test MiCiJIN Development Web Development Database
MSP	Performance Test User Acceptance Test Regression Test	QA MiCiJIN Staging Web Staging Database
MDOS	Unit Test	Test Workstation

Agency	Test Type	Environment
	Integration Test System & Standards Test	Development Database
MDOS	Performance Test User Acceptance Test Regression Test	Test Workstation Staging Database

XIII. Project Objective

Successfully design and implement necessary interfaces between existing systems and SIGMA for continued and improved operations and business processes throughout the state.

The next generation of MiCaRS-RPS is now required. The State of Michigan is implementing a replacement for MAIN, a CGI product named Advantage. Project SIGMA, as it were named, is the State of Michigan effort to implement Advantage.

MiCaRS-RPS will be impacted by the change from MAIN to Advantage and will require changes to keep all of the agencies doing business.

The objective of this project is to make MiCaRS-RPS ready to interface with Advantage. The objective can be broken down to the following activities:

- 5) To ease the transition from MAIN to Advantage standardize the MDOT Service Center software. This will be achieved by migrating MDARD and MDNR from RPS to MiCaRS and converting MDEQ and MDOT from Navision to MiCaRS. This project activity will be referred to as MiCaRS 2.0 for the remainder of the document.
- 6) Perform an impact analysis to understand how MiCaRS-RPS will be impacted by Advantage.
- 7) Upgrade MiCaRS to interface with Advantage. This project activity will be referred to as MiCaRS 3.0 for the remainder of the document.
- 8) Upgrade RPS at MDOS to interface with Advantage. This project activity will be referred to as RPS for SIGMA for the remainder of the document.

XIV. Scope of Work

h. Deliverables

List specific interface(s) to be covered by this change request (provide task detail in table below):

**Kunz, Leigh & Associates (KL&A); Contract Number:
071R1300022**

- i. Acceptance Criteria – List in **Requirements column** for Milestone Acceptance & Signoff row, and identify those authorized to signoff in **Acceptance/Signoff Column**.
- j. Cost/Price Model – List in table, **Hours, Rate, Total and Total Payment** Columns.
- k. Project Contacts – Should all be listed on iTRAC, either in contact fields, description fields or on an attached document.
- l. Agency Responsibilities and Assumptions – Identify in **State Staff and Roles** columns.

m. Contractor Staff – Numbers, **roles, anticipated hours, and duration by task and total** columns below.

XV. Terms and Conditions

Per established contract #071B4300022

Project Plan:

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
Milestone I Impact Analysis and Requirements	Project Charter	10/09/2015			Business Analyst	Meet with agency SME's to establish interface requirements	800	\$105	\$84,000	Signatures provided by Project Sponsors	\$84,000
	Project Management Plan				Project Manager						
	Impact Analysis Document										
	Requirements Document										
Milestone II MDARD & MDNR MiCaRS 2.0	Project Charter	12/07/2015			System Architect	Work with MDOT Service Center team to migrate from RPS to MiCaRS 2.0	380	\$105	\$40,000	Delivery of all system features Successful completion of UAT Successful implementation of the system Signatures provided by Project Sponsors on documents	\$40,000
	Project Management Plan				Business Analyst						
	Enterprise Architecture Solution Assessment				Project Manager						
	Project Schedule				Developer						
	Project Control Reporting										
	Data Migration Plan										
	Application Code										
	Test Plan										

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
	Test Cases Test Type Approach Training Plan Training Installation Plan System Cut-over										
Milestone III MDEQ & MDOT MiCaRS 2.0	Project Charter Project Management Plan Enterprise Architecture Solution Assessment Project Schedule Project Control Reporting Data Migration Plan Application Code Test Plan Test Cases Test Type Approach Training Plan	04/04/2016			System Architect Business Analyst Project Manager Developer	Work with MDOT Service Center team to migrate from Navison to MiCaRS 2.0	720	\$105	\$75,600	Delivery of all system features Successful completion of UAT Successful implementation of the system Signatures provided by Project Sponsors on documents	\$75,600

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
	Training Installation Plan System Cut-over										
Milestone IV MiCaRS (3.0) for SIGMA Design (MDHHS, MDOT, MSP)	Enterprise Architecture Solution Assessment Project Schedule Project Control Reporting Functional Design Document System Design Document	02/15/2016			System Architect Business Analyst Project Manager Developer	Work to review and approve the technical environment, produce design documents and report project status	1220	\$105	\$128,100	Signatures provided by Project Sponsors	\$128,100
Milestone V RPS for SIGMA Design (MDOS)	Enterprise Architecture Solution Assessment Project Schedule Project Control Reporting Functional Design Document System Design Document	02/15/2016			System Architect Business Analyst Project Manager Developer	Work to review and approve the technical environment, produce design documents and report project status	480	\$105	\$50,400	Signatures provided by Project Sponsors	\$50,400
Milestone VI MiCaRS (3.0) for SIGMA Testing (MDHHS, MDOT, MSP)	Application Code Requirements Traceability Matrix	8/30/2016			Business Analyst Project Manager Developer	Work to make the necessary application changes and test the	2440	\$105	\$256,200	Delivery of all system features, entry of final UAT Signatures provided by	\$256,200

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
	Test Plan Test Cases Test Type Approach and Report Data Migration Plan Training Plan					changes				Project Sponsors on documents	
Milestone VII RPS for SIGMA Testing (MDOS)	Application Code Requirements Traceability Matrix Test Plan Test Cases Test Type Approach and Report Data Migration Plan Training Plan	8/30/2016			Business Analyst Project Manager Developer	Work to make the necessary application changes and test the changes	960	\$105	\$100,800	Delivery of all system features, entry of final UAT Signatures provided by Project Sponsors on documents	\$100,800
Milestone VIII MiCaRS (3.0) for SIGMA Implementation (MDHHS, MDOT, MSP)	Maintenance Plan Software Configuration Management Plan Installation Plan Training System Cut-over	9/30/2016			Business Analyst Project Manager Developer	Work to implement the system in a State of Michigan environment	1220	\$105	\$128,100	Successful implementation of the system Signatures provided by Project Sponsors on documents	\$128,100

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
Milestone IX RPS for SIGMA Implementation (MDOS)	Maintenance Plan Software Configuration Management Plan Installation Plan Training System Cut-over	9/30/2016			Business Analyst Project Manager Developer	Work to implement the system in a State of Michigan environment	480	\$105	\$50,400	Successful implementation of the system Signatures provided by Project Sponsors on documents	\$50,400
Milestone X Final Acceptance	Project Closeout Document Completion of 90 day Warranty Period	01/01/2017			Business Analyst Project Manager Developer	Closeout project and support the application after cut-over	Holdbac k		\$182,720	Completion of Warranty Period without Blocker, Critical or Major (without Workaround) defects	\$182,720
Monthly Bill MDHHS	Flat bill May 2015 to October 2016 (\$8,400 per month)				Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	1440	\$105	\$151,200		\$151,200
Monthly Bill MDOS	Flat bill May 2015 to October 2016 (\$10,266.66 per month)				Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	1760	\$105	\$184,800		\$184,800
Monthly Bill MDOT	Flat bill May 2015 to October 2016 (\$13,537.78 per month)				Business Analyst Project Manager Developer	Work completed by contract resources through the life of the project	2320	\$105	\$243,680		\$243,680
Monthly Bill	Flat bill May 2015				Business Analyst	Work	1440	\$105	\$151,200		\$151,200

Tasks & Deliverables	Requirements	Anticipated Completion Date	State Staff	State Staff Hours	Contractor Staff	Role	Hours	Rate	Total	Acceptance / Signoff	Total Payment
MSP	to October 2016 (\$8,400 per month)				Project Manager Developer	completed by contract resources through the life of the project					
Totals					6				\$1,827,200	State PM & Program Manager	\$1,827,200

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

**NOTICE
 OF
 CONTRACT NO. 071B4300022
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Kunz, Leigh & Associates 28081 Southfield Road Lathrup Village, MI 48076	John Leigh	j.leigh@kunzleigh.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 202-4625	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	David Borzenski	517-241-4652	borzenskid@michigan.gov
BUYER:	DTMB	Whitnie Zuker	517-335-5306	zuckerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Enterprise Support Services for MIRS, RPS/ARS, and MiCARS			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	January 1, 2014	December 31, 2019	See Section 2.002
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$3,152,233.37	

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

CONTRACT NO. 071B4300022
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Kunz, Leigh & Associates 28081 Southfield Road Lathrup Village, MI 48076	John Leigh	j.leigh@kunzleigh.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 202-4625	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	David Borzenski	517-241-4652	borzenskid@michigan.gov
BUYER:	DTMB	Whitnie Zuker	517-335-5306	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Enterprise Support Services for MIRS, RPS/ARS, and MiCARS			
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5 years	January 1, 2014	December 31, 2019	See Section 2.002
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<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$3,152,233.37

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #0071141114B0000577. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

Notice of Contract #: 071B4300022

FOR THE CONTRACTOR:	FOR THE STATE:
Kunz, Leigh & Associates	Signature
Firm Name	Jeff Brownlee, Chief Procurement Officer
Authorized Agent Signature	Name/Title
Authorized Agent (Print or Type)	DTMB Procurement
Date	Enter Name of Agency
	Date



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Article 1 – Statement of Work (SOW)

Bid41.000 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (SOM) Department of Technology, Management and Budget (DTMB) has issued this Contract to provide maintenance support and enhancement services for the State's Michigan Administrative Information Network Information DataBase Inquiry and Reporting System (MIRS) and Remittance Processing System (RPS)/Accounts Receivable System (ARS)/ Michigan Cashiering and Receivable System (MiCARS), as well as the interfaces between these systems and the State's Michigan Administrative Information Network (MAIN) application. These services will assist State agencies in fulfilling their fiduciary responsibilities and financial control requirements and in enabling process improvement.

1.002 BACKGROUND

The receipts processing, accounts receivable and budgeting operations of currently ten (10) different agencies rely on the continued, uninterrupted use of MAIN MIRS and RPS/ARS/MiCARS and/or the interfaces between these systems and the State's MAIN application. The applications and interfaces are necessary for these agencies to fulfill their fiduciary responsibilities and financial control requirements. All of these systems work directly with, in parallel with, or ahead of the State's accounting system, the MAIN, and its data warehouse, the MIDB.

MIRS supports budget monitoring and forecasting using accounting actuals in the Department of Agriculture and Rural Development, Treasury, Civil Service and Technology, Management and Budget.

ARS/RPS/MiCARS supports accounts receivable and revenue receipting operations in the Departments of State, State Police, Natural Resources, Community Health and Transportation.

Interface applications which use and pass on information between the MAIN, other agency-specific applications and ARS/PRs/MiCARS have been built for the Departments of State, State Police, Community Health and Licensing and Regulatory Affairs. See section 1.103 Environment for further details.

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

This Contract will secure the technical services to support MIRS and RPS/ARS/MiCARS and/or the interfaces between these systems and the MAIN application for multiple State agencies to fulfill their fiduciary responsibilities and financial control requirements.

Ongoing technical services and support are required for:

- Maintenance/Interface Support:
 - Technical Support
 - Help Desk
 - Knowledge Transfer/Training
 - Documentation
- Reserve Bank of Hours:
 - Future Enhancement Services

This initiative may be expanded to include other State Agencies whom would like to utilize the MIRS and RPS/ARS/MiCARS as well the interfaces between these systems, MAIN, and/or forthcoming supporting systems to fulfill their fiduciary responsibilities and financial control requirements and enable process improvement.

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



1.102 OUT OF SCOPE

The following activities are out of scope

- Support of the State's MAIN application and MAIN Hosting
- Hardware and COTS software
- Network and infrastructure management
- Firewall management

1.103 ENVIRONMENT

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this Contract must comply with all applicable State IT policies and standards. Contractor is required to review all applicable links provided below and state compliance in their response.

Enterprise IT Policies, Standards and Procedures:

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

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

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

Enterprise IT Security Policy and Procedures:

http://www.michigan.gov/documents/dmb/1310_183772_7.pdf
http://www.michigan.gov/documents/dmb/1310.02_183775_7.pdf
http://www.michigan.gov/documents/dmb/1325_193160_7.pdf
http://www.michigan.gov/documents/dmb/1335_193161_7.pdf
http://www.michigan.gov/documents/dmb/1340_193162_7.pdf
http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf

IT Strategic Plan:

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

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf

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>

Current Specific Technical Environment

- **Hardware**
 - Dell desktops and laptops (administered by DTMB Office Automation; serviced by DTMB Client Service Center and Field Services)



- Dell servers (administered and serviced by DTMB Customer Services Support and Technical Services)
- **Operating Systems**
 - Desktop: Microsoft Windows XP and Microsoft Windows 7
 - Server: Microsoft Windows 2003, MS Windows 2008
- **Software**
 - Microsoft Office 2010
 - Microsoft Exchange 2010
 - Microsoft Internet Explorer 8
 - Adobe Acrobat
 - Symantec
- **Database**
 - Microsoft SQLServer 2005, 2008
 - Oracle 10g, 11g
- **Firewall**
 - Cisco
- **Locations**
 - Agency Central Administrative Offices: Lansing, Dimondale, Michigan
 - End Users: Michigan
 - Hosting Centers: Lake Superior Hosting Center, Dimondale; Traverse Bay Hosting Center, Lansing
- **Development tools**
 - Microsoft .Net 3.x
 - Java
 - ASP.NET 4.0
- **Browser**
 - Microsoft Internet Explorer 8
- **Reporting tools**
 - Microsoft Access 2010
 - Crystal Reports
 - SQL Server Reporting Services
 - Business Objects
- **Interfaces**
 - **Department of State**
 - STAR: Stored procedures and schedule tasks that process referrals to the Department of Treasury for collection. ARS flags delinquent invoices for referral and tracks payments received from Treasury collections. This module has a reconciliation system.
 - UCC: a visual basic application with associated stored procedures that interface ARS to MDOS's Uniform Commercial Code system to invoice for fees associated with the UCC filings. Invoices are created in ARS.
 - Record Lookup: a Visual Basic.net system with associated stored procedures and schedule tasks that enables MDOS to retrieve and bill for Driver and Vehicle Records maintained on its central system. The system produces the record for mailing invoices to the customer via ARS. Revenue is posted to Record Lookup invoice records via the RPS.
 - Credit Card: part of ARS/RPS web services and stored procedures interfacing directly to the State's Centralize Electronic Payment Authorization System (CEPAS) hosted by First Data Government Solutions (FDGS) to record and validate a credit card payment at MDOS' cashier window.
 - IRP: part of ARS/RPS web services and stored procedures interfacing MDOS' IRP system to record IRP filing, create invoices in ARP and to record revenue in PRS. The system creates "non sufficient funds" invoices when credit card payments are denied and/or checks are returned.
 - **Michigan State Police**
 - Crash: A set of procedures and schedule tasks which interacts with the Department of Transportation to identify crash reports requested by the county law enforcement agencies,



- billing for the requests and posting payments back to the Crash system. The application also maintains the customer (agencies) for billing on an Oracle database
- LEIN: A set of procedures which interact with the MSP's LEIN database to identify and bill for MSP provided items and services to criminal justice agencies. The application also maintains the customer (agency) for billing as well as billing cycles and fee structure for the various items and services.
 - SmartScan: A Visual Basic program that interacts with MSP's SmartsScan to identify inventory information and to create transactions for MAIN
 - CCW/Alias: part of the ARS/RPS stored procedures and schedule tasks which interacts with the MSP's CCW and Alias databases to create scheduled billing and invoices to law enforcement agencies base on legislative mandates. The application also maintains the customer (agencies) for billing
 - MiTrain/e-Payment: part of the ARS/RPS stored procedures and schedule tasks which interacts with MSP external vendor's Training system. The application provides rosters, schedules facilities and provides financial analysis of the conference. The system also interacts with ARS/RPS and CEPAS to allow the customer to pay either by credit card or to generate an invoice for future Payment. The e-Payment component is an interface that interacts with ARS/RPS and CEPAS that allows a customer to pay for invoices via credit card or EFT
 - CPLR: A set of procedures which interacts with the MSP's CPLR and Alias databases to create scheduled billing and invoices to law enforcement agencies base on legislative mandates. The application also maintains the customer (agencies) for billing
- **Community Health**
 - PPRS: This is a set of .Net web services and stored procedures which communicates payment information from MiCARS to TPL's Health recovery system (TED) and receives associated journal voucher and refund request information from TED and transmits the information to MAIN
 - PCRS: a set of web services and stored procedures which communicates payment information from MiCARS to TPL's Court Originated Liability operations and receives associated journal voucher and refund request information from TED and transmits the information to MAIN
 - QAA: Imbedded in DCH's MiCARS system, this allows MDCH to maintain QAA customers (Nursing homes) and to establish billing cycles, and rates for creating invoices on a scheduled basis
 - CEPAS: A set of procedures and programs that interfaces with the Department of Treasury's CEPAS system for a log file containing credit card and EFT payments received for the day. The system reconciles transactions and posts the transactions to MiCARS for transmission to MAIN
 - CHAMPS: a set of web services and stored procedures which communicates payment information from MiCARS to CHAMPS and receives associated journal voucher and refund request information from CHAMPS and transmits the information to MAIN
 - DMS: A set of procedures which allows MiCARS to store and retrieve documents from MDCH's document management system (Filenet)
 - EMS: an Visual Basic Access-Oracle database application developed jointly by the EMS section and Kunz, Leigh and Associates to license and inspect facilities and EMS vehicles in the State of Michigan. The system is used to generate renewal applications for all of the currently licensed facilities and vehicles, print State licenses, produce delinquent letters 30 and 60 days past due and provide queries and reports of facility, vehicle and inspection information. This system is also used to track Inspection results and notify the facility of Critical Non Compliant and Non Compliant conditions. By using code values for inspection violations, the EMS department is able to track trends and pro-actively work with the facility to correct the conditions. The EMS system interacts directly with the MiCARS tables to create invoices.
 - ASAP: A set of web services and stored procedures which communicates payment information from MiCARS to ASAP(an external vendor developed application), and receives associated journal voucher and refund request information from ASAP and transmits the information to MAIN
 - **Licensing and Regulatory Affairs**



- Radiation Safety Facility Engineering – Projects/Facilities: tracks registration and inspection information for radiation facilities and machines registered in the State of Michigan. The system supports automated invoice generation for registration and inspection fees.
 - Facility/Machine Inspections: Radiation Safety performs scheduled inspections of facilities and machines. The inspector notifies the facility immediately if there is a non-compliant issue. This will provide a history for the facility. A facility that is found to be non-compliant cannot receive a new license until they are brought into compliance. A follow-up inspection may occur after 60 days of the initial inspection.
 - File Maintenance: These screens are used to create and maintain facility, machine, RAM, physicist, and lookup table information.
 - Renewals and Certificates: The Radiation Safety system generates renewal applications for its facilities annually. At the beginning of each month the Radiation Safety system generates renewal applications for facilities that expire at the end of the month. When the renewal applications are generated, the system will calculate the expected amount due for the facility and all of its active machines. The system will generate a renewal form and the expected amount due. The amount due will be stored in an invoice table with the corresponding detail records. When payment has been received, the Radiation Safety system will generate the official State of Michigan certificate, which lists the facility information as well as all of the active machines and the expiration date of the certificate. Whenever machines are added or removed from the facility a new copy of the certificate should be generated. If payment is not received the Radiation Safety system generates a expiration notice, stating that that facility license is removed.
 - Inspection Planning Reports: This module displays inspection history, so that inspections can be scheduled as necessary.
 - Reports: There are two options in the report module: Inspection and Radiation Machine. This module provides various reports pertaining to both inspection and machine activities and facility information.
 - Queries: This module searches the Radiation Safety System based on criteria provided by the user.
 - Account Receivable: This module allows the user to generate and print invoices. The module also provides making for corrections and adjustments to invoices. Payment corrections transfer monies from invoice to invoice, revenue to invoice, invoice to revenue.
 - Incident: This module provides a means of recording accidents or unusual activity that has occurred in a facility.

Online Module The system was enhance to provide web-based processes to allow a customer to file for new registrations, update current machine information and to pay for their registration via credit card and or EFT interfacing with CEPAS.
 - Interface with C3: The system was modified to interface with LARA's C3 system with the recent agency reorganizations.

Core modules are Visual Basic-Oracle database, Online modules are Java-Oracle database
- Facility Engineering Projects: Allows for on-line license/registration application entry and maintenance of basic organizational and/or registration data supporting both HFES and RSS, via the internet. Allows organizations to track the status of the license application process and respond to any requests for additional information that may be required via the internet, for both HFES and RSS. Provides interfaces to CEPAS for acceptance of EFT and/or credit card-based payments. Allows licenses/registrations to be issued electronically, in a paperless fashion, as appropriate, for both HFES and RSS. Provides basic linkages within the MiTAPS system to the internet portals supporting the new HF&S System and to RSDS. (Applicants/registrants will not have direct access to the RSDS system, but will have access to new online application entry and renewal functions.). Interface to the Certificate of Need (CON) system for data verification and consolidated facility.



- **Facilities Management System:** A web based application used to synchronize facility data with the Federal Government's Aspen Central Office (ACO) System. It was written to replace the Care*Net Facility Module. State users make updates to facility data to override information received from ACO as well as to track the history and types of the number of beds present in the system. The FMS system consists of a Java based web front end and an Oracle based web back end. The system pulls down ACO created facilities on a nightly basis and synchronizes information. This facility data is used by the Certificate of Need and HFES Applications on a read-only basis.

Other systems/applications requiring integration

- MI Administrative Information Network (MAIN) and MAIN Inquiry and Reporting Database
 - RPS/ARS/MiCaRS and MIRS are subsidiary ledgers to MAIN. Detail transactions are summarized and transmitted to MAIN. As such, much of MAIN's processing logic is embedded within the code of the RPS/ARS/MiCaRS system to ensure that transactions are processed correctly in MAIN and result in the correct GL accounts.
- Michigan Information Database (MIDB)
 - MIRS is based on the MIDB which reflects the universe of detail transactions within the MAIN system.
 - RPS/ARS/MiCaRS relies on information from MIDB to keep lookup tables and coding up to date. This information is imported periodically (varies from agency to agency) into the system.
- Future agency applications

The Contractor will support the State's periodic upgrades to the State's standard software portfolio in accordance with Contractor's support timelines, e.g. Microsoft Office 2010, Windows 7, SQLServer 2008, Oracle 11g

The Contractor will support the State's periodic upgrades to legacy application systems, e.g. MAIN application, MI DataBase which impacts the application's supporting software and unique interface programs.

1.104 Work And Deliverable

The Contractor will provide maintenance support for agencies that rely on the continued, uninterrupted use of MAIN MIRS and RPS/ARS/MiCaRS and/or the interfaces between these systems and the State's MAIN application including enhancements done to existing applications and support all new applications, interfaces, and/or functionality developed for MIRS and RPS/ARS/MiCaRS. The Contractor will maintain the secure collection, transmission, maintenance, and reporting of sensitive information using DTMB approved technologies and software.

Maintenance/Interface Support:

Annual Maintenance/Interface Support includes, Technical, Help Desk, Knowledge Transfer/Training and Documentation services as a flat-fixed annual rate; see Appendix A - Cost Tables. The following tasks and deliverables are contemplated by the State at this time, but are not a complete list that may be requested of the Contractor. The number of projects will vary throughout the Contract period as system changes occur, as will the required tasks and deliverables for each program. The Contractor will do all things necessary for, or incidental to, complete and successful delivery of services as they relate to MIRS, RPS/ARS/MiCaRS applications, and supporting software and/or interfaces.

1. Technical Support

Break Fix and Upgrades

- Maintenance support is available 7:00 a.m. to 5:00 p.m. Eastern Time on all State business days with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management. Calls for service will be returned within 1 hour.
 - Initial contact will be by telephone or e-mail.
- Contractor will provide a web-based issue management tool for State staff to request technical support 24 x 7 x 365. Requests after normal business hours, Contractor will contact the submitter within the first hour of the following business day.



- Proposed resolutions will be provided within the following timeframes:
 - 2 hours for issues logged as “Blocker”—system is unavailable
 - 4 hours for issues logged as “Critical”—a user cannot complete the day’s work
 - 8 hours for issues logged as “Major”—a loss of functionality; however, there is a workaround
- If the State and Contractor deems necessary, Contractor will perform on-site maintenance services.
- Provide break fix and upgrade support throughout the lifecycle of all maintenance projects. Work with DTMB staff to resolve software application errors.
- Provide system concept of operations.
- Provide application support through any implementation’s SLC phases up to and including post-implementation metrics reporting.
- All maintenance is performed by qualified personnel familiar with the hardware
- Perform gap analysis.
- Track maintenance team’s progress, predict delays, and monitor and control maintenance systems initiatives.
- Plan, implement and support future releases.
 - All future software updates and system enhancements applicable to system modules licensed that are of the same code base.
- Implement software, software fixes and software changes according to the standard procedures of the State.
- Support is provided for superseded releases and back releases still in use by the State.
- For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any software provided with the deliverables, commencing upon installation of the deliverables or delivery of the Software:
 - **Error Correction.** If an error occurs in production, a fix will be made to correct the error after it has been identified. The State will be notified of any error corrections made.
 - **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
 - **Updates.** All new releases and bug fixes (collectively referred to as “Changes”) for any software deliverable developed or published by Contractor and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.
- Ensure that all services and support are delivered in a manner that meets federal, state and court ordered requirements, including software version and security patches.
 - Upgrades and new versions to the system that affect end-user functionality will be at no additional cost to the State.
 - The State will be provided with information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software.
- Work with the State to adhere to all change control standards and procedures, including Request For Change (RFC) submitted to the Local Change Advisory Board (LCAB) and, if necessary, the Enterprise Change Advisory Board (ECAB) if multiple agencies are/could be impacted during the implementation.
 - Submissions will occur before every release to production, or if a production break fix is needed.
 - All problems will be fixed in the development environment, tested in the QA environment (not in the production environment) and released as part of the next production release using the standard RFC processes run by the agency’s LCAB and the ECAB if multiple agencies share the production environment. . All releases to production will be handled by DTMB and the Contractor will follow all State of Michigan policies, standards, and procedures.
 - When an outage or bug is identified, the Contractor will follow the process listed below:



- i. Develop – After the problem is identified, a ticket will be entered in the Contractor’s defect tracking system. Once a ticket is entered, the lead developer on the project will fix the problem.
- ii. Test - After development has occurred, the fix will be moved to the QA environment and tested by State staff for verification.
- iii. Release – Once the problem has been fixed and tested, it is deployed in the next scheduled release. If required by the agency, an RFC will be filled out and submitted to the appropriate advisory board.

2. Help Desk Support

The Help Desk is designed to support production systems and defects resulting from, and identified during, production operations.

Level 1 Support

- Help desk support is available 7:00 a.m. to 5:00 p.m. Eastern Time on all State business days with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management. Help desk staff will respond to the requestor within one (1) hour of receiving the request.
 - Initial contact will be by telephone or e-mail.
 - Help desk staff will log any and all calls.
 - An on-site visit will be accomplished within 4 hours of the call – if needed.
- Contractor will provide a web-based issue management tool for State staff to request technical support 24 x 7 x 365. Requests after normal business hours, Contractor will contact the submitter within the first hour of the following business day.
- All problem calls will be entered into the Contractor’s helpdesk system.
- Reports will be made available to the agency using the applications and to DTMB at least quarterly, and on an as needed basis.
- The following will be supported by the Help Desk:
 - Errors in the application. (Errors are identified as program logic that does not operate per the design logic of the MIRS,RPS/ARS/MiCARS and Interface Design Reports.)
 - Questions related to the use of the applications.
 - Data Fixes - Help in correcting production data where data problems resulted from application errors identified earlier or from production outages that the application did not handle correctly.
 - Migration to new releases of desktop operating Systems.
 - Integration of Minor Changes to MAIN - “Minor” changes are characterized by requests under 200 hours. An example would be interface file edits.
 - Migration to new servers.
 - Migration to new frameworks.
- Defects are triaged based on their impact on the State’s operations and classified as follows:
 - Tier 1 Defects – Have an immediate impact on production operations which negatively impact the validity of data, or the ability to complete critical operations.
 - Tier 2 Defects – Have a time sensitive impact on production operations which requires an emergency fix before the normal release schedule.
 - Tier 3 Defects – Need to be corrected but can be grouped as part of the normal release schedule for the production application.
- All production applications will have a published release schedule for correcting system defects. The frequency of the schedule may vary depending on the stability of the system and the interaction with any development activities. Target service levels are:
 - Low volume defect applications – Quarterly Releases
 - High volume defect application – Bi-monthly Releases
 - Applications with development efforts – Releases will be integrated with development releases where possible.



Problem calls and subsequent work which result from the Department not migrating a release to production in a timely manner will be designated as Level 2.

3. Knowledge Transfer/Training

Contractor will perform on and off site technical and system training to state staff on current and future platform issues, applications, supportive software and interfaces at no additional cost to the State. This includes, but not limited to:

- Provide transition support to DTMB staff for all Contractor supported implementations and solutions
 - Provide necessary training in order to transfer the support of the requested Contractor's application.
 - Provide a plan that will lay out a sequence of events where the Contractor provides training to DTMB staff and assists in implementing the solution within other area and in overseeing DTMB staff as they implement other areas.
- Provide both instructor-led classroom training sessions and one-on-one training opportunities for current and future agencies.
- Training needed due to upgrades and new versions to the system that affect end-user functionality (e.g. classroom or online training, training flier, release features, etc.)
 - Additional testing and/or training will be performed when DTMB is upgrading versions of software that affect any existing Contractor's applications covered under this contract.

4. Documentation

While the resources may work closely with DTMB and Agency staff, they are still required to provide documentation for all work that they do, which describes both what was done and why it was done in that fashion for current and future work at no additional cost to the State. The Contractor will create and maintain documentation that meets the State's SUITE Methodology for all project work that is planned and accomplished during the project life cycle. All manuals, plans, reports and other documentation provided become the property of the State.

1. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy will be provided by the Contractor of the following documentation which includes, but is not limited to:
 - User and Technical Manuals (procedures to monitor/maintain the system, Notification Plan, System Administration Guide, etc.)
 - Data Element Dictionary.
 - Operations Manual.
 - End User Guide.
 - Training Materials.
2. The following documentation will be provided by the Contractor for all modules and program development:
 - Requirements, business workflow diagrams, issues, use cases, user-interface mockups and problem resolution.
 - Business operations documentation.
 - Design architecture, technical specifications, system-wide documentation.
 - Baseline End-User training manuals to be used as a basis for "User Manuals" and online help.
 - Installation procedure.
 - Module configuration documents sufficient for configuration maintenance purposes.
 - Testing scripts.
 - Specification documentation.
 - Production migration.
 - Business operations documentation.
 - Business Work Flow document.



3. All updates of documentation during the term of the Contract, software licenses and maintenance agreements.
4. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
5. All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.
6. All system, operations, user, change and issue documentation is to be organized in a format, which is approved by the State and facilitates updating and allows for revisions to the documentation to be clearly identified including the three (3) previous versions.
7. The Contractor must develop and submit for State approval complete, accurate, and timely system, operations, and user documentation.
8. The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.
9. If DTMB decides to assume the support of a Contractor's application, the Contractor will provide the necessary documentation in order to transfer the support of the requested Contractor's application. The Contractor will also provide a documented plan of the transition activities.

Reserve Bank of Hours

Future enhancements may be required based on Federal and State requirements. See Appendix A- Cost Tables for the value of spending authority for future enhancement services initially added to the Contract.

The State reserves the right to add additional spending authority to the Contract. The State is not obligated to execute the contract for the full amount of spending authority for future enhancements. These services may be used by other State Agencies whom would like to utilize the MIRS and RPS/ARS/MiCARS as well the interfaces between these systems, MAIN, and/or forthcoming supporting systems to fulfill their fiduciary responsibilities and financial control requirements and enable process improvement.

Future enhancement services may only be initiated upon mutually agreed and executed individual Statement(s) of Work (SOW) between the Contractor and the State. Once agreed to, the Contractor must not be obliged or authorized to commence any work to implement a SOW until authorized via a purchase order issued against this contract.

Assigned tasks will vary according to the need that exists at any given time. Resources will work under the direction of DTMB Customer Services, in partnership with agencies and DTMB cross-matrix teams to understand technical and business demands. Coordination and involvement with the appropriate State staff will take place as required.

The following is an example of the activities that may fall within the reserve bank of hours.

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

- a. New State policy requirements,
- b. New Federal regulations, or
- c. New technology requested by the State

The Contractor must be able to respond with costs and timelines to all requests to modify the MIRS and RPS/ARS/MiCARS as well the interfaces between these systems, MAIN, and/or forthcoming supporting systems to meet future needed functionality.

- A. Requirement Gathering – Contractor may assist DTMB in documenting (gathering, verifying and/or validating) functional, technical and design requirements
- B. Application Adjustments & New Development - Contractor may provide the ability to suggest changes or new development work of the MIRS and RPS/ARS/MiCARS.



- C. Interoperability Development with Other Applications - Contractor may provide the ability to request integrations or interoperability with other products or services of the MIRS and RPS/ARS/MiCARS.
- D. System Interface Adjustments and New Interfaces – Contractor may provide the ability to request changes or customizations to the application user interface of the MIRS and RPS/ARS/MiCARS.
- E. Contractor may provide 24 X 7 X 365 technical and/or helpdesk support.

1.200 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

A. Contractor Staff

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Article 1 Statement of Work. Contractor must provide a list of all subcontractors, including firm name, address, contact person, and a complete description of the work to be contracted. Include descriptive information concerning subcontractor's organization and abilities.

The Contractor must replace all employees whose work was found to be unsatisfactory as determined by the DTMB project manager within five (5) business days of notification.

The Contractor will update when changed, an organizational chart/responsibility matrix as Attachment 2 indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm.

Single Point of Contact (SPOC)

John K. Leigh will be the SPOC for this contract. The duties of the SPOC shall include, but not be limited to:

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

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

Key Personnel

The State reserves the right to designate Key Personnel to be provided by the Contractor, as part of individual SOW's. The State reserves the right to interview all Key Personnel and to approve their assignment.

B. Work Requirements

1. Location of Work

- a. On-site work will be performed at a State Authorized facilities located in the downtown Lansing area, Michigan or nearby cities. There may be occasion to interact with agency staff in Detroit, MI.
- b. Remote work may be performed at the discretion of the State. NO work will be performed offshore.

2. Hours of Operation:

- a. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.
- b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
- c. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.



3. Travel:

- a. No travel or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.
- b. Travel time will not be reimbursed.
- c. The State is not responsible for providing the use of vehicles for the Contractor.
- d. The State is not responsible for providing housing accommodations to the Contractor.

4. Additional Security and Background Check Requirements:

Before any Contractor staff may have access to State facilities and systems, they must submit to an enhanced level of background checks. The following checks will be required of the successful Contractor for any staff assigned to this project, and results will be used to determine Contractor staff eligibility for working within State facilities and systems.

- The Contractor must present certifications evidencing satisfactory Michigan State Police Background checks, ICHAT (Internet Criminal History Access Tool) and drug tests for all staff identified for assignment to this project.
- In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project.

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

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The State may provide the following resources for the Contractor's on-site use, as determined for a specific engagement, through individual Statements of Work. These may include:

- Work space
- Minimal clerical support
- Desk
- Printer
- Access to copiers and fax machine
- Access to the State network
- Other equipment deemed necessary by DTMB to perform tasks identified in this contract.

The Contractor is responsible for the return of all State issued equipment in the same condition as when provided by the State, reasonable wear and tear expected, upon Contractor staff release from the project.

The State reserves the right to inspect and scan any equipment supplied by the Contractor that will be connected to the State's network.

Project Managers

The State will designate Project Managers for specific Agency engagements. These State resources will be empowered to:

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



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

Contract Compliance Inspector

MDTMB will provide a Contract Compliance Inspector who will be responsible for overseeing all services performed under the Contract and coordinating with the Agencies. The State's Contract Compliance Inspector will provide the following services:

- Escalate outstanding/high priority issues
- Resolve program issues
- Utilize change control procedures
- Conduct regular and ongoing review of the Contract to confirm that it meets original objectives and requirements
- Document and archive all important Contract decisions
- Facilitate communication with State project and operational staff
- Support the management of the Contract

Contract Compliance Inspector will be:

Name	Agency/Division	Title
David Borzenski	MDTMB	Business Relationship Manager

1.300 Project Plan

1.301 PROJECT PLAN MANAGEMENT

Project Plan

Specific project plan requirements may be defined within individual SOW's.

Contract Kick-Off Meeting

Upon 14 calendar days from execution of the Contract, the Contractor may be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the state and the Contractor. The state shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Performance Review Meetings

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



Program Control

1. The Contractor will carry out this program under the direction and control of DTMB. The DTMB project manager will review progress reports and will review and approve payments.
2. The Contractor will manage projects in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
 - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
 - i. Staffing tables with names of personnel assigned to Contract tasks.
 - ii. Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) calendar days, updated semi-monthly).
 - iii. Updates must include actual time spent on each task and a revised estimate to complete.
 - iv. Graphs showing critical events, dependencies and decision points during the course of the Contract.
 - b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.
3. The DTMB project manager shall have contact as needed with individual contract employees for the purpose of reviewing progress and providing necessary guidance in solving problems which arise. The objective of this step is to ensure that the DTMB project manager is promptly informed of issues and risks that confront the Contractor employees throughout the contract.
4. All project assignments and tasks will be undertaken only upon the prior written authorization of the DTMB project manager. The written authorization will include a definition of tasks, deliverables, estimated hours, fixed unit price per hour for each personnel classification, extended price for each personnel classification, maximum price for the authorization, and authorization expiration date. Hours authorized for each task may not be exceeded without a change order issued by the DTMB project manager. If the Contractor employees identify tasks that they anticipate may exceed the estimated amounts, they should notify the DTMB project manager so that any work stoppage may be avoided.

1.302 REPORTS

Specific reporting requirements will be defined within individual SOW's. Reporting formats must be submitted to the State's Project Manager for approval within 10 business days after the execution of the contract.. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract. At minimum the status reports shall include:

- Dates of the week covered (daily breakdown by project)
- Contractor name
- DTMB manager name
- Contract name
- P.O. number
- For each project on which the resource worked during the week:
 - Project name
 - Work authorization number
 - Number of hours worked on the project for each business day of the week
 - Total number of hours worked on the project during the week
- Total number of hours being billed for the week
- DTMB and/or project manager signature and date
- Contractor signature and date

The status report may include the following items for which the resource has worked:

- Project name
- Milestones/deliverables completed



- Tasks accomplished
- Next steps
- Potential issues/risks

1.400 Project Management

1.401 ISSUE MANAGEMENT

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

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the Contract Compliance Inspector and the applicable SOM Project Manager on an agreed upon schedule, with e-mail notifications and updates. The issue log must be updated and must contain the following minimum elements:

1. Description of issue.
2. Issue identification date.
3. Responsibility for resolving issue.
4. Priority for issue resolution (to be mutually agreed upon by the SOM and the Contractor).
5. Resources assigned responsibility for resolution.
6. Resolution date.
7. Resolution description.

Once the Contractor or the SOM has identified an issue, the Contractor shall follow these steps:

1. Immediately communicate the issue in writing to the SOM Project Manager.
2. The Contractor will log the issue into an issue tracking system.
3. Identify what needs to be done and resources needed to correct the issue.
4. Receive approval from the SOM Project Manager for appropriate action.
5. Keep SOM Project Manager and appropriate parties informed on status of issue based on frequency established by the SOM Project Manager.
6. At least monthly provide a listing of all issues with their current status, deadlines to correct and actual dates of completion that have occurred to the SOM Project Manager.

Issues shall be escalated for resolution from level 1 through level 2, as defined below:

- Level 1 – Project Manager
- Level 2 – Contract Compliance Inspector

1.402 RISK MANAGEMENT

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

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

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

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



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

The project risk log will be updated by the Contractor, contain the following minimum elements and be mutually agreed upon by the Contractor and State:

1. Description of risk
2. Risk identification date
3. Responsibility for mitigating risk
4. Priority for risk mitigation
5. Resources assigned responsibility for mitigation
6. Mitigation date
7. Mitigation description

1.403 CHANGE MANAGEMENT

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

The Contractor must employ change management procedures to handle such things as “out-of-scope” requests or changing business needs of the State while the project is underway. **Contractors who provide products or services prior to the issuance of a project change order (which may require a Contract Change Notice by the DTMB-Procurement) risk non-payment for the out-of-scope/pricing products and/or services.**

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

1.500 Acceptance

1.501 CRITERIA

In addition to Section 2.250 Approval of Deliverables, Acceptance Criteria will be defined within individual SOW's.

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

Method of Payment

Cost Table (Appendix B) Table 2

Annual payment shall be made on a firm, fixed cost basis for Maintenance/Interface Support (including Technical Support, Help Desk, Knowledge Transfer/Training and Documentation). Should an agency discontinue usage of an application or an interface, the State's payable amount for Maintenance/Interface Support shall be prorated at 1/30th of the monthly maintenance/interface charges for each calendar day.

Cost Table (Appendix B) Table 3

A Reserved Bank of Hours for services and specifying not-to-exceed hourly rates based on skill sets that can be utilized for future work projects. The State reserves the right to determine whether payment shall be made on a not to exceed firm fixed-hourly rate basis, or on completion and acceptance of specified deliverables for future enhancements. **Future enhancement services may only be initiated upon mutually agreed and executed individual Statement(s) of Work (SOW) between the Contractor and the State.** Once agreed to,



the Contractor must not be obliged or authorized to commence any work to implement a SOW until authorized via a purchase order issued against this contract. The State shall have the right to hold back an amount equal to percent 5% of all amounts invoiced by Contractor for specified deliverables for future enhancements.

Each Statements of Work (SOW) will include:

1. Background
2. Project Objective
3. Scope of Work
4. Deliverables
5. Acceptance Criteria
6. Project Control and Reports
7. Specific Department Standards
8. Cost/Rate
9. Payment Schedule
10. Project Contacts
11. Agency Responsibilities
12. Location of Where the Work is to be performed
13. Expected Contractor Work Hours and Conditions

The Contractor will not be paid for any costs attributable to corrections of any errors or omissions that have been determined by the DTMB Project Manager to be caused by the Contractor.

Payments will be paid no more than monthly.

Prices quoted will be firm for the entire length of the Contract. For any options to renew (see Section 2.002), prices may not be increased by more than the previous year's Consumer Price Index (CPI) or 3%, whichever is lower.

The selected Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract.

Travel

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

Notification of Price Reductions

If Contractor reduces its prices for any of the services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the DTMB Procurement Buyer with the reduced prices within fifteen (15) Business Days of the reduction taking effect.

Issuance of Purchase Orders (PO)

Contractor shall not be obliged or authorized to commence any work orders until authorized via a PO issued against this Contract. Contractor shall perform in accordance with this Contract, including the Statements of Work/Vendor Proposal/Purchase Orders executed under it.

Invoicing

Contractor will submit properly itemized invoices to

DTMB – Financial Services
Accounts Payable
P.O. Box 30026
Lansing, MI 48909

or

DTMB-Accounts-Payable@michigan.gov



Invoices must provide and itemize:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of service;
- State Project Manager name
- Date(s) of delivery;
- Rate;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

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

1.602 HOLDBACK

The State shall have the right to hold back an amount equal to percent 5% of all amounts invoiced by Contractor for specified deliverables for future enhancements. The amounts held back shall be released to Contractor after the State has granted Final Acceptance.



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 CONTRACT TERM

This Contract is for a period of five (5) years beginning January 1st 2014 through December 31, 2019. 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

The parties may agree in writing to extend this Contract prior to the expiration of the Base Term, or any Renewal Term, by twelve (12) month increments (each a "Renewal Term"). The parties may not execute more than three (3) Renewal Periods at any given time. Successful completion of negotiations surrounding the terms of the extension, will be a pre-requisite for the exercise of any Renewal Term.

2.003 LEGAL EFFECT

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

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

2.004 ATTACHMENTS & EXHIBITS

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

2.005 ORDERING

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

2.006 ORDER OF PRECEDENCE

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

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



2.007 HEADINGS

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

2.008 FORM, FUNCTION & UTILITY

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

2.009 REFORMATION AND SEVERABILITY

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

2.010 Consents and Approvals

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

2.011 NO WAIVER OF DEFAULT

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

2.012 SURVIVAL

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

2.020 Contract Administration

2.021 ISSUING OFFICE

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

Whitnie Zuker, Buyer
Procurement
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
zukerw@michigan.gov

2.022 CONTRACT COMPLIANCE INSPECTOR

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



David Borzenski, Business Relation Manager
Department of Technology, Management and Budget
Hollister Bldg. 5th Floor
106 West Allegan
5th Floor
Lansing, MI 48933
[BorzenskiD@michigan.gov](mailto:borzenskiD@michigan.gov)
(517) 241-4652

2.023 PROJECT MANAGER – SEE SECTION 1.201

2.024 CHANGE REQUESTS

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

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

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

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

(1) Change Request at State Request

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

(2) Contractor Recommendation for Change Requests:

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

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



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

2.025 NOTICES

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

State:

State of Michigan
Procurement
Attention:
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:

Kunz, Leigh & Associates
28081 Southfield Road
Lathrup Village, MI 48076-2816

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

2.026 BINDING COMMITMENTS

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

2.027 RELATIONSHIP OF THE PARTIES

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



2.028 COVENANT OF GOOD FAITH

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

2.029 ASSIGNMENTS

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

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

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

2.030 General Provisions

2.031 ADMINISTRATIVE FEE AND REPORTING

The Contractor must remit an administrative fee of one percent 1% on all payments remitted to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales.

Itemized purchasing activity reports should be mailed to DTMB-Procurement and the administrative fee payments shall be made by check payable to the State of Michigan and mailed to:

The Department of Technology, Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.
P.O. Box 30681
Lansing, MI 48909

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each quarter.



2.032 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.

2.033 CONTRACT DISTRIBUTION

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

2.034 PERMITS

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

2.035 WEBSITE INCORPORATION

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

2.036 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

2.037 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").

2.038 DISASTER RECOVERY

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

2.040 Financial Provisions

2.041 FIXED PRICES FOR SERVICES/DELIVERABLES

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



2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES

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

2.043 SERVICES/DELIVERABLES COVERED

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

2.044 INVOICING AND PAYMENT – IN GENERAL

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

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

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

2.045 PRO-RATION

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

2.046 ANTITRUST ASSIGNMENT

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

2.047 FINAL PAYMENT

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor shall it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance



to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 ELECTRONIC PAYMENT REQUIREMENT

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

2.050 Taxes

2.051 EMPLOYMENT TAXES

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

2.052 SALES AND USE TAXES

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

2.060 Contract Management

2.061 CONTRACTOR PERSONNEL QUALIFICATIONS

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

2.062 CONTRACTOR KEY PERSONNEL

- (a) The Contractor must provide the State with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the in the contract or any Statement of Work issued under it for the full duration specified.
- (c) The State shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State shall provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not



include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

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

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

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

2.064 CONTRACTOR PERSONNEL LOCATION

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

2.065 CONTRACTOR IDENTIFICATION

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

2.066 COOPERATION WITH THIRD PARTIES

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

2.067 CONTRACT MANAGEMENT RESPONSIBILITIES

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services. Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as



specified in this Contract. Contractor's duties shall include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

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

2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES

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

2.070 Subcontracting by Contractor

2.071 CONTRACTOR FULL RESPONSIBILITY

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

2.072 STATE CONSENT TO DELEGATION

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

2.073 SUBCONTRACTOR BOUND TO CONTRACT

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



2.074 FLOW DOWN

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

2.075 COMPETITIVE SELECTION

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

2.080 State Responsibilities

2.081 EQUIPMENT

The State shall provide only the equipment and resources identified in the Contract or any Statement of Work issued under it and other Contract Exhibits.

2.082 FACILITIES

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

2.090 Security

2.091 BACKGROUND CHECKS

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

2.100 Confidentiality

2.101 CONFIDENTIALITY

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



2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION

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

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

2.103 PCI DATA SECURITY STANDARD

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

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

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

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

2.104 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.

2.105 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.

2.106 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 72 hours of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.107 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, at reasonable times and with 10 days prior notice, have the right to enter the Contractor's premises or any other places where work is being performed in relation to this Contract. The representatives may inspect, monitor, or evaluate the work being performed, to the extent the access will not reasonably interfere with or jeopardize the safety or operation of Contractor's systems or facilities. The Contractor must provide reasonable assistance for the State's representatives during inspections.

2.112 RETENTION OF RECORDS

(a) The Contractor must retain all financial and accounting records related to this Contract for a period of 7 years after the Contractor performs any work under this Contract (Audit Period).

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records 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.

2.113 EXAMINATION OF RECORDS

(a) The State, upon 10 days notice to the Contractor, may examine and copy any of the Contractor's records that relate to this Contract any time during the Audit Period. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any SubContractor that performs services in connection with this Contract

(b) In addition to the rights conferred upon the State in paragraph (a) of this section and in accordance with MCL 18.1470, DTMB or its designee may audit the Contractor to verify compliance with the Contract. The financial and accounting records associated with the Contract shall be made available to DTMB or its designee and the auditor general, upon request, during the term of the Contract and any extension of the Contract and for 3 years after the later of the expiration date or final payment under the Contract.



2.114 AUDIT RESOLUTION

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

2.115 ERRORS

(a) If an audit reveals any financial errors in the records provided to the State, the amount in error must be reflected as a credit or debit on the next invoice and subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried forward for more than four invoices or beyond the termination of the Contract. If a balance remains after four invoices, the remaining amount will be due as a payment or refund within 45 days of the last invoice on which the balance appeared or upon termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, if the difference between the State's actual payment and the correct invoice amount, as determined by an audit, is greater than 10%, the Contractor must pay all reasonable audit costs.

2.120 Warranties

2.121 WARRANTIES AND REPRESENTATIONS

The Contractor represents and warrants:

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



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

2.122 RESERVED

2.123 RESERVED

2.124 RESERVED

2.125 RESERVED

2.126 RESERVED

2.127 RESERVED

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

2.13.1 LIABILITY INSURANCE

For the purpose of this Section, "State" includes its departments, divisions, agencies, offices, commissions, officers, employees, and agents.

(a) The Contractor must provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that may arise out of, or result from, or are alleged to arise out of, or result from, the Contractor's or a SubContractor's performance, including any person directly or indirectly employed by the Contractor or a SubContractor, or any person for whose acts the Contractor or a SubContractor may be liable.

(b) The Contractor waives all rights against the State for the recovery of damages that are covered by the insurance policies the Contractor is required to maintain under this Section. The Contractor's failure to obtain and maintain the required insurance will not limit this waiver.



- (c) All insurance coverage provided relative to this Contract is primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State.
- (d) The State, in its sole discretion, may approve the use of a fully-funded self-insurance program in place of any specified insurance identified in this Section.
- (e) Unless the State approves otherwise, any insurer must have an A.M. Best rating of "A" or better and a financial size of VII or better, or if those ratings are not available, a comparable rating from an insurance rating agency approved by the State. All policies of insurance must be issued by companies that have been approved to do business in the State.
- (f) Where specific coverage limits are listed in this Section, they represent the minimum acceptable limits. If the Contractor's policy contains higher limits, the State is entitled to coverage to the extent of the higher limits.
- (g) The Contractor must maintain all required insurance coverage throughout the term of this Contract and any extensions. However, in the case of claims-made Commercial General Liability policies, the Contractor must secure tail coverage for at least three (3) years following the termination of this Contract.
- (h) The Contractor must provide, within five (5) business days, written notice to the Director of DTMB-Procurement if any policy required under this section is cancelled. The notice must include the applicable Contract or Purchase Order number.
- (i) The minimum limits of coverage specified are not intended, and may not be construed, to limit any liability or indemnity of the Contractor to any indemnified party or other persons.
- (j) The Contractor is responsible for the payment of all deductibles.
- (k) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days' 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 require the Contractor to pay that cost upon demand.
- (l) 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 Michigan Attorney General.
- (m) The Contractor is required to pay for and provide the type and amount of insurance checked below:

(i) Commercial General Liability

Minimal Limits:

- \$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; and
- \$1,000,000 Each Occurrence Limit.

Deductible maximum:

\$50,000 Each Occurrence

Additional Requirements:

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 the insurance policy contains a waiver of subrogation by the insurance company.

(iii) Motor Vehicle

Minimal Limits:

If a motor vehicle is used in relation to the Contractor's performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.

(v) Workers' Compensation



Minimal Limits:

The Contractor must provide Workers' Compensation coverage according to applicable laws governing work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile.

For employees working outside of the state of the Contractor's domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Additional Requirements:

The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

(vi) Employers Liability

Minimal Limits:

- \$100,000 Each Incident;
- \$100,000 Each Employee by Disease
- \$500,000 Aggregate Disease

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

(ix) Cyber Liability

Minimal Limits:

- \$1,000,000 Each Occurrence
- \$1,000,000 Annual Aggregate

Additional Requirements:

Insurance should cover (a) unauthorized acquisition, access, use, physical taking, identity theft, mysterious disappearance, release, distribution or disclosures of personal and corporate information; (b) Transmitting or receiving malicious code via the insured's computer system; (c) Denial of service attacks or the inability to access websites or computer systems.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

2.13.2 SUBCONTRACTOR INSURANCE COVERAGE

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any SubContractor to purchase and maintain the insurance coverage required in Section 2.13.1, Liability Insurance. Alternatively, the Contractor may include a SubContractor under the Contractor's insurance on the coverage required in that Section. The failure of a SubContractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

2.13.3 CERTIFICATES OF INSURANCE

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 of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents are listed as additional insureds as required. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying



insurance coverage or providing, if approved, satisfactory evidence of self-insurance as required in Section 2.13.1, Liability Insurance. Each certificate must be on the standard "Accord" form or equivalent and MUST IDENTIFY THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER.

2.140 Indemnification

2.141 GENERAL INDEMNIFICATION

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

2.142 CODE INDEMNIFICATION

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

2.143 EMPLOYEE INDEMNIFICATION

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

2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION

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

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

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



State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS

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

2.146 INDEMNIFICATION PROCEDURES

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

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

2.150 Termination/Cancellation

2.151 NOTICE AND RIGHT TO CURE

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



imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 TERMINATION FOR CAUSE

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

2.153 TERMINATION FOR CONVENIENCE

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

2.154 TERMINATION FOR NON-APPROPRIATION

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



The charges payable under this Contract shall be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section shall not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 TERMINATION FOR CRIMINAL CONVICTION

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

2.156 TERMINATION FOR APPROVALS RESCINDED

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

2.157 RIGHTS AND OBLIGATIONS UPON TERMINATION

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

2.158 RESERVATION OF RIGHTS

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



2.160 Termination by Contractor

2.161 TERMINATION BY CONTRACTOR

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

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

2.170 Transition Responsibilities

2.171 CONTRACTOR TRANSITION RESPONSIBILITIES

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

2.172 CONTRACTOR PERSONNEL TRANSITION

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

2.173 CONTRACTOR INFORMATION TRANSITION

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

2.174 CONTRACTOR SOFTWARE TRANSITION

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



2.175 TRANSITION PAYMENTS

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

2.176 STATE TRANSITION RESPONSIBILITIES

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

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

2.180 Stop Work

2.181 STOP WORK ORDERS

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

2.182 CANCELLATION OR EXPIRATION OF STOP WORK ORDER

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

2.183 ALLOWANCE OF CONTRACTOR COSTS

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

2.190 Dispute Resolution

2.191 IN GENERAL

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work issued under it 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 the Contractor's SPOC or the Contractor's SPOC designee certifying that (a) the claim is made in good faith, (b) the amount



claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 INFORMAL DISPUTE RESOLUTION

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

- (1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall be honored in order that each of the parties may be fully advised of the other's position.
 - (3) The specific format for the discussions shall be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (4) Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.
- (b) This Section shall not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.
- (c) The State shall not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 INJUNCTIVE RELIEF

A claim between the State and the Contractor is not subject to the provisions of Section 2.192, Informal Dispute Resolution, where a party makes a good faith determination that a breach of the Contract by the other party will result in damages so immediate, so large or severe, and so incapable of adequate redress that a temporary restraining order or other injunctive relief is the only adequate remedy.

2.194 CONTINUED PERFORMANCE

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

2.200 Federal and State Contract Requirements

2.201 NONDISCRIMINATION

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



et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 UNFAIR LABOR PRACTICES

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

2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

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

2.204 RESERVED

2.210 Governing Law

2.211 GOVERNING LAW

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

2.212 COMPLIANCE WITH LAWS

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

2.213 JURISDICTION

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

2.220 Limitation of Liability

2.221 LIMITATION OF LIABILITY

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

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

2.230 Disclosure Responsibilities



2.231 DISCLOSURE OF LITIGATION

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

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

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

2.232 CALL CENTER DISCLOSURE

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

2.233 BANKRUPTCY

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

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



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

2.240 Performance

2.241 TIME OF PERFORMANCE

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

2.242 SERVICE LEVEL AGREEMENT (SLA)

- (a) SLAs will be completed with the following operational considerations:
 - (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
 - (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
 - (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
 - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
 - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Compliance Inspector. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.



2.243 LIQUIDATED DAMAGES

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

Unauthorized Removal of any Key Personnel

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

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

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

2.244 EXCUSABLE FAILURE

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

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

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b)



the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

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

2.250 Approval of Deliverables

2.251 DELIVERY OF DELIVERABLES

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

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

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

2.252 CONTRACTOR SYSTEM TESTING

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

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

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

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing



environment. The State shall participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor shall provide the State for State review and written approval Contractor's test plan for Business Function Testing.

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

2.253 APPROVAL OF DELIVERABLES, IN GENERAL

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

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

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

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

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

The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable



Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

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

2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES

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

2.255 PROCESS FOR APPROVAL OF CUSTOM SOFTWARE DELIVERABLES

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

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

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

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Custom Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Custom Software Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will



coordinate the re-delivery of corrected versions of Custom Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

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

2.256 FINAL ACCEPTANCE

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

2.260 Ownership

2.261 OWNERSHIP OF WORK PRODUCT BY STATE

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

2.262 VESTING OF RIGHTS

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

2.263 RIGHTS IN DATA

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

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



2.264 OWNERSHIP OF MATERIALS

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

2.270 State Standards

2.271 EXISTING TECHNOLOGY STANDARDS

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dmb/0,4568,7-150-56355-108233--,00.html>;

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://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html. 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.

2.274 ELECTRONIC RECEIPT PROCESSING STANDARD

All electronic commerce applications that allow for electronic receipt of credit/debit card and electronic check (ACH) transactions must be processed via the Centralized Electronic Payment Authorization System (CEPAS).

2.280 Extended Purchasing Program

2.281 RESERVED

2.290 Environmental Provision

2.291 RESERVED

2.300 Deliverables

2.301 RESERVED

2.302 RESERVED

2.310 Software Warranties

2.311 PERFORMANCE WARRANTY

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



2.312 NO SURREPTITIOUS CODE WARRANTY

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

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

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

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

2.313 CALENDAR WARRANTY

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

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

2.314 THIRD-PARTY SOFTWARE WARRANTY

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

2.315 RESERVED

2.320 Software Licensing

2.321 RESERVED.

**2.322 RESERVED****2.323 RESERVED****2.324 RESERVED****2.325 PRE-EXISTING MATERIALS FOR CUSTOM SOFTWARE DELIVERABLES**

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

2.330 Source Code Escrow**2.331 DEFINITION**

“Source Code Escrow Package” shall mean:

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

2.332 DELIVERY OF SOURCE CODE INTO ESCROW

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

2.333 DELIVERY OF NEW SOURCE CODE INTO ESCROW

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

2.334 VERIFICATION

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

2.335 ESCROW FEES

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

2.336 RELEASE EVENTS

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

- (a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or



assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;

- (b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
- (c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

2.337 RELEASE EVENT PROCEDURES

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

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

2.338 LICENSE

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

2.339 DERIVATIVE WORKS

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



Glossary

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



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



Attachment 1 -Support Level Agreement

The following is in combination with or in addition to Section 1.104 Work and Deliverable.

The Contractor has formalized help desk and maintenance and support processes to best meet the needs of the State. Inherent within these processes are:

- A manned help desk accessible by phone or email, with a one-hour response to all customer inquiries;
- Atlassian JIRA for filing and tracking problems and trouble tickets;
- A formal process for working with the customer to triage and prioritize trouble calls; and
- A formal release schedule for each customer’s application to deliver enhancements and bug fixes.

The service level agreement to the Contractor’s support process is documented below:

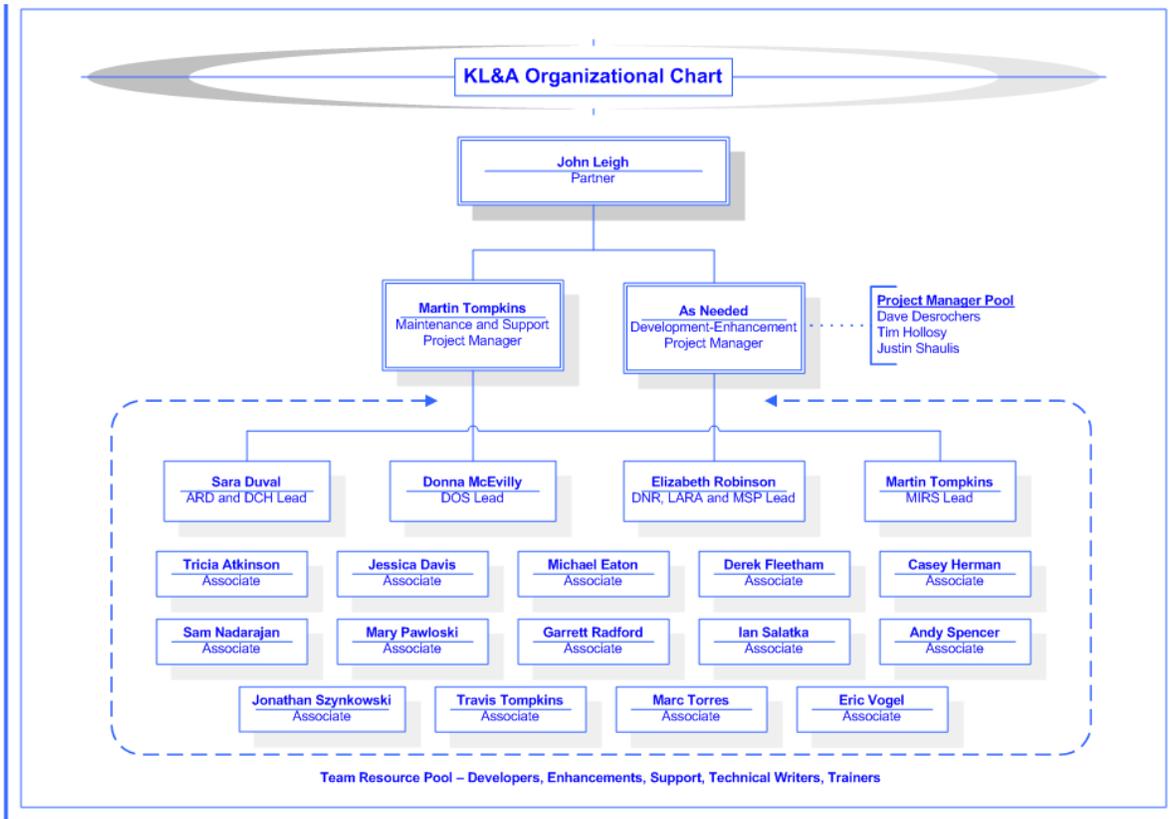
Support Level Agreement

Support Component	Service Level Metrics	Other Considerations
Help desk support Defect filing	<ul style="list-style-type: none"> • Help desk is staffed during normal business hours 7:00 AM to 5:00 PM, Monday through Friday • JIRA application is available 24 hours, 7 days a week for the client, or the Help Desk Coordinator, to file production defects. • A time critical production problem (defined by the user either in the help desk call or on the JIRA ticket) will result in a response from a KL&A support person within 1 hour of notification. 	A user filed defect in JIRA, will result in an e-mail response back to the user acknowledging the filing and an e-mail to the lead support person for that application.
Problem triage and prioritization	<p>Time critical problems will result in a KL&A support person being on-site within four hours of the initial contact.</p> <p>A KL&A support person will contact the client within 48 hours of non-critical production notification. Problems will be discussed in terms of complexity, production impact, and resource needs. Problems will be assigned to:</p> <ul style="list-style-type: none"> • Break fixes for high impact problems. • A scheduled release previously agreed by the agency 	Many of our support staff have VPN’s to the State network. As such, the defect remediation may be handled remotely without an on-site visit.
Release Planning	<ul style="list-style-type: none"> • Each agency will have a release schedule for their application. The release schedule will be mutually defined by KL&A and the agency at the start of each fiscal year. • Releases can include bug fixes and new enhancements. • A release plan, defining the scope of the release, will be documented before starting the release. • Formal user acceptance testing and acceptance (UAT) of the release elements will be performed before migration to production. 	Releases are planned for every 3 to 6 months.
Problem resolution and testing	<ul style="list-style-type: none"> • All code fixes will migrate through the development and QA environments before migration to production. • Users will review and or perform UAT before migration. • DTMB procedures and processes will be performed for each release. <p>KL&</p>	



Attachment 2 - Organizational Chart/Responsibility Matrix

Contractor's Organizational Chart





Contractor's Responsibility Matrix



Resource Key:
 D = Development
 E = Enhancement
 M = Manager
 S = Support
 T = Training
 W = Document

	Dave Desrochers	Sara Duval	Tim Hollosy	Donna McEvilly	Garrret Radford	Elizabeth Robinson	Andy Spencer	Jonathan Szykowski	Martha Tompkins	Travis Tompkins	Marc Torres
Department of State											
RPS				D,E,S,T,W	E,S,T,W	E,S,T,W				M	
MIDB Download				D,S,W						M	
STAR				S	S,T,W		D,S			D,E,M,S,T	
UCC					S,W						
Record Lookup				D,S,W	E,S,T,W	E	D,E,W			D,M,S,T	
Credit Card				D,S,W						M	
IRP				S	S	D,W				M	
Billing				D,S,W							
Department of Treasury											
MIRS										D,E,S,T,W	S,T,W
Dept Tech, Mngmt & Budget											
MIRS			E,S,T,W							D,E,S,T,W	
Michigan State Police											
ARS					D,T,W	E,S,T,W				M	
MIDB Download					D,W	S				M	
CRASH						S,W					
LEIN						E,S,W					
SmartScan						S,W					
CCW/ALIAS						D,E,S,W					
Voluntary Benefit Program						E,S,W					
Invoice Payment Module	M					D,E,S,W					
PPC	M					D,E,S,W					
CPLR						D,E,S,W					
Sex Offender						E,S,W					
Community Health											
MiCarS		D,S,T,W				D,T,W	D,S,T,W			M	D,T,W S
MIDB Download		E,W					S			M	
TED (PPRS/PCRS)		S	D,E,M,S,W	D,E,S,T,W			S				S
QAA		S,W					E,S,W				S
CEPAS		E,S,W	D,S				D,E,S,W				E,S,W
CHAMPS		D,E,S,W	D,E,S				D,E,S,W				S
DMS		D,E,S,W									S,W
EMS					D,S,W		D,S				
ASAP		D,E,S,W									S,W
Vital Records		E,S,W								M	S,W
TMA		E,S,W								M	S,W
Licensing & Regulatory Affairs											
RSDS			E,S,M,W	D,S,T,W		E,S,T,W	D,S				
Facility Engineering Projects			E,S,M,T,W				D,S				
Facility Maintenance System						D,T,W	D,T,W	E,S,W			
Natural Resources											
RPS					D,E,S,T,W		S,W,T			M	
MIDB Download					D,W		S,W			M	
Agriculture & Rural Devlpmt											
RPS		E,S,T,W					S				
MIDB Download		D,W					S,W			M	
MIRS		E,S,T,W								D,E,S,T,W	
CEPAS		D,E,S,W					S,W				
Civil Service											
MIRS										D,E,S,T,W	S,T,W



Appendix A - COST TABLES

Table 1: Summary of Contract Costs

No.	Project Costs	Cost (\$)
A.	Maintenance Support and Future Enhancement Services Breakdown provided in Table 2 and 3	\$3,152,233.37
	TOTAL COST	\$3,152,233.37

Table 2: Maintenance/Interface Support

	(1/1/14-9/30/14)	(10/1/14-9/30/15)	(10/1/15-9/30/16)	(10/1/16-9/30/17)	(10/1/17-9/30/18)	(10/1/18-9/30/19)	Total Years
Maintenance/Interface Support (includes Technical Support; Help Desk; Knowledge Transfer/Training; Documentation)	\$307,125	\$409,500	\$409,500	\$409,500	\$409,500	\$409,500	\$2,354,625
Grand Total Maintenance Support	\$307,125	\$409,500	\$409,500	\$409,500	\$409,500	\$409,500	\$2,354,625*

Note: Should an agency discontinue usage of an application or an interface, the State's payable amount for Maintenance/Interface Support shall be prorated at 1/30th of the monthly maintenance/interface charges for each calendar day.

Table 2b: Summary Costs for Each Agency for Annual Maintenance/Interface Support Costs

Application	State	State Police	MDNR	MDCH	MDO T	MDARD	Treasury	Civil Service	DTMB	LARA	Total Annual Fees	Initial 9 Months Support
RPS	\$25,000	\$12,000	\$12,000	\$20,000	\$12,000						\$81,000	\$60,750
MIRS				\$15,000		\$20,000	\$15,000	\$20,000	\$20,000		\$90,000	\$67,500
Interfaces	\$40,000	\$44,000	\$5,000	\$74,500						\$75,000	\$238,500	\$178,875
Total	\$65,000	\$56,000	\$12,000	\$109,500	\$12,000	\$20,000	\$15,000	\$20,000	\$20,000	\$75,000	\$409,500	\$307,125



Table 2c: Specific Interface Cost Details

Agency	Interface	Total Annual Fees	1 st Initial Nine Month Support (1/1/14-9/30/14)
Secretary of State	Star - \$5,000 UCC - \$5,000 Record Lookup - \$20,000 Credit Card - \$5,000 IRP - \$5,000	\$40,000	\$30,000
State Police	Crash - \$10,000 LEIN - \$10,000 Smartscan - \$2,000 Sex Offender -\$5,000 CCW/Alias - \$5,000 CPLR - \$2,000 MiTrain/e-Payment - \$10,000	\$44,000	\$33,000
MDNR	EJV	\$5,000	\$3,750
MDCH	PPRS – \$15,000 PCRS - \$15,000 QAA - \$5,000 CEPAS - \$12,000 CHAMPS – \$7,500 DMS - \$5,000 EMS - \$5,000 ASAP - \$10,000	\$74,500	\$55,875
LARA	Radiation Safety - \$15,000 Facility Engineering – Projects - \$32,000 Facilities - \$28,000	\$75,000	\$56,250
Total		\$233,500	\$178,875

***The price quotes for the Maintenance and Support elements are for the existing agencies and named interfaces. Any changes in the composition of these elements may result in a change.**

Table 3: Future Enhancements

Resource Type	Not-to-Exceed Hourly Rate (\$)
Project management	\$125
Business analysts	\$100
System analysts	\$100
Programmer/developers	\$90
System Architects	\$115
Others: (List) below):	
Technical Writers	\$65
Junior Developers	\$70



The initial value of spending authority for future enhancement services to the Contract is \$797,608.37.

The State reserves the right to determine whether payment shall be made on a not to exceed firm fixed-hourly rate basis, or on completion and acceptance of specified deliverables for future enhancements. **Future enhancement services may only be initiated upon mutually agreed and executed individual Statement(s) of Work (SOW) between the Contractor and the State.** Once agreed to, the Contractor must not be obliged or authorized to commence any work to implement a SOW until authorized via a purchase order issued against this contract. The State shall have the right to hold back an amount equal to percent 5% of all amounts invoiced by Contractor for specified deliverables for future enhancements.

NOTES:

1. Not-to-Exceed Hourly Rates quoted are inclusive of Contractor staff and management overhead, travel and all other expenses.
2. DTMB is not obligated to execute the contract for the full amount of spending authority for future enhancements in the Contract.
3. The State reserves the right to add additional spending authority to the Contract. The State reserves the right to add additional Position Types, other than the Position Types listed above.
4. Costs shall to be billed monthly at actual hours utilizing the quoted firm fixed hourly rates or on completion and acceptance of specified deliverables.
5. Prices quoted will be firm for the entire length of the Contract. For any options to renew (see Section 2.002), prices may not be increased by more than the previous year's Consumer Price Index (CPI) or 3%, whichever is lower.